



EDBS/KH/C/17/2018  
6<sup>th</sup> March 2018

**Chief Executive Officers**  
All Locally Incorporated Banks  
Manama  
Kingdom of Bahrain

Dear Sir,

**Compliance with the CBB rules applicable to Controllers**

Further to the earlier circular, EDBS/KH/C/16/2018 regarding obligations in complying with the CBB Rulebook in respect of controllers, the CBB requires that all locally incorporated banks shall undertake the exercises described below:

- At the first instance, conduct a test to determine what if any beneficial shareholding interest exists in the hands of associates of controllers already approved by the CBB. "Associates", for this purpose, must be identified bearing in mind a careful interpretation of the definitions of the term under GR-5.2.2 and GR-5.2.3 of Rulebook Volume 1/Rulebook Volume 2 as applicable. The shareholding interests of the approved controllers must be aggregated with shareholding interests of the associates so identified; and
- Separately, the CBB also requires that a second exercise be undertaken which examines existing shareholders to see if some or any one of them attains a controller status by virtue of their associates holding additional shareholding interests in the bank.

The results of the above exercises must be communicated to the CBB by no later than 31<sup>st</sup> March 2018.

Yours faithfully,

**Khalid Hamad**

cc: Bahrain Association of Banks