



EDBS/KH/C/93/2019

29th December 2019

Chief Executive Officers

All Locally Incorporated Banks

Manama

Kingdom of Bahrain

Dear Sir,

New requirements in the High Level Controls Module (Module HC) Volumes 1 and 2

As part of the CBB's objective in enhancing its regulatory framework, the CBB is issuing the following new requirements under Module HC for Volumes 1 and 2:

HC-1.4.11

Where an **independent director** has served three consecutive terms on the board, such director will lose his/her independence status and must not be classified as an **independent director** if reappointed.

HC- 1.4.12

Where a Chief Executive Officer of a Bank, who is also a Board member, no longer occupies the CEO position, whether due to resignation, retirement or termination, his/her Board Membership must also be immediately terminated.

The new requirements are effective immediately and shall be available on the CBB website under Rulebook Volumes 1 and 2 (Ad-hoc Communications) in due course, and will be part of the upcoming CBB Rulebook update.

Yours faithfully,


Khalid Hamad

cc: Bahrain Association of Banks
External Audit Firms