



EDBS/KH/C/53/2016
14th December, 2016

The Chief Executive Officer
All banks
Manama
Kingdom of Bahrain

Dear Sir,

Qualifications and Core Competencies for Controlled functions

The CBB Rulebook Training and Competency Module (TC) mandates that all bank licensees must satisfy the CBB that individuals nominated for a controlled function position are suitable and competent to carry out that function. Further, the Module stipulates that the banks should ensure that the nominated individuals hold suitable qualifications and can evidence appropriate experience applicable to the nature of the business.

However, a review of applications for controlled functions from some banks has revealed that such banks are not carrying out sufficient due diligence on the individuals nominated for controlled functions before submitting the application to the CBB. As a result, many of the applications failed to meet the CBB's qualifications and experience criteria.

This not only reflects poorly on compliance culture of such banks, it also puts a strain on the CBB's supervisory resources. Therefore, the CBB expect all banks to implement effective controls to ensure, before submitting approved persons' applications to the CBB, that prospective candidates for controlled functions **meet in full**, the criteria outlined in TC Module. Any insufficient applications would be declined automatically.

Yours faithfully,


Khalid Hamad