

EDFIS/C/009/2012
2nd May 2012

All CIU Operators
All Banks
All Investment Firm Licensees
All Fund Administrators/Registrars
All Trust Services Providers
All Auditing Firms
All Law Firms
Manama
Kingdom of Bahrain

Dear Sir,

Launch of Volume 7 Rulebook – Collective Investment Undertakings (CIU)

Following the consultation that took place at the end of 2011, the CBB is now issuing Volume 7 Rulebook (Collective Investment Undertakings). The contents of this Volume were previously part of Module CIU of Volume 6 (Capital Markets); Module CIU for Volume 6 will no longer apply. All Bahrain domiciled CIUs authorised/registered by the CBB and all overseas domiciled CIUs authorised/registered by the CBB prior to April 2012, are required to meet the provisions of Volume 7 by 31st December 2012. The rules for newly established CIUs are effective immediately.

The PDF version of Part A of Volume 7 Rulebook, which contains all the directives for CIUs, and its supporting Glossary and other supplementary information that are incorporated in Part B, can now be accessed on the CBB's website. The HTML versions are gradually coming online.

This letter contains important information on how Volume 7 Rulebook is to be accessed and used by those dealing with CIUs. Please disseminate this information within your organisation and take the actions required set out below.

Accessing Volume 7

The Rulebook is available on the CBB website¹. The website version of the Rulebook acts as the definitive text, in case of any discrepancies.

¹ Volume 7 can be accessed from www.cbb.gov.bh : from the Home page, select 'CBB Rulebooks' and then 'Volume 7'.

Using the Rulebook

A User's Guide which can be found at the start of Volume 7 Rulebook (Collective Investment Undertakings) provides detailed guidance on how to use the Rulebook. Please find below a few more comments that may assist you in using Volume 7:

1. Volume 7 (Collective Investment Undertakings) is made up of Parts A and Part B. Part A includes the following Modules:

MODULE CODE	MODULE TITLE
UG	User's Guide
ES	Executive Summary
ARR	Authorisation / Registration Requirements
RP	Relevant Persons
CG	Corporate Governance
LDR	Liquidation / De-registration Requirements
BDR	Bahrain Domiciled Retail CIUs
BDE	Bahrain Domiciled Expert CIUs
BDX	Bahrain Domiciled Exempt CIUs
BRT	Bahrain Domiciled Real Estate Investment Trusts (B-REITs)
ODC	Overseas Domiciled CIUs
SCC	Sharia Compliant CIUs
PIU	Private Investment Undertakings
CRR	CBB Reporting
EN	Enforcement

2. Part B is made up of the following:

GLOSSARY

FORM NAME

Form 1	CIU Application Form
Form 2	Application for Board Member of CIU

FORM NAME

CIU(QS)	Quarterly Prudential Return
ALF	Annual License Fee

ARR	Authorisation/Registration Requirements
ARR- (i)	Documents Constituting the CIU
ARR-(ii)	Prospectus
ARR- (iii)	Simplified Prospectus
ARR- (iv)	Admissible Assets and Limits

CRR	CBB Reporting
CRR- (i)	Contents of Financial Reports

All applicable supervisory rules and guidance related to CIUs are now incorporated in Volume 7 and should be used as reference. Module CIU in Volume 6 is now cancelled and superseded by Volume 7 Rulebook.

3. When required, **the Rulebook will be updated quarterly by way of the CBB website.** Amendments or additions will be posted on the website after each end-calendar quarter (i.e. in early January, April, July and October).

Detailed guidance is contained in the attachment to this letter on how the Rulebook is updated on a periodical basis.

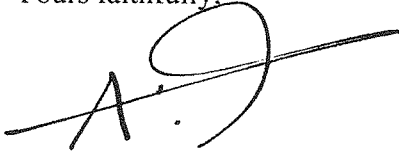
The CBB hopes that Volume 7 Rulebook will further enhance the transparency and accessibility of its supervisory process for CIUs established or registered in the Kingdom of Bahrain. Any general comments or feedback is welcomed; these should be sent by e-mail to Rulebook@cbb.gov.bh.

المدير التنفيذي لرقابة المؤسسات المالية

Executive Director of Financial Institutions Supervision

Should you have any queries, please do not hesitate to contact either myself, or the Director of the Financial Institutions Supervision Directorate, Mr. Mohammed Ayman Al Tajer on Tel: +973 17 547 968.

Yours faithfully,



Abdul Rahman Al Baker

Enclosure

CBB RULEBOOK MAINTENANCE

This detailed guidance is an attachment to letter EDFIS/C/009/2012 of 2nd May 2012, regarding the publication of Volume 7 of the CBB Rulebook.

Rulebook structure

1. Each Volume of the Rulebook is divided into two Parts, a Part A and a Part B. Part A contains the directives and regulations, comprising Modules arranged in groups according to their subject matter. Part B contains supporting material, namely a Glossary of Definitions, CBB authorisation and reporting forms and other Supplementary Information.
2. Each Module in a Volume is referenced using a two or three-letter code that is usually a contraction or abbreviation of its title (e.g. “EN”, for “Enforcement”). These codes are used for cross-referencing within the text.
3. Each Module consists of Chapters, categorised into two types:
 1. A standard introductory chapter (referenced with a letter: e.g. EN-A); and
 2. Chapters containing the directives and regulations themselves (referenced with a number: e.g. EN-1, EN-2, etc.)
4. Chapters are further sub-divided into Sections (numbered consecutively after the Chapter number: e.g. EN-1.1, EN-1.2 etc). In turn, Sections are sub-divided into Paragraphs (numbered consecutively after the Chapter and Section numbers: e.g. EN-1.1.1, EN-1.1.2 etc.). Where appropriate, headings may also be used within a Section: sub-section headings are italicised and unnumbered.
5. Page numbering starts afresh for each Section. Thus, when directives and regulations are updated, only the relevant Section needs to be reissued.

Version control

6. The contents page for each Module, and each page in a Module, is given its own issue date. The contents page thus acts as a summary checklist of the current issue date in force for each Section.

Quarterly Updates

7. The CBB Rulebook is updated, when required on a quarterly cycle. New versions of each Module are created in the month following each end-calendar quarter: i.e., in January, April, July and October. They are dated accordingly (e.g. “January 2011”).
8. Except where there are changes or additions to actual directives or regulations, only the contents page of each Module is changed, and new end-quarter date. From the contents page, users can then check whether they have the latest Version for each Section of the Module.
9. For example, the contents page for a Module is dated April 2012. A user therefore knows that this is the latest contents page until the start of July 2012. From this contents page, he can see the end-quarter date for each section in this module.

Queries

10. General enquiries regarding the administration of the Rulebook should be addressed to the Rulebook Section, in the CBB’s Licensing & Policy Directorate. They should be contacted by e-mail, on Rulebook@cbb.gov.bh. Enquiries regarding interpretation of policy should be addressed to the Director of the Financial Institutions Supervision Directorate.