





EDFIS/C/028/2011 26th October 2011

The Compliance Officer

All Investment Firm Licensees Manama Kingdom of Bahrain

Dear Sir.

CBB Rulebook: Volume 4 (Investment Business) October 2011 Update

The October 2011 quarterly update to Volume 4 has now been incorporated in the website version of the Rulebook.¹

This letter highlights changes introduced this quarter. Licensees are required to note any policy changes. In addition, recipients who wish to update their hard copy folders should access the Central Bank of Bahrain ('CBB') website and print off the relevant pages for insertion into their folder.

All changes are highlighted in colour in the PDF versions of the Modules included on the CBB's website. All changes to the text of the previous version of Volume 4, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

Part A Modules

Contents Pages and Module History

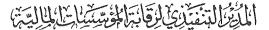
The contents page for each Module shows the date each section was last changed and provides a good reference tool to keep track of the latest updates along with the Module History.

Changes for October 2011

The changes for October 2011 are listed in the attached table and include amongst others the results of the consultation undertaken on the requirements for customer complaints handling procedures.

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¹ Volume 4 can be accessed from <u>www.cbb.gov.bh</u>: from the Home page, select 'CBB Rulebooks' and then 'Volume 4'.



Executive Director of Financial Institutions Supervision

Further Information

Should you have any queries regarding these updates, you may contact the CBB Rulebook team at (<u>rulebook@cbb.gov.bh</u>), or the Director of Financial Institutions Supervision Directorate on 17547968.

Yours faithfully,

Abdul Rahman Al Baker

Enclosure: Volume 4 Update Table.

CBB Rulebook (Volume Four) – October 2011 Update

PART A FOLDER			
Module Code	Module Title	Summary of Changes and Printing Instructions	
All Modules	N/A	Print off the Table of Contents page for each Module and the Module History Section when changes have been made.	
AU	Authorisation	AU-A.1.9: Guidance Paragraph amended as Volume 5_Representative Offices was issued in December 2010. AU-A.1.11: Legal basis updated to reflect all Articles of the CBB Law covered by this Module as well as applicable Resolutions. AU-5.5: Clarified language on cancellation of a license to be in line with other Volumes of the CBB Rulebook.	
AA	Auditors and Accounting Standards	AA-5: Chapter amended and content moved to Section BR-3.5 and retitled as Role of External Auditor as Appointed Expert.	
GR	General Requirements	GR-3.1.3: Clarified guidance Paragraph on CBB's non-objection for dividends to be in line with other Volumes of the CBB Rulebook. GR-5.3: Amended to be in line with other Volumes of the CBB rulebook and to reflect the issuance of Resolution No.(43) of 2011. GR-7: Clarified language on cessation of business to be in line with other Volumes of the CBB Rulebook.	
BC	Business Conduct	BC-B.1.3: Updated scope of application to reflect new Chapter BC-3. BC-2.9 and BC-3: Updated consumer complaints Section in line with results of consultation.	
FC	Financial Crime	FC-3.1.6: Corrected minor typo to be in line with other Volumes of the CBB Rulebook. FC-3.3: Amended Section to allow for CBB-approved consultancy firm to do required sample testing and report under Paragraph FC-3.3.1.	
BR	CBB Reporting	BR-1.4.9A: Added requirement for submission of complaint handling procedures report. BR-3.5: Transferred material from EN-2 and AA-5 dealing with appointed experts.	
EN	Enforcement	EN-2: Chapter has been streamlined and repetitive information has been eliminated and reference is now made to Section BR-3.5.	

Attachment: Page 1 of 2

CBB Rulebook (Volume Four) – October 2011 Update (continued)

PART B FOLDER				
Glossary of Defined Terms				
 Added definition of conflict of interest. Amended definition of appointed expert(s), family, qualified by exception and trilateral meeting. Clarified definition of independent director. 				
CBB Authorisation Forms				
Form 3	Application for Approved Person Status	Clarified certification process and made a few other amendments to be in line with other Volumes of the CBB Rulebook.		
CBB Reporting Forms				
ALF Annual License Fee		Added reference to SPVs and amended filing instructions on where to send completed Form ALF and related information.		
Supplementary Information				
BR-1	Appointed Experts Report	Replaced Appendix EN-1 with new Appendix BR-1.		

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