



EDBS/KH/182/2012
2nd August 2012

Chief Executive Office/General Manager
All Conventional Bank Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 1 – July 2012 Quarterly Update

The latest quarterly update to Volume 1 has now been incorporated in the website version of the Rulebook.¹ At present, only the PDF files have been fully updated. The HTML versions are gradually coming online.

Recipients should update their hard copy folders through accessing the CBB website and print off the relevant pages from the PDF files for insertion into their folder. This cover letter highlights the main changes introduced this quarter. The table attached to this letter lists which pages to print off.

Module Contents Pages

As usual, the Table of Contents pages for each Module contained in Part A of Volume 1 have been updated. They now show their current issue date at the bottom right hand corner of the page: i.e. July 2012. The revised Modules are effective from the date of this letter, except as otherwise specified in the Module itself.

Contents pages also show the current issue date for every section of a Module. Where a section has been modified as part of this update, then its issue date will also have been changed to July 2012. These contents pages therefore act as a summary checklist for Rulebook users.

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

Changes for July 2012

The changes for July 2012 are listed in the attached table.

Further information

Should you have any queries regarding these updates, you may contact the CBB Rulebook team at rulebook@cbb.gov.bh, or else please speak to your normal supervisory contact.

Yours faithfully,



Khalid Hamad

Enc.

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Part A

Module Code	Summary of Changes and Printing Instructions
UG	UG-A.1.2, UG-1.2.2, UG-1.2.8, UG-2.1.1, UG-2.1.3 and UG-2.2.2: Various minor corrections to reflect structure of Rulebook, including issuance of Volume 7. Print off ToC, Sections UG-A.1, UG-A.2, UG-1.2, UG-2.1 and UG-2.2.
LR	LR-A.1.2: Added reference to Regulation No 1 of 2007 pertaining to regulated services. LR-A.1.13 and LR-A.1.14: Amended Paragraphs to reflect updates for Volume 5. LR-B.1.3: Corrected cross-reference. LR-1.2.10: Reference to 'other banks' deleted. LR-1A.1.20: Changed guidance to Rule. LR-1A.2.4: Added cross-reference. LR-1A.3.3: Corrected cross-reference. LR-2.8.1 and LR-2.8.2: Attributed reference to CBB Law to correct Paragraph. LR-3.1.18: Corrected cross reference. LR-4.2.9B: Added guidance regarding annual fees of SPVs of Bahrain domiciled CIUs. Print off ToC, Sections LR-A.1, LR-B.1, LR-1.2, LR-1A.1, LR-A.2, LR-1A.3, LR-3.1 and LR-4.2.
PB	Print off ToC.
HC	HC-2.2.6A and HC-2.2.6B: Added Rule and guidance dealing with benefits received from approved persons from projects and investments. Appendices A, B and C: Clarified requirement for written report on performance evaluation for various Board committees. Print off ToC, Sections HC-A.2, HC-2.2 and Appendices A, B and C.
AU	Print off ToC.
GR	GR-5.3.8: Percentage amended to be consistent with Paragraph GR-5.3.5. Print off ToC, Sections GR-A.2 and GR-5.3.
CA	Print off ToC.

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Part A

Module Code	Summary of Changes and Printing Instructions
BC	<p>BC-1.2: Added Section on advertisements for retail banking products and services.</p> <p>BC-4.3: Corrected cross reference.</p> <p>BC-8.5.12A: Added guidance to clarify promotion material from banks.</p> <p>BC-9.1.3A: Added guidance on the appointment of the customer complaints officer.</p> <p>Print off ToC, Sections BC-A.3, BC-1.2, BC-4.3, BC-8.5 and BC-9.1.</p>
CM	<p>CM-A.2.8: Updated reference to Bahrain Association of Banks.</p> <p>CM-5.5.6: Clarified the definition of 'controlling interest'.</p> <p>CM-5.5.7A: CBB prior approval required for excess over limits to connected counterparties.</p> <p>CM-5.5.9: Minor correction.</p> <p>CM-5.10.3: Amendment made to be in line with updated definition of qualifying holdings.</p> <p>CM-8.5.4: Minor typo corrected.</p> <p>Print off ToC, Sections CM-A.2, CM-A.3, CM-5.5, CM-5.10 and CM-8.5.</p>
OM	Print off ToC.
FC	Print off ToC.
PCD	Print off ToC.
BR	<p>BR-3.1.7: Clarified the exemption status for requirements under Paragraph BR-3.1.6.</p> <p>BR-5.1.11: Added requirement to provide details what authorised signatories are authorised to sign for.</p> <p>Print off ToC, Sections BR-A.3, BR-3.1, BR-5.1, and BR-5.1.</p>
PD	<p>PD-A.1.5: Added reference to Article 62 of the CBB Law.</p> <p>PD-A.2.6: Clarified priority of Rule to follow where there is a conflict.</p> <p>PD-1.3.8: Clarified content of disclosure on corporate governance.</p> <p>PD-4.4: New Section added on press release concerning financial statements.</p> <p>Print off ToC, Sections PD-A.1, PD-A.2, PD-A.4, PD-1.3 and PD-4.4.</p>
EN	Print off ToC.
CP	Print off ToC.

Part B

Module Code	Summary of Changes	
Glossary	Added definition for Bahrain domiciled CIUs; Amended definition of controller to be in line with Module GR.	
CBB Reporting Forms		
Appendix BR-11	Connected Counterparty Exposures	Added additional elements to be in line with definition of connected counterparty as per Module CM
Supplementary Information		
Appendix BR-12	Guidelines for Completion of Exposures to Connected Counterparties	Corrected cross reference.

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