



EDBS/KH/068/2012
24th April 2012

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

Dear Sir,

CBB Rulebook: Volume 1 – April 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. April 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 April 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 April 2012

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

With respect to new Paragraph BR-5.2.4 dealing with term financing commitments, this Paragraph has been added to implement circular EDBS/KH/0023/2010 previously issued by the CBB and is not considered a new requirement as such.

Payment of Annual License Fees

All banks are reminded that they must comply with the requirements of Section LR-4.2. The due date for the 2012 annual license fees is 30th April 2012. When submitting their payment, licensees should complete the Form ALF, included under Volume 1 (Conventional Banks)/Part B/Reporting Forms available on the CBB Website which provides detailed instructions on how the payment of fees must be made.

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	Print off ToC.
LR	LR-1A.1.23: Last sentence of Paragraph deleted as cross reference no longer applies. Print off ToC, Sections LA-A.2 and LR-1A.1.
PB	Print off ToC.
HC	HC-A.1.8: Clarified the reporting of noncompliance with Module HC in the Annual Report. HC-7.2.5: Clarified Guidance on election of board members. Appendices A, B and C: Amended requirement for written report on performance evaluation for various Board committees. Appendix A: Included reference to compliance under Committee Duties and Responsibilities. Print off ToC, Sections HC-A.1, HC-A.2 and HC-7.2 and Appendices A, B and C.
AU	AU-2.2.1: Corrected cross reference. Print off ToC, Sections AU-A.2 and AU-2.2.
GR	Print off ToC.
CA	Added reference to Appendix CA-20 Supplementary Schedules to Calculate Capital Charges under the Standardised Approach to Table of Contents. CA-3.2.10 and CA-3.2.11A: Amendment made for claims on banks dealing with self-liquidating letters of credit. Print off ToC, Sections CA-A.5 and CA-3.2.
BC	BC-6.1.6: Cross reference added. BC-6.1.10 and BC-6.1.11: Rule clarified and split into one Rule and one Guidance Paragraph. BC-8.2.1: Corrected cross reference. Print off ToC, Sections BC-A.3, BC-6.1 and BC-8.2.
CM	CM-5.6.2: Clarified Rules on temporary exposures. Print off ToC, Sections CM-A.3 and CM-5.6.
OM	OM-3.2.2: Deleted last sentence of Paragraph as it repeats the requirement under Paragraph OM-3.3.1. OM-6.2.2: Clarified penetration testing interval for internet security. Print off ToC, Sections OM-A.3, OM-3.2 and OM-6.2.



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Part A

Module Code	Summary of Changes and Printing Instructions
FC	Print off ToC.
PCD	Print off ToC.
BR	<p>BR-A.2.9A: Corrected cross reference. BR-1.1.3 and BR-1.1.5: Minor amendments. BR-1.2.3(d) and BR-1.2.3A: Amended due date of head office’s annual report. BR-2.1.2: Clarified what interim semi-annual statements are to be submitted by retail branches of foreign banks. BR-A.2.11 and BR-5.2.4: Requirement for locally incorporated banks to consult with the CBB prior to entering into any term borrowing arrangements. BR-5.1.4: Paragraph deleted as any changes to approved persons must receive CBB prior approval as per Paragraph LR-1A.1.23. BR-5.3.3: Added cross reference to Section BC-6.1 on installation and removal of off-site ATM in Bahrain. Print off ToC, Sections BR-A.2, BR-A.3, BR-1.1, BR-1.2, BR-2.1, BR-5.1, BR-5.2 and BR-5.3.</p>
PD	<p>PD-1.1.1: Expanded the scope of this Chapter to also apply to retail branches of foreign banks. PD-1.2.3: Clarified financial statements that must be disclosed by locally incorporated banks. PD-1.2A: Added requirements for annual audited financial statements of retail branches of foreign banks. PD-1.3.8(x): Clarified nature of disclosure in relation to Module HC. PD-2.1.2: Clarified what interim semi-annual statements are to be disclosed by retail branches of foreign banks. PD-3.1.4: Clarified quarterly disclosure requirements. PD-3.1.6: Clarified deadline for disclosing additional semi-annual disclosures. PD-5.1.1: Paragraph deleted as it repeats contents of Paragraph PD-3.1.4. Print off ToC, Sections PD-A.4, PD-1.1, PD-1.2, PD-1.2A, PD-1.3, PD-2.1, PD-3.1 and PD-5.1.</p>
EN	Print off ToC.
CP	Print off ToC.



Part B

Module Code		Summary of Changes
Glossary		Corrected cross reference for the definition of director; Corrected typo in the definition of conflict of interest; Updated definition of qualifying holdings to be in line with Module CM.
CBB Reporting Forms		
Appendix BR 5	PIR	PIR amended to reflect Basel II amendments from January 2012 update.
Supplementary Information		
Appendix CA 20	Supplementary Schedules to Calculate Capital Charges under the Standardised Approach	
	Amended to reflect Basel II amendments and now included on CBB Website.	

