



EDBS/KH/C15//2015
15th April 2015

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

Dear Sir,

CBB Rulebook: Volume 1 – April 2015 Quarterly Update

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

Changes for April 2015

The changes for April 2015 are listed in the attached table.

Banks must ensure that all relevant staff are informed of the latest amendments and that where needed, appropriate action is taken to ensure full compliance. Banks which are not in full compliance must notify the CBB with immediate effect.

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.

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

CBB Rulebook: Volume 1 – April 2015 Quarterly Update

Part A

Module Code	Summary of Changes and Printing Instructions
UG	Print off ToC.
LR	LR-1.4.5: Corrected reference in Rule to ‘customers’. Print off ToC.
PB	Print off ToC.
HC	HC-5.5.2: Clarified cap on board of directors’ remuneration as per Article 188 of the Company Law. Print off ToC, Sections HC-A.2 and HC-5.5.
AU	AU-3.1.3: Existing exemptions in respect of PIR review will cease as at 31st December 2014 for all Bahraini conventional bank licensees. Print off ToC, Sections AU-A.2 and AU-3.1.
GR	Print off ToC.
CA	<p>CA-1.3.3: Existing exemptions in respect of PIR review will cease as at 31st December 2014 for all Bahraini conventional bank licensees.</p> <p>CA-2.1.2: Underlined the term ‘financial instruments’ so that it is linked to the glossary definition.</p> <p>CA-2.3.5: Corrected cross reference.</p> <p>CA-2.4.2: Clarified that intangible assets other than goodwill and mortgage servicing rights are subject to transitional arrangements and are phased out as regulatory adjustments as outlined in Subparagraph CA-B.2.1(d).</p> <p>CA-2.4.12: Clarified that shares of the bank held as collateral are considered as shares held indirectly and are subject to deduction under regulatory adjustments.</p> <p>CA-2.4.23 and CA-3.2.19A: Corrected reference to conventional bank licensee.</p> <p>CA-2.4.25: Clarified the rule on significant investments in commercial entities by adding cross reference to the definition.</p> <p>CA-2A.3.3: Paragraph deleted as not applicable on the implementation of the capital conservation buffer.</p> <p>Print off ToC, Sections CA-A.2, CA-1.3, CA-2.1, CA-2.3, CA-2.4, CA-2A.3 and CA-3.2.</p>
BC	Print off ToC.



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Part A

Module Code	Summary of Changes and Printing Instructions
CM	CM-5.5.1E: Deleted cross reference as not applicable. CM-5.6.2B and CM-5.10.10: Corrected reference to consolidated Total Capital to be in line with Module CA. CM-5.7.1: Added reference to Appendix BR-19 for reporting the financial details of each large exposure. CM-5.10.3: Clarified language on the treatment of significant investments over the thresholds outlined in Paragraph CA-2.4.25. Print off ToC, Sections CM-A.3, CM-5.5, CM-5.6, CM-5.7 and CM-5.10.
OM	Print off ToC.
FC	Print off ToC.
TC	Print off ToC.
BR	BR-2.2.4: Amended deadline for submission of report on private placements to within three months of the reporting period. BR-3.1.7A: Existing exemptions in respect of PIR review will cease as at 31st December 2014 for all Bahraini conventional bank licensees. Print off ToC, Sections BR-A.3, BR-2.2 and BR-3.1.
PD	PD-1.3.8B(o): Clarified that disclosure rule under this Subparagraph only applies for approved persons and material risk takers. Print off ToC, Sections PD-A.4.2 and PD-1.3.
EN	Print off ToC.
CP	Print off ToC.



Part B

Module Code	Summary of Changes	
Glossary		
Amended the definition of overseas conventional retail bank licensee(s) and subsidiary(ies). Deleted the definitions of head of function and qualifying holding(s).		
CBB Reporting Forms		
Appendix BR-5	Return -- PIR	Updated to be in line with Module CA
Appendix BR-5A	Capital Adequacy Form	New return.
Appendix BR-9	External Auditor's PIR Review Letter	Updated to reflect revised PIR.
Supplementary Information		
Appendix CA-20	Supplementary Schedule to Calculate Capital Charges under Standardised Approach for Market Risk	Updated to deal only with market risk.
Appendix CA-21	Investments in Commercial Entities	Modified example to deal with different types of investments.
Appendix BR-3	Guidelines for Completion of PIR Overseas Conventional Banks	Updated to be in line with updated PIR.
Appendix BR-4	Guidelines for Completion of PIR Bahraini Conventional Banks	Updated to be in line with updated PIR.

