



EDBS/KH/030/2012
19th February 2012

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

Dear Sir,

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

The changes for January 2012 are listed in the attached table. Changes to Module HC are applicable as of 31st December 2011.

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	Print off ToC.
PB	Print off ToC.
HC	<p>HC-B.2.2: Clarified language related to corporate governance.</p> <p>HC-1.2.8 and HC-1.5.3: Clarified that the Chairman of the Board may delegate specific duties dealt with in these Paragraphs.</p> <p>HC-1.3.12: Amended Rule on directorships.</p> <p>HC-1.9.1: Deleted last sentence to be in line with other Volumes of the CBB Rulebook.</p> <p>HC-3.2.1(a) and HC-5.6.6: Amended to be in line with other Volumes of the CBB Rulebook.</p> <p>HC-6.3.1: Clarified Rule by following Corporate governance code wording.</p> <p>Appendix A: Amended criteria for audit committee member.</p> <p>Print off ToC, Sections HC-A.2, HC-B.2, HC-1.2, HC-1.3, HC-1.5, HC-1.9, HC-3.2, HC-5.6, HC-6.3 and Appendix A.</p>
AU	Print off ToC.
GR	Print off ToC.
CA	<p>CA-6, CA-8, CA-9, CA-10, CA-14 and CA-16: Changes in respect of July 2009 and February 2011 amendments to Basel II.</p> <p>Print off ToC, Sections CA-A.5; Chapters CA-6, CA-8, CA-9, CA-10, CA-14 and CA-16.</p> <p>Changes to Reporting Forms PIR Appendix BR-5 and Supplementary Schedule CA 20 reflecting Basel II amendments will be included in future update.</p>
BC	<p>BC-9: Minor corrections to correct typos and clarify language.</p> <p>BC-9.3.9: Paragraph deleted as it repeats what is in Paragraph BC-9.3.7.</p> <p>Print off ToC, Sections BC-A.3, BC-9.1, BC-9.2 and BC-9.3.</p>
CM	<p>CM-5.5.1.E: Amended definition of qualifying holdings.</p> <p>CM-5.6: Clarified and amended the Rules on temporary exposures.</p> <p>CM-5.10.3: Clarified the Rule on future increases in qualifying holdings.</p> <p>CM-8.4.9: Changed Rule to Guidance.</p> <p>Print off ToC, Sections CM-A.3, CM-5.5, CM-5.6, CM-5.10 and CM-8.4.</p>

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Part A

Module Code	Summary of Changes and Printing Instructions
OM	OM-A.1.3: Updated legal basis. OM-2.1.4: Corrected cross reference. Print off ToC, Sections OM-A.1, OM-A.3 and OM-2.1.
FC	FC-4.3.5 and FC-4.3.6: Amended to reflect the addition of approved consultancy firm. Print off ToC, Section FC-4.3.
PCD	Print off ToC.
BR	BR-6.1 and BR-6.4: Added Sections to be consistent with other Volumes of the CBB Rulebook. Print off ToC, Sections BR-A.3, BR-6.1 and BR-6.4.
PD	PD-1.3: Changes in respect of July 2009 and February 2011 amendments to Basel II. PD-1.3.8: Amended corporate governance disclosure in annual report. PD-3.1.4: Added requirement to include statement of comprehensive income. PD-6.1.1: Amended disclosure requirements to shareholders. Print off ToC, Sections PD-A.4, PD-1.3, PD-3.1 and PD-6.1.
EN	Print off ToC.
CP	Print off ToC.

Part B

Module Code	Summary of Changes
Glossary	Amended definition of independent director.
Supplementary Information	
CA Capital Adequacy	
Appendix CA 19	Stress Testing Guidance for the Correlation Trading Portfolio
Appendix CA 20	Supplementary Schedules to Calculate Capital Charges under Standardised Approach.