



EDBS/KH/C/7/2014
23rd January 2014

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

Dear Sir,

CBB Rulebook: Volume 1 – January 2014 Quarterly Update

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

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

The Table of Contents pages for each Module contained in Part A of Volume 1 has been updated. Each Table of Contents page now shows the current issue date at the bottom right hand corner of the page: i.e. January 2014. 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 2014. These contents pages therefore act as a summary checklist for Rulebook users.

Changes for January 2014

The changes for January 2014 are listed in the attached table.

Sound Remuneration Practices

Part of the changes for this update include the updated Modules and forms that were issued as part of the ad hoc communication letter dated 26th November 2013.

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

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-1.2.20: Updated to refer to licensed exchange. LR-1A.1.3: Correction made to clarify which controlled functions are in relation to Bahrain operations. LR-1A.1.17: Amended requirement for notification for appointment of financial instrument trader and moved requirement to Paragraph BR-5.1.7. LR-2.8.1: Corrected to refer to proper accounting standards. Print off ToC, Sections LR-A.2, LR-1.2, LR-1A.1 and LR-2.8.
PB	Print off ToC.
HC	HC-2.2.6A, HC-5 and Appendix C: Amendments due to new rules on sound remuneration practices. Print off ToC, Sections HC-A.2, HC-2.2, HC-6.5, Chapter HC-5 and Appendix C.
AU	AU-3.6: New Section added dealing with the report on compliance with remuneration rules. Print off ToC, Sections AU-A.2 and AU-3.6.
GR	GR-A.2.1: Deleted repetitive sentence. Print off ToC and Section GR-A.2.
CA	Print off ToC.
BC	BC-6.3: Added new Section on local ATM network charges. Print off ToC, Sections BC-A.3 and BC-6.3.
CM	CM-1.2.4: Clarified Rule to apply to credit facilities to residents in Bahrain. Print off ToC, Section CM-A.3 and CM-1.2.
OM	Print off ToC.
FC	Print off ToC.
PCD	PCD-A.2.13: Corrected typo. PCD-A.3.1: Corrected reference to Volume one. Print off ToC, Sections PCD-A.2 and PCD-A.3.

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Part A

Module Code	Summary of Changes and Printing Instructions
TC	Appendix TC-1: Added Chartered Financial Analyst as possible qualification for heads of other functions. Print off ToC, Section TC-A.2 and Appendix TC-1.
BR	BR-1.1.3(l), BR-1.2.3(f), BR-1.3, BR-4A.3 and BR-4A.4: New reporting requirements added related to sound remuneration practices for banks. BR-4A.2.2: Corrected cross reference. BR-5.1.7: Added notification for any changes in financial instrument traders. Print off ToC, Sections BR-A.3, BR-1.1, BR-1.2, BR-1.3, BR-4A.2, BR-4A.3, BR-4A.4 and BR-5.1.
PD	PD-1.3.8 to PD-1.3.8F: Additional disclosure requirements related to sound remuneration practices. Print off ToC, Sections PD-A.4 and PD-1.3.
EN	Print off ToC.
CP	Print off ToC.

Part B

Module Code	Summary of Changes
Glossary	
Added definition for clawback, malus, material risk-takers. Amended definition of remuneration.	
CBB Reporting Forms	
Appendix BR 14	Details of Remuneration Paid New reporting form.
Appendix BR 15	Details of Remuneration for Top 12 Employees New reporting form

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