



EDBS/KH/135/2013
11th July 2013

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

Dear Sir,

CBB Rulebook: Volume 1 – July 2013 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. July 2013. 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 2013. 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 2013

The changes for July 2013 are listed in the attached table.

Major Change Introduced

Change to the Due date and Collection Process for the Payment of the Annual License Fee (Section LR-4.2 Updated accordingly)

As advised last December, for 2014 and the following years, the due date for the payment of the annual license fee has now been changed to 1st December of the previous year for which the annual license fee is due. **As a result, the 2014 annual license fee must be paid to the CBB by 1st December, 2013.**

The variable fee will be based on the **latest audited financial statements** to calculate the amount of the fee.

For those licensees with a 31st December year end, the fee due for the year 2014, will be based on the audited financial statements at 31st December, 2012 (since the 31st December, 2013 audited financial statements will not be available when the payment is due on 1st December, 2013). Therefore, **the 2014 fee will be the same amount that was paid for 2013.**

For the 2015 year, where the fee will be due on 1st December, 2014, the fee will be calculated using the audited financial statements at 31st December, 2013. The calculation of the fee will need to be submitted using form ALF and provided to the CBB by 15th October of the previous year for which the fees are due.

For those licensees that have a March 31st year end, the latest audited financial statements used to calculate the 2014 annual license fee, will be for the 31st March, 2013 year and Form ALF will need to be completed and submitted to the CBB with all the calculation details by 15th October, 2013.

For those licensees that have a June 30th year end, the latest audited financial statements used to calculate the 2014 annual license fee, will be for the 30th June, 2013 year and Form ALF will need to be completed and submitted to the CBB with all the calculation details by 15th October, 2013.

In addition, all licensees will be required to pay the annual license fees by direct debit and must complete the Direct Debit Authorisation Form and submit this form to the CBB by 15th September, 2013 at the latest. The Direct Debit Authorisation Form is available under Part B, Reporting Forms of Volume 1 (Conventional Banks) of the CBB Rulebook and is available on the CBB Website.

The requirements to submit the Direct Debit Authorisation Form (due date 15th September) and Form ALF (due date 15th October) are both date sensitive requirements and are subject to financial penalties as outlined in Section EN-6.2A.

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

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Part A

Module Code	Summary of Changes and Printing Instructions
UG	Print off ToC.
LR	LR-4.2: Amended due date and collection process for annual license fee. Print off ToC, Sections LR-A.2 and LR-4.2.
PB	Print off ToC.
HC	Print off ToC.
AU	AU-1.3.1: Removed potential exemption regarding audit partner rotation. AU-3.2.1: Removed potential exemption for external auditor to review published financial disclosures prior to their publication. AU-3.3.1: Clarified that an approved consultancy firm can also provide the report on compliance with financial crime rules required under Section FC-4.3. AU-4.1.2: Corrected typo. AU-4.1.3: Changed Guidance to Rule. Print off ToC, Sections GR-A.2, AU-1.3, AU-3.2, AU-3.3 and AU-4.1.
GR	GR-5: Changes made to be in line with Regulation No.(31) for the year 2008. Print off ToC, Section GR-A.2 and Chapter GR-5.
CA	Print off ToC.
BC	BC-9.7.: Additional details provided on reporting of complaints. Print off ToC, Sections BC-A.3 and BC-9.7.
CM	CM-5.5.11: Clarified Rule on the amount that must be deducted from the capital base where exposure exceeds the limit stipulated. CM-8.6.2: Clarified the type of mortgages on which the CBB imposes a ceiling on early repayment fees and/or charges. Print off ToC, Sections CM-A.3, CM-5.5 and CM-8.6.
OM	OM-6.2: Amended reporting requirements related to internet security measures. Print off ToC, Sections OM-A.3 and OM-6.2.
FC	Print off ToC.
PCD	Print off ToC.
BR	BR-4A.2: Added new Section on reporting requirements for internet security measures. Print off ToC, Sections BR-A.3 and BR-4A.2.

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Part A

Module Code	Summary of Changes and Printing Instructions
PD	PD-1.3.21: Corrected typo. PD-1.3.36: Added reference to Volume 6 (Capital Markets) Print off ToC, Section PD-A.4 and PD-1.3.
EN	Print off ToC.
CP	Print off ToC.

Part B

Module Code	Summary of Changes	
CBB Reporting Forms		
Appendix LR 1	Annual License Fee Form (ALF)	Amended to change due date and collection process of annual license fee.
Appendix LR 2	Direct Debit Authorisation Form	New Form created.

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