



EDBS/KH/0384/2011
29th November 2011

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

Dear Sir,

CBB Rulebook: Volume 1 – October 2011 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. October 2011. 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 October 2011. 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 October 2011

The changes for October 2011 are listed in the attached table and include amongst others the results of the consultation undertaken on the requirements for customer complaints handling procedures.

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

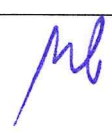
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CBB Rulebook: Volume 1 – October 2011 Quarterly Update
Part A

Module Code	Summary of Changes and Printing Instructions
UG	UG-A.1.2: Minor correction to reflect proper Glossary term. Print off ToC, Sections UG-A.1 and UG-A.2.
LR	LR-A.1.2: New reference added to reflect the issuance of Resolution No.(43) of 2011. LR-3.3: Clarified language on cancellation of a license or closure of a branch to be in line with other Volumes of the CBB Rulebook. Print off ToC, Sections LR-A.1, LR-A.2 and LR-3.3.
PB	Print off ToC.
HC	HC-6.2.1: Clarified management structure. Print off ToC, Sections HC-A.2 and HC-6.2.
AU	AU-3.2: Clarification of existing requirement for the Agreed Upon Procedures Report and setting a deadline for the submission of the report. AU-5: Chapter amended and content moved to Section BR-6.5 and retitled as Role of the Appointed Expert. Print off ToC, Sections AU-A.2, AU-3.2, Chapter AU-5.
GR	GR-A.1.2 and GR-5.3.5A: New reference added to reflect the issuance of Resolution No.(43) of 2011, and reference made to controllers. GR-3.1: Clarified guidance Paragraphs on CBB’s non-objection for dividends. GR-5.2.2: Clarified the definition of “associate”. GR-7: Chapter redrafted to be consistent with other Volumes of the CBB Rulebook. Print off ToC, Sections GR-A.1, GR-A.2, GR-3.1, GR-5.2 and GR-5.3, and Chapter GR-7.
CA	Print off ToC.

CBB Rulebook: Volume 1 – October 2011 Quarterly Update
Part A

Module Code	Summary of Changes and Printing Instructions
BC	<p>BC-A.2.2: Added new Section to list of activities covered by this Module.</p> <p>BC-4.7.3: Deleted Paragraph. Reduced notification requirements on new or expanded products and facilities.</p> <p>BC-4.8.2: Updated name of Ministry of Justice and Islamic Affairs.</p> <p>BC-4.10: Added new Section on transaction advice.</p> <p>BC-8.11 and BC-9: Replaced Section BC-8.11 dealing with complaints and added Chapter BC-9 Customer Complaints Procedures in line with results of consultation and made it applicable to all regulated banking services.</p> <p>Print off ToC, Sections BC-A.2, BC-A.3, BC-4.7, BC-4.8, BC-4.10 and BC-8.11 and Chapter BC-9.</p>
CM	<p>CM-8.5.9 and CM-8.5.10: Corrected elements of APR formula.</p> <p>CM-8.5.12: Paragraph deleted as it does not reflect current practice on residual interest.</p> <p>Print off ToC, Sections CM-A.3 and CM-8.5.</p>
OM	<p>OM-6.2: New Section added on internet security.</p> <p>OM-7.1.7: Corrected typo.</p> <p>Print off ToC, Sections OM-A.3, OM-6.2 and OM-7.1.</p>
FC	<p>FC-4.1.6: Clarified requirements for MLRO.</p> <p>FC-4.3: Amended Section to allow for CBB-approved consultancy firm to do required sample testing and report under Paragraph FC-4.3.1.</p> <p>Print off ToC, Sections FC-A.2, FC-4.1, FC-4.3.</p>
PCD	<p>Print off ToC.</p>



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Part A

Module Code	Summary of Changes and Printing Instructions
BR	<p>BR-A.2.5, BR-A.2.8A and BR-A.2.10: Key requirements amended to reflect current reporting requirements.</p> <p>BR-A.2.12: Clarified language to be in line with references in BR-5.3 and BC-4.7.</p> <p>BR-1.1.3 and BR-2.2: Clarification of existing requirement for the Agreed Upon Procedures Report and setting a deadline for the submission of the report.</p> <p>BR-3.1.10: This Paragraph was deleted as requirement is now part of Form PIR.</p> <p>BR-3.1.12 and BR-3.2.6: New requirements for reporting of complaints in accordance with BC-9.7.1.</p> <p>BR-4.1.5 and BR-5.1.15: Updated to reflect change in reporting requirement from ad-hoc to monthly</p> <p>BR-6: Updated Chapter to be consistent with other Volumes of the Rulebook.</p> <p>Print off ToC, Sections BR-A.2, BR-A.3, BR-1.1, BR-2.2, BR-3.1, BR-3.2, BR-4.1 and BR-5.1 and Chapter BR-6.</p>
PD	<p>PD-A.2.2, PD-A.2.6 and PD-1.3.36(c): Reference added to Volume 6 (Capital Markets).</p> <p>PD-A.2.4: Clarification of existing requirement for the Agreed Upon Procedures Report and setting a deadline for the submission of the report.</p> <p>PD-1.5: Added a new Section on Press Release of Annual Results.</p> <p>PD-3.1.3: Amended Subparagraph to be consistent with other Volumes of the Rulebook.</p> <p>Print off ToC, Sections PD-A.2, PD-A.4, PD-1.5, PD-3.1.</p>
EN	<p>EN-7: Chapter has been streamlined and repetitive information has been eliminated and reference is now made to Section BR-6.5. The term 'appointed experts' has been substituted for the previously used 'investigators'.</p> <p>Print off ToC, Section EN-A.2, Chapter EN-7.</p>
CP	<p>Print off ToC.</p>



Part B

Module Code	Summary of Changes	
Glossary	Clarified definition of independent director; Added definition for appointed expert(s), qualified by exception. Amended definition of trilateral meeting.	
CBB Reporting Forms		
Appendix LR-1	Form ALF	Added reference to SPVs and amended filing instructions on where to send completed Form ALF and related information.
Appendix BR-13	Appointed Experts Report	Replaced Appendix AU-1 with new Appendix BR-13.
CBB Authorisation Forms		
Form 1	Application for a License	Instructions amended to reflect wording in Resolution No. (43) of 2011.
Form 3	Application for Approved Person Status	Clarified certification process and made a few other amendments to be in line with other Volumes of the CBB Rulebook.

