



EDBS/KH/C/55/2017
27th November 2017

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

Dear Sir,

CBB Rulebook: Volume 1 – October 2017 Quarterly Update

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

Changes for October 2017

The changes for October 2017 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 and provide an action plan for compliance on a quarterly basis.

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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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 – October 2017 Quarterly Update

Part A

Module Code	Summary of Changes and Printing Instructions	
BR	BR-3.1.9A	Added a new paragraph on submission of Largest Country Exposures.
FC	FC-1.1.2B FC-1.1.13D FC-1.1.13H FC-1.2.7 FC-1.2.8A FC-1.12 FC-2.2.10 FC-2.2.11 FC-4.1.3A	Amended paragraph on CDD requirements. Added guidance paragraphs on opening accounts for companies under formation. Amended paragraph. Added new paragraph on legal entities or legal arrangements CDD. Added new Section on Simplified CDD: For entities Operating under Regulatory Sandbox. Amended paragraphs on On-going CDD and Transaction Monitoring. Added paragraph on combining the MLRO or DMLRO position with any other position within the licensee.
GR	GR-3.1.3	Amended paragraph and changed from Guidance to Rule.
HC	HC-2.4.1A	Amended paragraph.

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Part A

Module Code	Summary of Changes and Printing Instructions
OM	<p>OM-3.1.2 Amended paragraph to allow the utilization of cloud services.</p> <p>OM-3.1.5A Added a new paragraph on outsourcing requirements.</p> <p>OM-3.23 Amended paragraph.</p> <p>OM-3.3.1 Amended paragraph.</p> <p>OM-3.3.2 Amended paragraph.</p> <p>OM-3.3.3 Amended paragraph.</p> <p>OM-3.3.4 Amended paragraph.</p> <p>OM-3.3.5 Added a new paragraph on outsourcing.</p> <p>OM-3.4.2(b) Amended sub-paragraph.</p> <p>OM-3.4.3 Deleted paragraph.</p> <p>OM-3.4.5 Amended paragraph.</p> <p>OM-3.5.1(a) Amended sub-sub-paragraph no. (5).</p> <p>OM-3.5.1(c) Amended sub-sub-paragraphs no. (2) and (3).</p> <p>OM-3.5.1(e) Amended sub-sub-paragraph no. (3).</p> <p>OM-3.8.3 Amended paragraph.</p> <p>OM-3.9.1 Amended paragraph.</p> <p>OM-3.9.2 Amended paragraph on third party outsourcing of functions.</p> <p>OM-3.9.3 Amended paragraph.</p> <p>OM-3.9.4(b) Amended sub-paragraph.</p> <p>OM-3.9.4(c) Amended sub-paragraph.</p> <p>OM-3.9.4(d) Deleted sub-paragraph.</p> <p>OM-3.9.5 Deleted paragraph.</p> <p>OM-3.9.7 Added a new paragraph for security measures related to cloud services.</p> <p>OM-6.4.6 Amended paragraph to include ancillary service providers.</p>

Part B

Module Code	Summary of Changes
Glossary	
Added definition of Beneficial Owner.	
Supplementary Information:	
Appendix BR-12: Guidelines for Completion of Exposures to Connected Counterparties.	Amended paragraph 2 to consider listing all exposures to all connected parties on an individual names basis.
Authorisation Forms:	Added paragraph 9A on combining the MLRO and DMLRO position with any other position within the licensee.
Form 3 – Application for Approved Person Status.	Amended paragraph 3 to be in line with Module LR-1A.1.18A.