



EDBS/KH/32/2016

24th July 2016

Chief Executive Officer/General Manager

All Conventional Bank Licensees

Manama - Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 1 – July 2016 Quarterly Update

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

Changes for July 2016

The changes for July 2016 are listed in the attached table.

Outsourcing of Functions Containing Customer Information

Conventional bank licensees are reminded that they must submit to the CBB quarterly progress reports on the steps and procedures taken in implementing the requirements of Paragraph OM-3.9.2. The progress report must be provided to the licensee's supervisory point of contact at the CBB and the first report must be submitted by 31st July 2016.

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

Enc.

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 – July 2016 Quarterly Update

Part A

Module Code	Summary of Changes and Printing Instructions
LR	LR-1A.1.18C: Clarified Guidance on authorised representative for approval of controlled functions.
HC	HC-2.3 and HC-2.4: Clarified application of rules to overseas conventional bank licensees.
BC	BC-6.1.6: Deleted reference to Ministry of Interior.
OM	OM-3.9: Added new Section dealing with outsourcing of functions containing customer information.
FC	FC-1.5: Aligned definition of PEPs with FATF and moved to Glossary. FC-4.1.1: Deleted reference for Appendix FC-4 as requirements are covered under Form 3. FC-5.2.3: Updated instructions for STR.
BR	BR-1.1.3A: Guidance provided on reporting requirements dealing with non-operational subsidiaries. BR-1.1.3B: Paragraph renumbered. BR-1.1.5: Requirements aligned with PD-1.2.6.

Part B

Module Code	Summary of Changes	
Glossary		
Amended definition of Politically Exposed Persons (PEPs).		
CBB Reporting Forms		
Appendix FC-2	Suspicious Transaction Report (STR)	Deleted as only online STR system is to be used.
Appendix FC-4	MLRO Form	Deleted as content covered under Form 3.