



EDBS/KH/C/16/2015  
30<sup>th</sup> April 2015

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

Dear Sir,

**CBB Rulebook: Volume 2 – April 2015 Quarterly Update**

The latest quarterly update to Volume 2 has now been incorporated in the website version of the Rulebook.<sup>1</sup>

**Changes for April 2015**

The changes for April 2015 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.

**Further information**

Should you have any queries regarding these updates, you may contact the CBB Rulebook team at [rulebook@cbb.gov.bh](mailto:rulebook@cbb.gov.bh), or else please speak to your normal supervisory contact.

Yours faithfully,

  
**Khalid Hamad**

Enc.

<sup>1</sup> Volume 2 can be accessed from [www.cbb.gov.bh](http://www.cbb.gov.bh) : from the Home page, select 'CBB Rulebooks' and then 'Volume 2'

**CBB Rulebook: Volume 2 – April 2015 Quarterly Update**

**Part A**

| <b>Module Code</b> | <b>Summary of Changes and Printing Instructions</b>  |
|--------------------|--|
| UG                 | <b>Print off ToC.</b>  |
| LR                 | <b>Print off ToC.</b>  |
| PB                 | <b>Print off ToC.</b>  |
| HC                 | HC-5.5.2: Clarified cap on board of directors' remuneration as per Article 188 of the Company Law.<br><b>Print off ToC, Sections HC-A.2 and HC-5.5.</b>  |
| AU                 | AU-3.6.3: Existing exemptions in respect of PIRI review will cease as at 31st December 2014 for all Bahraini Islamic bank licensees.<br><b>Print off ToC, Sections AU-A.2 and AU-3.6.</b>  |
| GR                 | <b>Print off ToC.</b>  |
| CA                 | CA-1.3.3: Existing exemptions in respect of PIRI review will cease as at 31st December 2014 for all Bahraini Islamic bank licensees.<br>CA-2.1.2: Underlined the term 'financial instruments' so that it is linked to the glossary definition.<br>CA-2.4.2: Clarified that intangible assets other than goodwill and mortgage servicing rights are subject to transitional arrangements and are phased out as regulatory adjustments as outlined in Subparagraph CA-B.2.1(d).<br>CA-2.4.12: Clarified that shares of the bank held as collateral are considered as shares held indirectly and are subject to deduction under regulatory adjustments.<br>CA-2.4.25: Clarified the rule on significant investments in commercial entities by adding cross reference to definition.<br>CA-2A.3.3: Paragraph deleted as not applicable on the implementation of the capital conservation buffer.<br><b>Print off ToC, Sections CA-A.2, CA-1.3, CA-2.4 and CA-2A.3.</b> |
| BC                 | <b>Print off ToC.</b>  |
| RM                 | <b>Print off ToC.</b>  |



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**Part A**

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|--------------------|--|
| CM                 | CM-4.4.1E: Deleted cross reference as not applicable.<br>CM-4.4.13: Clarified that RIAs are excluded.<br>CM-4.4.5, CM-4.5.2B, CM-4.5.9 and CM-4.9.10: Corrected reference to consolidated Total Capital in line with Module CA.<br>CM-4.6.1: Added reference to Appendix BR-19 for reporting the financial details of each large exposure.<br>CM-4.9.3: Clarified language on the treatment of significant investments over the thresholds outlined in Paragraph CA-2.4.25.<br><b>Print off ToC, Sections CA-A.3, CA-4.4, CA-4.5, CM-4.6 and CM-4.9.</b> |
| OM                 | <b>Print off ToC.</b>  |
| LM                 | LM-1.1 and LM-1.4: Corrected cross reference to PIRI.<br><b>Print off ToC, Sections LM-A.3, LM-1.1 and LM-1.4.</b>   |
| FC                 | <b>Print off ToC.</b>  |
| TC                 | <b>Print off ToC.</b>  |
| BR                 | BR-2.2.4: Amended deadline for submission of report on private placements to within three months of the reporting period.<br>BR-3.1.5A: Existing exemptions in respect of PIRI review will cease as at 31st December 2014 for all Bahraini Islamic bank licensees.<br><b>Print off ToC, Sections BR-A.3, BR-2.2 and BR-3.1.</b>  |
| PD                 | PD-1.3.10B(o): Clarified that disclosure rule under this Subparagraph only applies for approved persons and material risk takers.<br><b>Print off ToC, Sections PD-A.4.2 and PD-1.3.</b>   |
| EN                 | <b>Print off ToC.</b>  |
| CP                 | <b>Print off ToC.</b>  |

## Part B

| Module Code  | Summary of Changes                                       |   |
|--|--|---|
| <b>Glossary</b>  |  |   |
| Amended the definition of subsidiary(ies).<br>Deleted the definitions of head of function and qualifying holding(s). |  |   |
| <b>CBB Reporting Requirements</b>  |  |   |
| Appendix BR-5  | Return -- PIRI   | Updated to be in line with Module CA                          |
| Appendix BR-5A   | Capital Adequacy Form                                    | New return.   |
| Appendix BR-9  | External Auditor's PIR Review Letter                     | Updated to reflect revised PIR.                               |
| <b>Supplementary Information</b>   |  |   |
| Appendix CA-9  | Supplementary Schedule                                   | Updated to remove capital and credit risk sections.           |
| Appendix CA-10   | Investment in commercial entities                        | Modified example to deal with different types of investments. |
| Appendix BR-4  | Guidelines for Completion of PIRI Bahraini Islamic Banks | Updated to be in line with updated PIRI.                      |

