

EDBS/KH/031/2012  
19<sup>th</sup> February 2012

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

Dear Sir,

**CBB Rulebook: Volume 2 – January 2012 Quarterly Update**

The latest quarterly update to Volume 2 has now been incorporated in the website version of the Rulebook.<sup>1</sup> 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 2 have been updated. They now show their current issue date at the bottom right hand corner of the page: i.e. January 2012. 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 January 2012. These contents pages therefore act as a summary checklist for Rulebook users.

<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'

### **Changes for January 2012**

The changes for January 2012 are listed in the attached table. Changes to Module HC are applicable as of 31<sup>st</sup> December 2011.

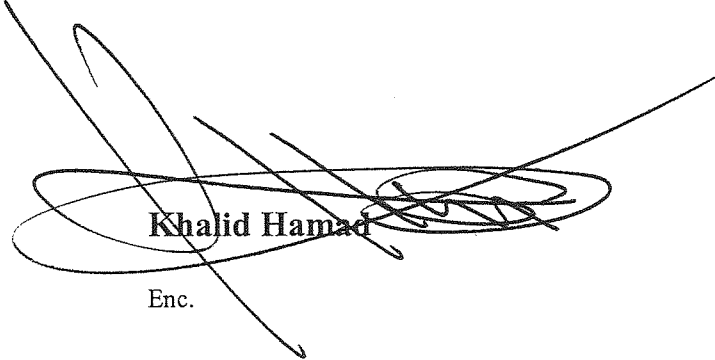
### **Payment of Annual License Fees**

All banks are reminded that they must comply with the requirements of Section LR-4.2. The due date for the 2012 annual license fees is 30<sup>th</sup> April 2012. When submitting their payment, licensees should complete the Form ALF, included under Volume 2 (Islamic Banks)/Part B/Reporting Forms available on the CBB Website which provides detailed instructions on how the payment of fees must be made.

### **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.

**CBB Rulebook: Volume 2 – January 2012 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	<p>HC-B.2.2: Clarified language related to corporate governance.</p> <p>HC-1.2.8 and HC-1.5.3: Clarified that the Chairman of the Board may delegate specific duties dealt with in these Paragraphs.</p> <p>HC-1.3.12: Amended Rule on directorships.</p> <p>HC-1.9.1: Deleted last sentence to be in line with other Volumes of the CBB Rulebook.</p> <p>HC-3.2.1(a) and HC-5.6.6: Amended to be in line with other Volumes of the CBB Rulebook.</p> <p>HC-6.3.1: Clarified Rule by following Corporate governance code wording.</p> <p>Appendix A: Amended criteria for audit committee member.</p> <p><b>Print off ToC, Sections HC-A.2, HC-B.2, HC-1.2, HC-1.3, HC-1.5, HC-1.9, HC-3.2, HC-5.6, HC-6.3 and Appendix A.</b></p>
AU	<p>AU-3.1.3: Corrected cross reference.</p> <p><b>Print off ToC, Section AU-3.1.</b></p>
GR	<b>Print off ToC.</b>
CA	<p>CA-5.1 and CA-5.3: Changes in respect of July 2009 and February 2011 amendments to Basel II.</p> <p><b>Print off ToC, Sections CA-A.4, CA-5.1 and CA-5.2.</b></p>
BC	<p>BC-10: Minor corrections to correct typos and clarify language.</p> <p>BC-10.3.9: Paragraph deleted as it repeats what is in Paragraph BC-10.3.7.</p> <p><b>Print off ToC, Sections BC-A.3, BC-10.1, BC-10.2 and BC-10.3.</b></p>
CM	<p>CM-4.4.1.E: Amended definition of qualifying holdings.</p> <p>CM-4.5: Clarified and amended the Rules on temporary exposures.</p> <p>CM-4.9.3: Clarified the Rule on future increases in qualifying holdings.</p> <p>CM-7.4.9: Changed Rule to Guidance.</p> <p><b>Print off ToC, Sections CM-A.3, CM-4.4, CM-4.5, CM-4.9 and CM-7.4.</b></p>



**CBB Rulebook: Volume 2 – January 2012 Quarterly Update**  
**Part A**

<b>Module Code</b>	<b>Summary of Changes and Printing Instructions</b>
OM	OM-A.1.3: Updated legal basis. OM-2.1.4: Corrected cross reference. <b>Print off ToC, Sections OM-A.1, OM-A.3 and OM-2.1.</b>
LM	<b>Print off ToC.</b>
FC	FC-4.3.5 and FC-4.3.6: Amended to reflect the addition of approved consultancy firm. <b>Print off ToC, Section FC-4.3.</b>
PCD	<b>Print off ToC.</b>
BR	BR-6.1 and BR-6.4: Added Sections to be consistent with other Volumes of the CBB Rulebook. BR-6.5.21: Corrected cross reference. <b>Print off ToC Chapter BR-6.</b>
PD	PD-1.3.10: Amended corporate governance disclosure in annual report. PD-6.1.1: Amended disclosure requirements to shareholders. <b>Print off ToC, Sections PD-A.4, PD-1.3 and PD-6.1.</b>
EN	<b>Print off ToC.</b>
CP	<b>Print off ToC.</b>

**Part B**

<b>Module Code</b>	<b>Summary of Changes</b>
Glossary	Amended the definition of independent director.
<b>Supplementary Information</b>	
<b>CA Capital Adequacy</b>	
Appendix CA 9	Supplementary Schedules to Calculate Capital Charges under Standardised Approach [Moved from Appendix BR 5A]

