



EDBS/KH/134/2013  
11<sup>th</sup> July 2013

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

Dear Sir,

**CBB Rulebook: Volume 2 – July 2013 Quarterly Update**

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

**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**

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. July 2013. 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 July 2013. 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 July 2013**

The changes for July 2013 are listed in the attached table.

### **Major Change Introduced**

#### **Change to the Due date and Collection Process for the Payment of the Annual License Fee (Section LR-4.2 Updated accordingly)**

As advised last December, for 2014 and the following years, the due date for the payment of the annual license fee has now been changed to 1<sup>st</sup> December of the previous year for which the annual fee is due. **As a result, the 2014 annual license fee must be paid to the CBB by 1<sup>st</sup> December, 2013.**

The variable fee will be based on the **latest audited financial statements** to calculate the amount of the fee.

For those licensees with a 31<sup>st</sup> December year end, the fee due for the year 2014, will be based on the audited financial statements at 31<sup>st</sup> December, 2012 (since the 31<sup>st</sup> December, 2013 audited financial statements will not be available when the payment is due on 1<sup>st</sup> December, 2013). Therefore, **the 2014 fee will be the same amount that was paid for 2013.**

For the 2015 year, where the fee will be due on 1<sup>st</sup> December, 2014, the fee will be calculated using the audited financial statements at 31<sup>st</sup> December, 2013. The calculation of the fee will need to be submitted using form ALF and provided to the CBB by 15<sup>th</sup> October of the previous year for which the fees are due.

For those licensees that have a March 31<sup>st</sup> year end, the latest audited financial statements used to calculate the 2014 annual license fee, will be for the 31<sup>st</sup> March, 2013 year and Form ALF will need to be completed and submitted to the CBB with all the calculation details by 15<sup>th</sup> October, 2013.

For those licensees that have a June 30<sup>th</sup> year end, the latest audited financial statements used to calculate the 2014 annual license fee, will be for the 30<sup>th</sup> June, 2013 year and Form ALF will need to be completed and submitted to the CBB with all the calculation details by 15<sup>th</sup> October, 2013.

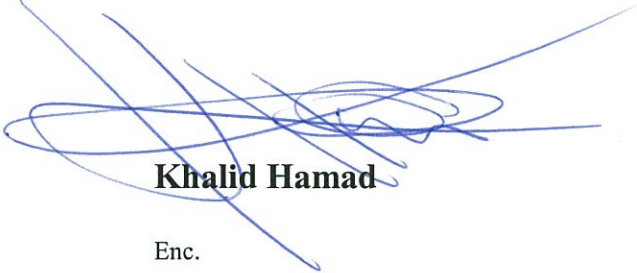
In addition, all licensees will be required to pay the annual fees by direct debit and must complete the Direct Debit Authorisation Form and submit this form to the CBB by 15<sup>th</sup> September 2013 at the latest. The Direct Debit Authorisation Form is available under Part B, Reporting Forms of Volume 1 (Islamic Banks) of the CBB Rulebook and is available on the CBB Website.

The requirements to submit the Direct Debit Authorisation Form (due date 15<sup>th</sup> September) and Form ALF (due date 15<sup>th</sup> October) are both date sensitive requirements and are subject to financial penalties as outlined in Section EN-6.2A.

### **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 – July 2013 Quarterly Update**

**Part A**

Module Code	Summary of Changes and Printing Instructions
UG	<b>Print off ToC.</b>
LR	LR-4.2: Amended due date and collection process for annual license fee. <b>Print off ToC, Sections LR-A.2 and LR-4.2.</b>
PB	<b>Print off ToC.</b>
HC	<b>Print off ToC.</b>
AU	AU-1.3.1: Removed potential exemption regarding audit partner rotation. AU-3.1.1: Removed potential exemption for external auditor to review published financial disclosures prior to their publication. AU-3.2.1: Clarified that an approved consultancy firm can also provide the report on compliance with financial crime rules required under Section FC-4.3. <b>Print off ToC, Sections GR-A.2, AU-1.3, AU-3.2 and AU-3.3..</b>
GR	GR-5: Changes made to be in line with Regulation No.(31) for the year 2008. <b>Print off ToC, Section GR-A.2 and Chapter GR-5.</b>
CA	<b>Print off ToC.</b>
BC	BC-10.7.: Additional details provided on reporting of complaints. <b>Print off ToC, Sections BC-A.3 and BC-10.7.</b>
RM	<b>Print off ToC.</b>
CM	CM-4.4.13A: Clarified Rule on the amount that must be deducted from the capital base where exposure exceeds the limit stipulated. CM-7.6.2: Clarified the type of mortgages on which the CBB imposes a ceiling on early repayment fees and/or charges. <b>Print off ToC, Sections CM-A.3, CM-4.4 and CM-7.6.</b>
OM	OM-6.2: Amended reporting requirements related to internet security measures. <b>Print off ToC, Sections OM-A.3 and OM-6.2.</b>
LM	<b>Print off ToC.</b>
FC	<b>Print off ToC.</b>
PCD	<b>Print off ToC.</b>
BR	BR-4A.2: Added new Section on reporting requirements for internet security measures. <b>Print off ToC, Sections BR-A.3 and BR-4A.2.</b>
PD	<b>Print off ToC.</b>

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**Part A**

Module Code	Summary of Changes and Printing Instructions
EN	Print off ToC.
CP	Print off ToC.

**Part B**

Module Code	Summary of Changes	
<b>CBB Reporting Forms</b>		
Appendix LR 1	Annual License Fee Form (ALF)	Amended to change due date and collection process of annual license fee.
Appendix LR 2	Direct Debit Authorisation Form	New Form created.

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