

EDFIS/C/008/2012
16th April 2012

The Compliance Officer
All Insurance Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 3 (Insurance) – April 2012 Update

The April 2012 quarterly update to Volume 3 has now been incorporated in the website version of the Rulebook.¹

This letter highlights changes introduced this quarter. Licensees are required to note any policy changes. In addition, recipients who wish to update their hard copy folders should access the Central Bank of Bahrain ('CBB') website and print off the relevant pages for insertion into their folder.

All changes are highlighted in colour in the PDF versions of the Modules included on the CBB's website. All changes to the text of the previous version of Volume 3, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

Part A Modules

Contents Pages and Module History

The contents page for each Module shows the date each section was last changed and provides a good reference tool to keep track of the latest updates along with the Module History.

Changes for April 2012

The changes for April 2012 are listed in the attached table. Changes reflect the outcome of the consultation on Module CL (Client Money) and in addition to Module CL, impacts a number of other Modules, outlined in the attached table. Licensees must comply with Module CL by 1st July 2012 at the latest and the CBB requires all insurance brokers to

¹ Volume 3 can be accessed from www.cbb.gov.bh : from the Home page, select 'CBB Rulebook', Volume 3.

file the first Insurance Broker semi-annual Return (IBRS) for the period ending 30th June 2012.

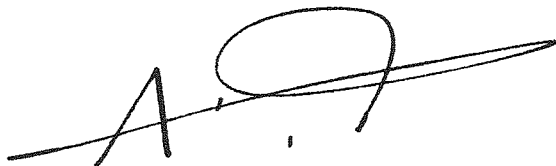
Payment of Annual License Fees

All licensees are reminded that they must comply with the requirements of Section AU-6.3. The due date for the 2012 annual license fees is 30th April 2012. When submitting their payment, licensees should complete the Form ALF, included under Volume 3 (Insurance)/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), or the Director of Insurance Supervision on 17547302.

Yours faithfully,



Abdul Rahman Al Baker

Enclosure: Volume 3 Update Table.

CBB Rulebook (Volume Three) – April 2012 Update

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
All Modules	N/A	Print off the Table of Contents page for each Module and the Module History Section when changes have been made.
ES	Executive Summary	ES-1.1.9, ES-1.8A and ES-2.6AA2: Amendments made to reflect the issuance of Module CL (Client Money). ES-2.6AA1: Added transition period to have in place customer complaints procedures as outlined in Chapter BC-4. ES-2.7.4 and ES-2.7.5: Added transition period for filing of IBR and IBRS.
AU	Authorisation	AU-1.4.10: Reference added to appointed representatives.
GR	General Requirements	GR-B.1.1: Amended to reflect the deletion of certain Paragraphs in Section GR-1.2. GR-1.2: Amendments made to reflect the issuance of Module CL (Client Money). GR-6.1: Clarified that the reporting requirements for close links are only applicable to insurance firms and insurance brokers.
CA	Capital Adequacy	CA-1.3.1 and CA-1.3.1A: Updated capital requirements for insurance brokers.
CL	Client Money	New Module issued.

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PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
BR	CBB Reporting	<p>BR-1.1.35(a): Corrected cross reference.</p> <p>BR-1.2: Amended to reflect updated requirements for insurance consultant and manager financial reporting.</p> <p>BR-1.2A: New Section added for Insurance Broker return.</p> <p>BR-1.4A: New Section added for semi-annual prudential reporting by insurance brokers.</p> <p>BR-1.5: Added requirement for a report reviewing the insurance broker's compliance with Module CL and other minor corrections.</p> <p>BR-3.1.1A and BR-3.1.1B: Added Paragraphs to clarify Rules on power to request information.</p> <p>BR-3.3.1 and BR-3.4: Minor corrections.</p>
IM	Insurance Intermediaries and Managers	<p>IM-1.2.1: Added summary of newly released Module CL (Client Money).</p> <p>IM-2.5.7: Updated requirements for report on close links.</p> <p>IM-3.1.2: Updated capital requirements for insurance brokers.</p> <p>IM-3.2.6: Added requirement to have customer complaints handling procedures.</p> <p>IM-3.2A: Added Section to deal with newly released Module CL (Client Money).</p> <p>IM-4.1: Deleted reference to IMR and added new reference to Insurance broker return (Form IBR). Also added new requirement for agreed upon procedures related to compliance with Module CL.</p>

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PART B FOLDER		
Module Code	Module Code	Module Code
Glossary of Defined Terms		
Added definition for client money, client money account, fiduciary assets, fiduciary liabilities, and licensee(s).		
Reporting Forms		
	Instructions for Insurance Broker Return	
IBR	Insurance Broker Return	New form added for insurance brokers
IBRS	Semi-annual Insurance Broker Return	New form added for insurance brokers
Supplementary Information		
BR(ii)	Insurance Broker Return: Agreed Upon Procedures	New document added
BR(iv)	Module CL: Agreed Upon Procedures	New document added