



EDFIS/C/018/2011
16th May 2011

The Compliance Officer
All Investment Firm Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 4 (Investment Business)
April 2011 Update

The April 2011 quarterly update to Volume 4 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 4, 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 2011

The changes for April 2011 are listed in the attached table.

Payment of Annual License Fees

All licensees are reminded that they must comply with the requirements of Section AU-6.2. The due date for the 2011 annual license fees is 30th April 2011. When submitting their payment, licensees should complete the Form ALF, included under Volume 4 (Investment Firms)/Part B/Reporting Forms available on the CBB Website which provides detailed instructions on how the payment of fees must be made.

¹ Volume 4 can be accessed from www.cbb.gov.bh : from the Home page, select 'CBB Rulebooks' and then 'Volume 4'.

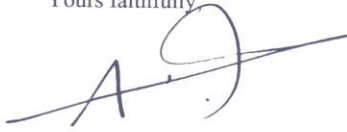
المملكة العربية السعودية
البنك المركزي
إدارة الرقابة على المؤسسات المالية

Executive Director of Financial Institutions Supervision

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 Financial Institutions Supervision Directorate on 17547968.

Yours faithfully



Abdul Rahman Al Baker

Enclosure: Volume 4 Update Table.

CBB Rulebook (Volume Four) – April 2011 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-1.5: Amended to reflect new structure of Module HC.
AU	Authorisation	AU-1.2.16: Added a definition Paragraph for the compliance officer. AU-5.1.5(m): Corrected typo and added clarification to requirements dealing with private placements. AU-6.2.9A: Added the requirement for annual fees for SPV's to be in line with the requirements of Resolution No (1) of 2007.
HC	High-level Controls	HC-1.4: Amendment made to reflect new Rules on attendance of Directors at Board of Directors Meetings. HC-6.3.4: Added description of compliance officer's duties. HC-6.5.3: Guidance added dealing with the compliance function.
GR	General Requirements	HC-10: Added a new Chapter on Subsidiaries, Branches and Representative Offices.
CA	Capital Adequacy	CA-1.2.9 and CA-1.2.9A: Clarified notification requirements where investment firm licensees do not meet certain requirements. CA-3.1: Provided new Rule to deal with newly established insurance firm licensees.
TC	Training and Competency	TC-1.1.7, TC-1.1.8, TC-1.1.10 and TC-1.1.14: Corrected cross references.
BR	CBB Reporting	BR-1.4.13: Corrected cross reference. BR-2.3.15, BR-2.3.16 and BR-2.3.17: Paragraphs amended to incorporate new requirements under Chapter GR-10.

CBB Rulebook (Volume Four) – April 2011 Update (continued)

PART B FOLDER		
Glossary of Defined Terms		
<ul style="list-style-type: none">• Added new definitions for branch(es), host regulator/supervisor.• Amended definition of executive director and managing director.		
CBB Authorisation Forms		
Form 1	Application for a License	Minor typo corrected in checklist. Section V clarified that Form 2 must be attached.
Form 3	Application for Approved Person Status	Minor typo corrected in Section III question 5.
CBB Reporting Forms		
ALF	Annual License Fee	Amended to include fees due for locally incorporated SPVs.