



EDFIS/C/046/2017
7th November 2017

The CEO/General Manager
All Investment Firm Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 4 (Investment Business)
October 2017 Update

The October 2017 quarterly update to Volume 4 has now been incorporated in the website version of the Rulebook.¹

Changes for October 2017:

The changes for October 2017 are listed in the attached table.

Licensees must ensure that all relevant staff are informed of the latest amendments and that where needed, appropriate action is taken to ensure full compliance. Licensees which are not in full compliance must notify the CBB with immediate effect and provide an action plan for compliance on a quarterly basis.

Further Information:

Should you have any queries regarding these updates, you may contact the Director of Financial Institutions Supervision Directorate, or the CBB Rulebook team at (rulebook@cbb.gov.bh), on 17547968.

Yours faithfully,

Abdul Rahman Al Baker

Enclosure: Volume 4 Update Table.

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

CBB Rulebook (Volume Four) – October 2017 Update

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
AA	Auditors and Accounting Standards	AA-3.2.1 Amended Paragraph to clarify that licensees are to formally declare in writing that they do not possess any Client assets.
BC	Business Conduct	BC-2.4.11 Additional requirement on signed client agreement.
BR	Investment Business	BR-1.4.11 Amended Paragraph to clarify that licensees are to formally declare in writing that they do not possess any Client assets.
CL	Client Assets	CL-1.5.1 Amended Paragraph to clarify that licensees are to formally declare in writing that they do not possess any Client assets.
FC	Financial Crime	<p>FC-1.1.2B Amended paragraph on CDD requirements.</p> <p>FC-1.2.7 Amended paragraph.</p> <p>FC-1.2.8A Added new paragraph on legal entities or legal arrangements CDD.</p> <p>FC-2.2.10 – Amended paragraphs on Ongoing CDD Monitoring.</p> <p>FC-2.2.11 and Transaction</p> <p>FC-3.1.3A Added paragraph on combining MLRO or DMLRO position with any other position within the licensee.</p>
GR	General Requirements	GR-3.1.3 Added additional requirement to submit when requesting no-objection letter for proposed dividends.
HC	High-level Controls	HC-7.2.1(j) - HC-10.7.2(j) Added requirement on the invitation of a CBB representative for any shareholders' meetings.

CBB Rulebook (Volume Four) – October 2017 Update cont.

Module Code	Module Title	Summary of Changes and Printing Instructions
RM	Risk Management	RM-7.1.1 Amended Paragraph to allow the utilization of cloud services.
		RM-7.1.3A Added a new Paragraph on outsourcing requirements.
		RM-7.1.6 Amended Paragraph.
		RM-7.1.9 Amended Paragraph.
		RM-7.1.11 Amended Paragraph.
		RM-7.1.11A Added a new Paragraph on outsourcing.
		RM-7.1.13 Amended Paragraph.
		RM-7.1.14 Amended Paragraph.
		RM-7.1.14(f) Added a new sub-Paragraph.
		RM-7.1.17 Amended Paragraph.
		RM-7.2.4 Amended Paragraph.
		RM-7.2.11 Amended Paragraph.
		RM-7.2.12 Amended Paragraph.
		RM-7.2.18 Amended Paragraph.
		RM-7.2.19 Added a new Paragraph on security measures related to cloud services.
		RM-7.3.3 Amended Paragraph.
		RM-7.3.4 Amended Paragraph.

PART B FOLDER

CBB Authorisation Forms

Form 3	Application for Approved Person Status	Added paragraph 10A on combining the MLRO and DMLRO position with any other position within the licensee.
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