



EDBS/KH/C/53/2017
19th November 2017

The CEO/General Manager
All Ancillary Service Providers,
Financing Companies,
Microfinance Institutions,
Representative Offices,
Manama - Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 5 (All Specialised Licensees)
October 2017 Quarterly Update

The October 2017 quarterly update to Volume 5 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.

All Specialised 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 CBB Rulebook team at (rulebook@cbb.gov.bh), or the normal supervisory point of contact.

Yours faithfully,

Khalid Hamad

Enclosure: Volume 5 Update Table.

¹ Volume 5 can be accessed from www.cbb.gov.bh : from the Home page, select 'Regulatory Functions' and then 'Laws & Regulations' and CBB Rulebook. Alternatively, use the 'Quick Links' facility on the Home page to access the Volume 5.

CBB Rulebook (Volume 5) – October 2017 Quarterly Update

PART A FOLDER Common Modules		
Module Code	Module Title	Summary of Changes and Printing Instructions
FC	Financial Crime	<p>FC-1.1.2A and FC-1.1.2B Added new paragraphs 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 – FC-2.2.11 Amended paragraphs on On-going CDD and Transaction Monitoring.</p> <p>FC-4.1.4A Added paragraph on combining the MLRO or DMLRO position with any other position within the licensee.</p> <p>FC-5.2.4a Added new paragraph on STR External Reporting.</p>

CBB Rulebook (Volume 5) – October 2017 Quarterly Update – Contd.

PART A FOLDER Specific Ancillary Service Providers Modules		
Module Code	Module Title	Summary of Changes and Printing Instructions
AU	Authorisation	<p>AU-1.2.1(ee) Added Crowdfunding Platform Operators under the definition of regulated services.</p> <p>AU-1.2.10A(b) Amended bank guarantee requirement.</p> <p>AU-1.2.14 – AU-1.2.20 Added requirements on crowdfunding platform operators.</p> <p>AU-2.5.6A Added Paragraph on minimum core capital for crowdfunding platform operators.</p> <p>AU-3.1.2 Amended Paragraph.</p> <p>AU-3.2 Added a new section for the Approved Persons Requirements.</p> <p>AU-4.1.12 Amended bank guarantee amount for PSP and Card Processing Companies.</p> <p>AU-4.1.16(l) Amended bank guarantee requirement for PSP issuing any multi-purpose, electronic or otherwise, prepaid cards.</p> <p>AU-4.3 Deleted Approved Persons requirements from AU-4.3 and added to AU-3.2.</p> <p>AU-4.6 Added new section on Additional Requirements for Licensing Crowdfunding Platform Operators.</p>
GR	General Requirements	<p>GR-5A.1 Added a chapter on “General Requirements for Financing-Based Crowdfunding Platform Operators</p> <p>GR-5A.2 Additional requirements for “Shari’a - Compliant Financing - Based Crowdfunding Platform Operators”.</p> <p>GR-6.1.3 Amended paragraph and changed from Guidance to Rule.</p>

PART A FOLDER Specific Financing Companies Modules			
Module Code	Module Title	Summary of Changes and Printing Instructions	
GR	General Requirements	GR-3.1.3	Added additional requirement to submit when requesting no-objection letter.
OM	Operational Risk Management	OM-2.1.2	Amended Paragraph on outsourcing, to allow the utilization of cloud services and customer call centres.
		OM-2.1.4	Added a new Paragraph on outsourcing.
		OM-2.1.5	Added a new Paragraph on outsourcing.
		OM-2.3.1	Amended Paragraph.
		OM-2.3.6	Amended Paragraph.
		OM-2.3.7	Amended Paragraph.
		OM-2.4.2	Amended Paragraph.
		OM-2.4.3	Deleted Paragraph.
		OM-2.4.5	Amended Paragraph.
		OM-2.5.1(a)	Amended sub-sub-paragraph no. (5).
		OM-2.5.1(c)	Amended sub-sub-paragraphs no. (2) and (3).
		OM-2.5.1(e)	Amended sub-sub-paragraph no. (3).
		OM-2.8.3	Amended Paragraph.
		OM-2.9.1	Amended Paragraph.
		OM-2.9.4(b)	Amended sub-paragraph.
		OM-2.9.4(c)	Amended sub-paragraph.
		OM-2.9.4(d)	Deleted sub-paragraph.
		OM-2.9.5	Deleted paragraph.
		OM-2.9.6	Added a new paragraph for security measures related to cloud services.

CBB Rulebook (Volume 5) – October 2017 Quarterly Update – Contd.

PART A FOLDER Specific Microfinance Institutions Modules			
Module Code	Module Title	Summary of Changes and Printing Instructions	
GR	General Requirements	GR-3.1.3	Added additional requirement to submit when requesting no-objection letter.
RM	Risk Management	RM-4.3.1	Amended Paragraph.
		RM-4.4.3	Amended Paragraph.
		RM-4.5.1(c)	Amended sub-sub-Paragraph no. (2).
		RM-4.5.1(e)	Amended sub-sub-Paragraph no. (3).
		RM-4.5	Added a new paragraph for security measures related to cloud services.

Part B

PART B FOLDER	
Glossary	
Added a definition for Beneficial Owner.	
Added a definition for Crowdfunding Platform Operator.	
CBB Authorisation Forms	
Form 3 – Application for Approved Persons Status.	<p>Amended paragraph 3 in line with Module AU.</p> <p>Added paragraph 9A on combining the MLRO and DMLRO position with any other position within the licensee.</p>