



EDBS/KH/C/1/2014
12th January 2014

The Chief Executive Officer
All Financing Companies
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 5 (Specialised Licensees: Financing Companies) – January 2014 Update

The January 2014 quarterly update to Volume 5 Financing Companies 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.

Several new Modules are being introduced with this update. In addition, all changes to existing Modules 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 5, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

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.

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.

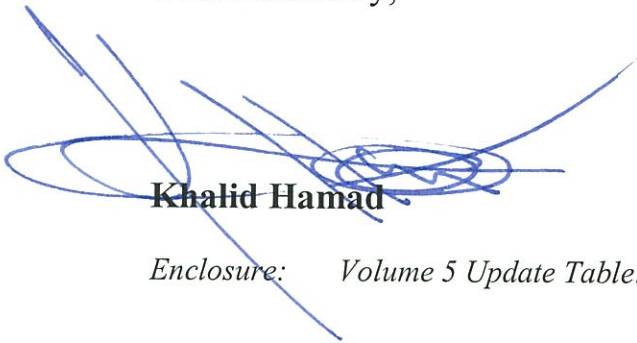
Changes for January 2014

The changes for January 2014 are listed in the attached table and include the issuance of 5 new Modules, following consultation in 2013.

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.

CBB Rulebook (Volume 5) – January 2014 Update

PART A FOLDER Specific Financing Company Modules		
Module Code	Module Title	Summary of Changes and Printing Instructions
AU	Authorisation	AU-2.8.1: Corrected reference to proper accounting standards. AU-5.2.7B and AU-5.2.7C: Added requirement for payment of annual fees for SPVs.
HC	High-level Controls	HC-8.2: Amended as a result of the issuance of Module PD. Appendix D: Requirements moved to Module PD.
BC	Business Conduct	New Module issued.
OM	Operational Risk Management	New Module issued.
LM	Liquidity Risk Management	New Module issued.
TC	Training & Competency	New Module issued.
BR	CBB Reporting	BR-1.2.2: Clarified format of interim financial statements. BR-1.3.5: Added liquidity reporting requirements. BR-1.6: Added new section on internet security measures.
PD	Public Disclosure	New Module issued.



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PART B FOLDER		
Glossary		
<p>Added definition for associate(d), Bahrain domiciled CIU(s), base rate, conspicuous notice, eligible beneficiary(ies), framework, intra-group outsourcing, leverage ratio, liquid assets, maturity mismatch ratio, NIM, option(s), principal, qualifying liabilities, ROAE, ROAA, regulated microfinance service, stock liquidity ratio.</p> <p>Amended definition for director(s), head of function, microfinance institution(s) or microfinance institution licensee(s), parent undertaking or parent.</p>		
CBB Authorisation Forms		
Form 2	Application for Authorisation of Controller	Amended to be in line with Form 2 for other Volumes of the CBB Rulebook
CBB Reporting Forms		
Form ALF	Annual License Fee	Added reference for payment of fees related to SPVs.
Supplementary Information		
BC-1	Examples of APR Calculations	New Appendix issued.

