



EDFIS/C/019/2012
11th October 2012

The General Manager
All Money Changers Licensees
Manama
Kingdom of Bahrain

Dear Sir,

**CBB Rulebook: Volume 5 (Specialised Licensees: Money Changers) –
October 2012 Update**

The October 2012 quarterly update to Volume 5 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 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.

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 October 2012

The changes for October 2012 are listed in the attached 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.

Module AU

Module AU has been amended to specifically address the wholesale export and import of various currency bank notes in physical form, for the purpose of distribution /collection to/from the local market or for transmission to a foreign jurisdiction. Only Licensees permitted by virtue of a special condition set out in their license, specifying that they may deal in the import/ export of bank notes, are permitted to engage in this activity.

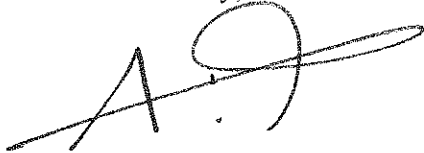
Module EN

Module EN includes a new Section EN-5.3A on financial penalties for date sensitive requirements. The financial penalties in relation to date sensitive compliance issues have been standardised to a daily amount for each requirement that is late. These penalties will be enforced for any past due requirements after 1st January 2013, without prior notice being issued to the licensee. All licensees should therefore be fully familiar with all date sensitive requirements included in Volume 5 and should ensure that they meet these requirements at all times. The compliance officer is required to ensure that all senior managers are fully aware of such enforcement actions.

Further Information

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

Yours faithfully,



Abdul Rahman Al Baker

Enclosure: Volume 5 Update Table.

CBB Rulebook (Volume 5) – October 2012 Update

PART A FOLDER Common Modules		
Module Code	Module Title	Summary of Changes and Printing Instructions
UG	User's Guide	UG-A.1.2, UG-A.1.4, UG-1.2.1, UG-1.2.2, UG-1.2.7, UG-2.1.1, UG-2.1.2, UG-2.1.5 and UG-2.2.2: Various minor corrections to reflect structure of Rulebook, including issuance of Volume 7.
AA	Auditors and Accounting Standards	AA-1.3.2: Guidance Paragraph deleted as five year period varies depending on type of specialised licensee and when license was granted. AA-1.5.4 and AA-1.5.5: Clarified guidance by indicating what Law is being referred to. AA-3.3: Section deleted as report can now also be completed by approved consultancy from as per Section FC-4.3.
FC	Financial Crime	FC-B.1.1: Amended the scope of application to have a limited scope for ancillary services providers and to expand the role of the general managers for those licensees allowed to follow only certain Chapters of Module FC.
EN	Enforcement	EN-B.4.5: Guidance changed to Rule. EN-4.1.1: Corrected typo. EN-5.1.1: Amended guidance. EN-5.3A: New Section added on financial penalties for date sensitive requirements. EN-8.2.4: Inserted missing word.

CBB Rulebook (Volume 5) – October 2012 Update (continued)

PART A FOLDER Specific Money Changers Modules		
Module Code	Module Title	Summary of Changes and Printing Instructions
AU	Authorisation	AU-1.1.8A and AU-1.1.8B: Rule and guidance added to address the activity of wholesale export and import of various currency bank notes in physical form. AU-2.1.1: Amended legal status.
BR	CBB Reporting	BR-2.3.5A: Added guidance to clarify requirements for change of address for branches.

PART B FOLDER		
CBB Authorisation Forms		
Form 1	Application for a License	Amended legal status for money changer to be in line with Paragraph AU-2.1.1.
Form 3	Application for Approved Person Status	Clarified details of controlled functions for director positions.
CBB Reporting Forms		
ALF	Annual License Fee	Reference added in instructions to late payment penalties.