



EDFIS/C/025/2011
27th July 2011

The CEO/General Manager
All Listed Companies
Self-Regulatory Organisations (SRO)
SRO Members
Legal Firms
Auditing Firms
Manama, Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 6 (Capital Markets):
July 2011 Quarterly Update

This letter summarises the changes being made to Volume 6 (Capital Markets) of the CBB Rulebook. These changes will shortly be posted on the CBB website, at which point they will have immediate effect.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 6, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

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 July 2011

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

¹ Volume 6 can be accessed from www.cbb.gov.bh : from the Home page, select 'CBB Rulebooks' and then 'Volume 6'.

Changes for July 2011

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

Any changes are communicated to Rulebook users as well as posted on the CBB website.

Release of High-Level Controls (Corporate Governance Module)

Following the consultation which concluded on 1st June 2011, the CBB is now issuing its new Module HC (High-Level Controls (Corporate Governance)) for Volume 6 (Capital Markets). The new rules take effect on 1st September 2011. All listed companies and capital market service providers (CMSP) to which the Module HC applies should be in full compliance by the financial year end 2011.

The Module sets out the CBB's regulatory framework for corporate governance in Bahrain with respect to CMSPs. It aims to introduce a consistent, effective and harmonised approach in the regulation and supervision of corporate governance in line with the principles laid out in the Corporate Governance Code of the Kingdom of Bahrain.

CMSPs and listed companies should take measures to ensure compliance with the new requirements from the effective date and any CMSP that may be non-compliant with the new rules should advise the CBB of their status accordingly.

The new rules benefitted from industry comments and feedback received during the consultation process, and the CBB looks forward to working with you in implementing these rules.

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 the Capital Markets Supervision (CMS) Directorate, Mr. Ali Salman Thamer (on 17547909, or via email at: ali@cbb.gov.bh).

Yours faithfully,



Abdul Rahman Al Baker

Enclosure: July 2011 quarterly update table

CBB Rulebook (Volume 6) – July 2011 Quarterly Update

Summary of Changes and Printing Instructions for Hard Copy Users

N.B. All changes to the previous text of the items listed below are highlighted in colour in the PDF versions of Volume 6 posted on the CBB website, to aid users. The searchable version of the Rulebook also allows users to list changes and to compare different versions of the Rulebook.

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
Print off Part A Table of Contents (new version date issued and 'date last changed' entry for Module CIU updated to reflect changes below).		
AML	Anti-Money Laundering & Combating of Financial Crime	AML-A.1.3: Clarified legal basis. AML-7.1: Clarified the Rules dealing with substantial shareholdings.
HC	High-Level Controls (Corporate Governance)	New Module issued.

PART B FOLDER	
Reference	Summary of Changes and Printing Instructions
Print off Part B Table of Contents (new version date issued and 'date last changed' entry for Glossary updated to reflect changes below).	
Glossary of Defined Terms	Inclusion of Capital Markets Rulebook Definitions Print off complete Glossary