



# **CBB REPORTING MODULE**



<b>MODULE:</b>	<b>CRR (CBB Reporting)</b>
<b>Table of Contents</b>	

	<b>Date Last Changed</b>
<b>CRR-A Introduction</b>	
CRR-A.1 Purpose	04/2012
CRR -A.2 Module History	07/2017
<b>CRR-1 Prudential and other Reporting Requirements</b>	
CRR-1.1 Quarterly Statistical Return	10/2016
CRR-1.2 Prudential and Financial Reporting Dates	04/2012
CRR-1.3 Financial Statements and Disclosure Requirements	10/2016
<b>CRR-2 Notifications and Prior Approval Requirements</b>	
CRR-2.1 Bahrain Domiciled CIUs	04/2012
CRR-2.2 Relevant Persons	07/2017
<b>CRR-3 Notifications and Approvals of the Board</b>	
CRR-3.1 Board of Directors	04/2012
CRR-3.2 Meeting of CIU Participants	04/2012
<b>CRR-4 Notification and Approval Requirements for Bahrain Domiciled Retail and Bahrain Domiciled Expert CIUs</b>	
CRR-4.1 General Requirements	04/2012
<b>CRR-5 Notification and Approval Requirements for Overseas Domiciled CIUs</b>	
CRR-5.1 General Requirements	04/2012
<b>CRR-6 Accuracy of Information</b>	
CRR-6.1 General Requirements	04/2012



MODULE	CRR: CBB Reporting
CHAPTER	CRR-A: Introduction

## CRR-A.1 Purpose

### *Executive Summary*

CRR-A.1.1 This Module sets out the Central Bank of Bahrain's (CBB) reporting requirements for CIUs

### *Legal Basis*

**CRR-A.1.2** This Module contains the CBB's Directive (as amended from time to time) regarding CBB reporting requirements applicable to collective investment undertakings and is issued under the powers available to the CBB under Article 38 of the Central Bank of Bahrain and Financial Institutions Law 2006 ('CBB Law').

CRR-A.1.3 For an explanation of the CBB's rule-making powers and different regulatory instruments, see Section UG-1.1.



<b>MODULE</b>	<b>CRR: CBB Reporting</b>
<b>CHAPTER</b>	<b>CRR-A: Introduction</b>

## **CRR-A.2 Module History**

### *Evolution of Module*

- CRR-A.2.1 This Module was first issued in April 2007, as part of the initial release of the contents of Volume 6 (Capital Markets); it was given an effective date of 1 June 2007, with a one-year transition for existing CIUs.
- CRR-A.2.2 The Module was subsequently revised in April 2012, by the addition of several sections catering for the role and responsibilities of relevant persons, the registration and authorisation requirements, corporate governance, and other relevant Chapters and has been reissued as Volume 7.
- CRR-A.2.3 A list of recent changes made to this Module subsequent to the April 2012 revision is provided below:

Module Ref.	Change Date	Description of Changes
CRR-1.1.1	10/2016	Changed overseas domiciled CIU to placement agents offering overseas domiciled CIU holdings
CRR-1.3	10/2016	Amended section to be applicable to Bahrain domiciled CIUs
<b>CRR-2.2.22</b>	<b>07/2017</b>	<b>Deleted 'Resident' with respect to investors.</b>

### *Superseded Requirements*

- CRR-A.2.4 This Module supersedes the following provisions contained in circulars or other regulatory instruments:

Circular / other reference
Volume 6 Module CIU

- CRR-A.2.5 Further guidance on the implementation and transition to Volume 7 (Collective Investment Undertakings) is given in Module ES (Executive Summary).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-1: Prudential and other Reporting Requirements

## CRR-1.1 Quarterly Statistical Return

**CRR-1.1.1** All Bahrain domiciled CIUs and placement agents offering overseas domiciled CIU holdings must prepare and submit to the CBB a Quarterly Statistical Return (Form CIU-QS). (Refer to RP-3.4.1(n), RP-4.4.1(n), RP-7.4.1(j) and RP-12.5.5).

CRR-1.1.2 A copy of Form CIU-QS is contained in Part B of Volume 7 under CBB Reporting Forms.

**CRR-1.1.3** The Quarterly Statistical Return (Form CIU-QS) must be submitted to the CBB within 21 calendar days of each quarter end.

**CRR-1.1.4** For each quarter, a certified hard copy of the Form, together with an electronic 'soft copy', must be submitted to the CBB.

**CRR-1.1.5** If the CBB notifies a CIU that a Form CIU-QS appears to be inaccurate or incomplete, the CIU must promptly look into the matter and within 5 business days of the CBB notification (or as otherwise agreed), correct any inaccuracies or make good any omissions, and submit the amended parts of Form CIU-QS.

### *Public Disclosure*

CRR-1.1.6 Submitted Forms CIU-QS are not public documents and will not be disclosed to third parties by the CBB without the CIU's consent. However, the CBB may from time to time publish aggregate information derived from such forms for the sector as a whole.

CRR-1.1.7 Whilst submitted Forms CIU-QS are not public documents, CIU's are not prevented from providing copies to third parties.



MODULE	CRR: CBB Reporting
CHAPTER	CRR-1: Prudential and other Reporting

## CRR-1.2 Prudential and Financial Reporting Dates

**CRR-1.2.1** For the purpose of reporting requirements under this Module, the quarter end of a CIU must be a 3-month period ending on 31 March, 30 June, 30 September or 31 December.

**CRR-1.2.2** The financial year of a CIU must be a 12-month period, except where the CIU has obtained the written consent from the CBB for either the period or the period end to be other than 12 months and 31 December respectively. In any event, the financial year can never be less than a 6-month period or greater than an 18-month period.



MODULE	CRR: CBB Reporting
CHAPTER	CRR-1: Prudential and other Reporting

## CRR-1.3 Financial Statements and Disclosure Requirements

**CRR-1.3.1** Bahrain domiciled CIUs must ensure that the annual audited financial statements are disclosed and distributed to CIU participants and submitted to the CBB, within 4 months of the end of the CIU's financial year.

**CRR-1.3.2** Bahrain domiciled CIUs must ensure that the semi-annual (interim) financial statements are disclosed and distributed to CIU participants and submitted to the CBB, within 2 months of the period end.

**CRR-1.3.3** Bahrain domiciled CIUs must ensure that both the annual and semi-annual reports contain as a minimum the information specified in Supplementary Information document CRR(i) or Part B of Volume 7. (Refer to Chapters BDR-9, BDE-9 and BDX-9).

**CRR-1.3.4** Bahrain domiciled CIUs must ensure that the annual audited financial statements of the fund company (if applicable) are submitted to the CBB, within 3 months of the financial year-end of the fund company.

**CRR-1.3.5** Bahrain domiciled Listed CIUs must observe all applicable CBB Capital Market and licensed exchange requirements, as updated by the relevant authorities, with respect to their final audited accounts. These other requirements are currently issued separately and included in Volume 6 (Capital Markets) and the Rulebook of the licensed exchange.



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.1 Bahrain Domiciled CIUs

**CRR-2.1.1** All notifications and approvals required in this Chapter are to be submitted by the CIU's relevant persons in writing.

CRR-2.1.2 In this Chapter, the term 'in writing' includes electronic communication capable of being reproduced in paper form.

**CRR-2.1.3** A CIU must make the notifications and approvals required in Volume 7 immediately when it becomes aware, or has information which reasonably suggests, that any of the matters in Volume 7 have occurred, may have occurred or may occur in the near future.

**CRR-2.1.4** The requirements imposed on CIUs under Volume 7 apply whether the event relates to a matter that has occurred in Bahrain or in any other jurisdiction.

### *Launch of CIU*

**CRR-2.1.5** Subsequent to granting the authorisation for Bahrain domiciled CIUs, the operator is required to submit the following (refer to ARR-2.2.10):

- (a) The final prospectus (and simplified prospectus, if applicable) together with all the signed contractual agreements of the CIU, and the authenticated Memorandum and Articles of Association of the fund company (if applicable), or any other constitutional documents, within one month from the date of authorisation/registration; and
- (b) A written confirmation to the CBB in writing that the CIU has been launched, within a period not exceeding 6 months from the date of authorisation/registration, as applicable.

**CRR-2.1.6** Should for any reason a Bahrain domiciled CIU not be launched within the specified timeframe of 6 months, the operator must seek the CBB's approval for an extension to launch the CIU and confirm in writing to the CBB once the CIU is launched (refer to ARR-2.2.11)



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.1 Bahrain Domiciled CIUs (continued)

### *Documents and Prospectus Requirements*

- CRR-2.1.7** Once authorised, prior approval must be obtained from the CBB for any subsequent material changes to the documents of Bahrain domiciled retail CIUs and Bahrain domiciled expert CIUs. An updated copy of the documents must be made available to the CBB within 30 calendar days of the revision being approved (refer to BDR-1.1.5 and BDE-1.1.5).
- CRR-2.1.8** Once registered, any subsequent material changes to the documents of a Bahrain domiciled exempt CIU must be notified to the CBB 10 working days prior to execution. An updated copy of the documents must be made available to the CBB within 30 calendar days of executing such changes (refer to BDX-1.1.5).
- CRR-2.1.9** Once a Bahrain domiciled retail CIU or a Bahrain domiciled expert CIU is authorised, prior approval must be obtained from the CBB for any subsequent material changes to the prospectus. An updated copy of the prospectus must be made available to CBB within 30 calendar days of the revision being agreed, and CIU participants must be notified of the changes at least 30 calendar days before they take effect, given that a window for redemption is made available to CIU participants within this timeframe (refer to BDR-2.1.5 and BDE-2.1.5).
- CRR-2.1.10** Once a Bahrain domiciled exempt CIU is registered, prior approval must be obtained from the majority of the CIU participants for any subsequent material changes to the prospectus. An updated copy of the prospectus must be made available to CBB within 30 calendar days of the revision being agreed, and CIU participants must be notified of the changes at least 14 calendar days before they take effect (refer to BDX-2.1.6).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.1 Bahrain Domiciled CIUs (continued)

### *Suspension of Dealing*

**CRR-2.1.11** All Bahrain domiciled CIUs must notify the CBB and all CIU participants upon the suspension of dealing in the CIU holdings and provide the rationale for such decision (refer to BDR-14.1.1, BDE-14.1.1 and BDX-13.1.1).

### *Resumption of Dealing*

**CRR-2.1.12** All Bahrain domiciled CIUs must notify the CBB and all CIU participants upon the resumption of dealing in the CIU holdings and provide the date on which the dealing was resumed (refer to BDR-14.1.2, BDE-14.1.1 and BDX-13.2.1).

### *Appointment of Relevant Persons*

**CRR-2.1.13** Termination of the approved operator/trustee is not permitted by the CBB, without obtaining the necessary prior written approval of the CBB and submitting the documents listed under Rule RP-1.2.4 (refer to Paragraph RP-1.2.3).

**CRR-2.1.14** Appointments of other relevant persons subsequent to granting authorisation of a Bahrain domiciled retail CIU or Bahrain domiciled exempt CIU must be approved by the CBB, prior to the termination of the agreement with the existing relevant person (refer to Paragraph RP-1.3.4).

**CRR-2.1.15** Appointments of other relevant persons subsequent to granting approval for registration of a Bahrain domiciled exempt CIU must be notified to the CBB, 3 months prior to the effective termination date of the agreement with the existing relevant person (refer to Paragraph RP-1.3.6).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.1 Bahrain Domiciled CIUs (continued)

### CRR-2.1.16

Bahrain domiciled CIUs must, in their terms of engagement with all relevant persons, provide for them to report to the CBB in writing without delay, if they become aware of any of the following (refer to Paragraph RP-2.1.3):

- The information provided to the CIU's participants or the CBB does not truly reflect the financial situation of the CIU;
- There has been a material breach of the requirements of Volume 7, the CIU documents, or any directions issued by the CBB;
- There exist circumstances that may materially affect the ability of the CIU to fulfill its obligations to the CIU participants;
- There are material defects in the financial systems, controls or accounting records of the CIU;
- There are material inaccuracies in any reporting provided to the CBB; or
- In the case of the external auditor, they are likely to qualify any opinion they are to provide in relation to the financial statements of the CIU.

### *Sharia Compliant CIUs*

### CRR-2.1.17

Subsequent to the initial appointment, Shari'a compliant retail CIUs and Shari'a compliant expert CIUs must report without delay to the CBB and to the CIU participants, changes to their Shari'a Board Members/Advisor(s), together with an explanation for the change. All such changes must be subject to the CBB's prior written approval and reflected in an update to the CIU's prospectus (and simplified prospectus where applicable) (refer to SCC-2.1.4).

### CRR-2.1.18

Subsequent to the initial appointment, Shari'a compliant exempt CIUs must report without delay to the CBB and to the CIU participants, changes to their Shari'a Board Members/Advisor(s), together with an explanation for the change. All such changes must be notified to the CBB and reflected in an update to the CIU's prospectus (and simplified prospectus where applicable) (refer to SCC-2.1.5).

<b>MODULE</b>	<b>CRR: CBB Reporting</b>
<b>CHAPTER</b>	<b>CRR-2: Notifications and Prior Approval Requirements</b>

## CRR-2.1 Bahrain Domiciled CIUs (continued)

### *Notifications and Approvals for Liquidation of a CIU*

**CRR-2.1.19** Any intention to liquidate a Bahrain domiciled CIU must first be notified to the CBB by the operator together with reasons for having such intent. Notification must be made before entering into any other legally binding commitment to liquidate (refer to LDR-1.2.1).

**CRR-2.1.20** Upon finalising the decision to liquidate, the operator of a Bahrain domiciled CIU must seek in writing, the CBB's prior written approval to liquidate. The liquidation must be subject to the terms of the instrument constituting the CIU and any other applicable laws (refer to LDR-1.3.1).

**CRR-2.1.21** The formal request must be supported by a board resolution ratifying the decision, subject to CBB approval (refer to LDR-1.3.2).

CRR-2.1.22 CBB approval in response to a request to liquidate a Bahrain domiciled CIU will normally be given in the following circumstances (refer to LDR-1.3.4):

- (a) The CIU was not able to operate within 6 months from the CBB's authorisation date (refer to Module ARR);
- (b) The purpose of the CIU cannot be accomplished;
- (c) The constitutional documents of the CIU stipulate a specific maturity date;
- (d) The NAV of the CIU has fallen below a certain size, where the board believes it is not feasible to continue operating the CIU; or
- (e) A resolution of a duly convened meeting of the CIU participants has been passed to liquidate the CIU.

**CRR-2.1.23** Bahrain domiciled CIUs must simultaneously give at least one month's written notice, as a minimum, to CIU participants of their intention to liquidate the CIU, together with an explanation for such intention. A copy of this notice must be provided to the CBB at the time it is issued to CIU participants (refer to LDR-1.4.1).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.1 Bahrain Domiciled CIUs (continued)

**CRR-2.1.24** The appointment of the liquidator and the external auditor is subject to CBB approval (refer to LDR-1.4.5 or LDR-1.4.3 (b) and (c)).

**CRR-2.1.25** Upon completion of the liquidation process, the operator must submit the following to the CBB (refer to LDR-1.4.6):

- (a) The final report from the liquidator confirming the completion of the liquidation process and the final audited accounts of the CIU and fund company (if applicable);
- (b) Evidence that the Commercial Registration of the fund company, provided by the Ministry of Industry and Commerce has been cancelled (if applicable);
- (c) An independent verification by auditors that the CIU's assets have been distributed to CIU participants in accordance with the instrument constituting the CIU. For non-operational CIUs, the audit verification must confirm that the CIU has not operated; and
- (d) A request for the CIU to be removed from the CBB's register of authorised/registered CIUs.



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.2 Relevant Persons

### *General*

**CRR-2.2.1** All relevant persons must provide the CBB, upon request, with any additional information relevant to the CIU, on a prompt basis (refer to the Module RP).

### *Operator*

**CRR-2.2.2** The operator of Bahrain domiciled CIUs is responsible for all reporting requirements to the CBB and to other parties, as required in Volume 7. Such reporting requirements include but are not limited to (refer to Paragraph RP-3.5.1):

- (a) Reporting any breach to the requirements of Volume 7, the CIU documents, or any directions issued by the CBB; and
- (b) Reporting any material amendments to the CIU documents on a timely basis.

**CRR-2.2.3** Operators of Bahrain domiciled retail CIUs and Bahrain domiciled expert CIUs must obtain CBB's prior written approval for any additional investment in the CIU, other than the seed capital prescribed in the prospectus (refer to Paragraph RP-3.6.2).

**CRR-2.2.4** Operators of Bahrain domiciled retail CIUs and Bahrain domiciled expert CIUs who have introduced seed capital/investment into a CIU authorised under Module ARR must not seek partial redemption, full redemption or buy back the seed capital/investment without the prior written approval of the CBB (refer to Paragraph RP-3.6.3).

**CRR-2.2.5** Operators of Bahrain domiciled exempt CIUs must notify the CBB prior to committing to any additional investment in the CIU, other than the seed capital prescribed in the prospectus (refer to Paragraph RP-3.6.4)



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.2 Relevant Persons (continued)

**CRR-2.2.6** Operators of Bahrain domiciled exempt CIUs who have introduced seed capital/investment into a CIU registered under Module ARR must not seek partial redemption, full redemption or buy back the seed capital/investment without the prior written notification to the CBB (refer to Paragraph RP-3.6.5).

**CRR-2.2.7** Operators of Bahrain domiciled CIUs must seek the CBB's approval as soon as reasonably practicable as to any intention to merge, transfer or wind-up a CIU (refer to Paragraph RP-3.6.9).

**CRR-2.2.8** Operators of Bahrain domiciled CIUs must notify the CBB immediately upon deciding to suspend/resume dealings in a CIU (refer to Paragraph RP-3.6.10).

### *Trustee*

**CRR-2.2.9** The trustee of Bahrain domiciled CIUs is responsible for all reporting requirements to the CBB and to other parties, as required in Volume 7. Such reporting requirements include but are not limited to (refer to Paragraph RP-4.5.1):

- (a) Reporting any breach to the requirements of Volume 7, the CIU documents, or any directions issued by the CBB; and
- (b) Reporting any material amendments to the CIU documents on a timely basis.

**CRR-2.2.10** Trustees of Bahrain domiciled CIUs must seek the CBB's prior approval as soon as reasonably practicable as to any intention to merge, transfer or wind-up a CIU (refer to Paragraph RP-4.6.2).

**CRR-2.2.11** Trustees of Bahrain domiciled CIUs must notify the CBB immediately upon deciding to suspend/resume dealings in a CIU (refer to Paragraph RP-4.6.3).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.2 Relevant Persons (continued)

### *Fund Manager*

**CRR-2.2.12** Fund managers must comply with all reporting requirements stipulated in the relevant contractual agreements (refer to Paragraph RP-5.5.1).

### *Custodian*

**CRR-2.2.13** Custodians must comply with all reporting requirements as stipulated in the relevant contractual agreements (refer to Paragraph RP-6.5.1).

**CRR-2.2.14** Custodians must report to the CBB immediately when they become aware of any breach of the CIUs prospectus (refer to Paragraph RP-6.5.2).

**CRR-2.2.15** Custodians must provide the fund manager and fund administrator with a statement of assets pertaining to the CIU, on intervals, as agreed between the parties (refer to Paragraph RP-6.5.3).

### *Fund Administrator*

**CRR-2.2.16** Fund administrators must comply with all reporting requirements as stipulated in the relevant contractual agreements. Such reports should include but are not limited to the following (refer to RP-7.5.1):

- Reporting of the NAV to the operator, fund manager and registrar, as prescribed in the prospectus;
- Reporting of the CIU's annual financial statements (within 4 months of the financial year-end of the CIU) and semi-annual financial statements (within 2 months of the relevant 6-month period) to the operator, fund manager, and registrar and to the CBB;



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.2 Relevant Persons (continued)

- (c) Reporting of the fund company's annual financial statements (within 3 months of the financial year-end of the CIU) to the CIU operator, fund manager and CBB;
- (d) Reporting of all necessary reports of the CIU, including but not limited to the NAV report, cash accounts statements, assets valuation reports, foreign exchange profit and loss report, dividend report and trial balance, to the fund manager;
- (e) In the case retail CIU or expert CIUs, report to the CBB, fund manager and operator, if:
  - (i) The NAV per unit falls below 60% of the initial value per unit, at any valuation date;
  - (ii) The total NAV falls below 60% of the total NAV reported in the last audited financials of the CIU; or
  - (iii) The total NAV falls below 50% of the total NAV of the CIU relative to the previous valuation day.
- (f) Report to the CBB any case in which the investment strategy limits/guidelines are breached;
- (g) Report to the CBB Form CIU (QS) within the deadline required in Paragraph CRR-1.1.3;
- (h) Report to the CBB immediately, any suspension in the determination of the NAV of the CIU, the reasons for this suspension, and tentative time to recommence of determination of the NAV; and
- (i) To meet any reporting requirement as required by the MOIC in accordance with the Bahrain Commercial Companies Law.

### *Registrar/Transfer Agent*

#### CRR-2.2.17

Registrars/Transfer Agents must comply with all reporting requirements stipulated in the relevant contractual agreements (refer to Paragraph RP-8.5.4).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.2 Relevant Persons (continued)

### *Placement Agent*

**CRR-2.2.18** Placement agents must comply with all reporting requirements stipulated in the relevant contractual agreements (refer to Paragraph RP-9.5.1).

**CRR-2.2.19** The placement agent should report to the fund company's board of directors/trustees, any issues related to anti-money laundering and terrorist financing (refer to Paragraph RP-9.5.2).

### *Investment Advisor*

**CRR-2.2.20** Investment advisors must comply with any reporting requirements stipulated in the relevant contractual agreements (refer to Paragraph RP-10.5.1).

### *External Auditor*

**CRR-2.2.21** External auditors must comply with all reporting requirements stipulated in the relevant contractual agreements (refer to Paragraph RP-11.5.1).

**CRR-2.2.22** External auditors must report any material weaknesses in accounting and internal control systems that come to their notice, to the board of directors of the fund company/trustees and to the CBB, in a timely and on a prompt basis (refer to Paragraph RP-11.5.2).

### *Placement Agent (Offering Overseas Domiciled CIU Holdings to Investors in the Kingdom of Bahrain)*

**CRR-2.2.23** Placement agents must comply with any reporting requirements to the CIU participants, stipulated in the relevant contractual agreements (refer to Paragraph RP-12.5.1).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-2: Notifications and Prior Approval Requirements

## CRR-2.2 Relevant Persons (continued)

- CRR-2.2.24** Placement agents must ensure that the CIUs' prospectus (and simplified prospectus where applicable) are kept up-to-date. Most recent copies of the prospectus (and simplified prospectus where applicable) must be circulated to existing investors and made available to the CBB within 30 calendar days of any revision (refer to Paragraph RP-12.5.2).
- CRR-2.2.25** Placement agents must distribute to investors the annual reports of CIUs and any other reports specified in the CIUs' prospectus, within the time scales specified by their home regulator and in accordance with the accounting standards acceptable by the home regulator (refer to Paragraph RP-12.5.3).
- CRR-2.2.26** Placement agents must notify the CBB and the CIU participants in a timely manner of any intention to merge, transfer, wind up or suspend dealings in overseas domiciled CIUs (refer to Paragraph RP-12.5.4).
- CRR-2.2.27** Placement agents must file with the CBB Form CIU (QS), the CIU Quarterly Statistical Return, within the deadline specified on the return (refer to Paragraph RP-12.5.5).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-3: Notifications and Approvals of the Board

## CRR-3.1 Board of Directors

### CRR-3.1.1

The operator of the CIU must obtain the CBB's prior approval before a person is formally appointed to the board. The request for CBB approval must be made by submitting to the CBB a Form 2 CIU Board Member Form with a covering letter, and enclosing the following documentation (refer to Paragraph CG-2.1.1). :

- (a) A board resolution from the operator ratifying the appointment;
- (b) A current CV of the proposed board member; and
- (c) A valid passport copy of the proposed board member.

### CRR-3.1.2

The operator/trustee must immediately notify the CBB in case of any material change to the information provided in the request for appointment of a board member (refer to Paragraph CG-2.1.3).

### CRR-3.1.3

The operator/trustee must immediately notify the CBB when it becomes aware of any of the following events, affecting one of the board members (refer to Paragraph CG-2.1.4):

- (a) The conviction by a court, whether in Bahrain or elsewhere, for a crime affecting honesty;
- (b) A declaration of bankruptcy by a court of law;
- (c) A court ruling that the board member's legal capacity is totally or partially impaired; or
- (d) A sanction by a professional body of a fine, suspension, expulsion or censure.

### CRR-3.1.4

The operator/trustee of the CIU must immediately notify the CBB when a board member submits a resignation from his position, or if his membership is terminated, together with an explanation as to the reasons why (refer to Paragraph CG-2.1.5).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-3: Notifications and Approvals of the Board

## CRR-3.2 Meeting of CIU Participants

**CRR-3.2.1** If a general meeting of CIU participants is called, the board must ensure that (refer to Paragraph CG-3.3.2):

- (a) Each CIU participant is given at least 14 calendar days written notice of the meeting;
- (b) The notice specifies the place, day and time of the meeting; and
- (c) The terms and resolutions to be proposed, as well as a copy of the notice, are sent to the CIU's fund administrator and custodian and to the CBB.

**CRR-3.2.2** The board should obtain regular feedback from the placement agent(s), or sub-placement agent(s) to ascertain that formal anti-money laundering procedures in place are being adhered to, and that any suspicious findings were raised and investigated accordingly. All suspicious findings and the results of the subsequent investigation should be promptly reported to the board and to the concerned authority (refer to Paragraph CG-5.7.2).

**CRR-3.2.3** The board should be aware of any material breach that may affect the overall operation of the CIU, including but not limited to any breach to the investment policy of a CIU and report it to the CBB on a prompt and timely manner, in writing (refer to Paragraph CG-5.11.1).

**CRR-3.2.4** The board must report to the CBB, on a prompt basis, any event that may directly or indirectly impact the CIU (refer to Paragraph CG-5.11.2).

**CRR-3.2.5** In the event that the fund manager foresees, due to adverse market conditions, that it is in the best interest of CIU participants to shift from investments into cash and cash equivalents, the board is required to (refer to CG-5.11.3):

- (a) Immediately notify the CBB and the registrar stating the reason and the expected time by which the stipulated limits will be met; and
- (b) Immediately notify the CBB and the registrar once the CIU resumes investing in accordance with the investment limits stipulated in the prospectus.



MODULE	CRR: CBB Reporting
CHAPTER	CRR-3: Notifications and Approvals of the Board

## CRR-3.2 Meeting of CIU Participants (continued)

**CRR-3.2.6** The board must provide the CBB, upon request, with any additional information relevant to the CIU, on a prompt basis (refer to Paragraph CG-5.11.4).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-4: Notification and Approval Requirements for Bahrain Domiciled Retail and Bahrain Domiciled Expert CIUs

## CRR-4.1 General Requirements

### CRR-4.1.1

Bahrain domiciled retail CIUs and Bahrain domiciled expert CIUs may only invest in the type of assets specified in and in accordance with the limits prescribed in Supplementary Information document, ARR(iv), unless otherwise agreed and approved in writing by the CBB. However, such limits do not apply until the expiry of a period of six months from the date of the initial offering of the CIU (refer to Rules BDR-4.1.4 and BDE-4.1.4).

### *Significant Influence / Conflicts of Interest*

### CRR-4.1.2

Bahrain domiciled retail CIUs and Bahrain domiciled expert CIUs must not acquire securities issued by a relevant person, unless exempted in writing by the CBB (refer to Rules BDR-4.3.1 and BDE-4.3.1).

### *Non-compliance with and Breaches of Investment Limits*

### CRR-4.1.3

Any breach of investment limits and risk management policies, that has occurred because of a reason other than a market change or movement, must be reported to the CBB by the board of the CIU, the custodian and the fund administrator, in a timely manner together with a plan and time-frame whereby the breach would be rectified (refer to Rules BDR-4.5.2 and BDE-4.5.2).

### CRR-4.1.4

If the breach occurs as a result of a market change or movement, Bahrain domiciled retail CIUs and Bahrain domiciled expert CIUs must take all necessary steps to remedy the situation, if possible, but without jeopardizing the interests of CIU participants, and to notify the CBB of the same (refer to Rules BDR-4.5.3 and BDE-4.5.3).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-4: Notification and Approval Requirements for Bahrain Domiciled Retail and Bahrain Domiciled Expert CIUs

## CRR-4.1 General Requirements (continued)

### *Dividends*

#### CRR-4.1.5

All requests for distribution of dividends on holdings, must be approved in writing by the CBB prior to being announced or distributed to CIU participants of a Bahrain domiciled retail CIU or a Bahrain domiciled expert CIU (refer to Rules BDR-6.2.1 and BDE-6.2.1).

#### CRR-4.1.6

The fund administrator of a Bahrain domiciled retail CIU or a Bahrain domiciled expert CIU must notify the CBB, in writing, if the NAV of the CIU falls below (refer to Rules BDR-7.1.4 and BDE-7.1.4):

- (i) The NAV per unit falls below 60% of the initial value per unit, at any valuation date;
- (ii) The total NAV falls below 60% of the total NAV reported in the last audited financials of the CIU; or
- (iii) The total NAV falls below 50% of the total NAV of the CIU relative to the previous valuation day.

### *Listing Requirements*

#### CRR-4.1.7

In the case that a Bahrain domiciled retail CIU or a Bahrain domiciled expert CIU intends to be listed subsequent to being authorised by the CBB, it must (refer to Rules BDR-12.1.2 and BDE-12.1.2):

- (a) Amend the prospectus after obtaining the CBB's approval; and
- (b) Notify the CIU participants of such intention.

#### CRR-4.1.8

Subsequent to fulfilling the requirements of Rules BDR-12.1.2 and BDE-12.1.2, the operator of the CIU must (refer to Rules BDR-12.1.3 and BDE-12.1.3):

- (a) Obtain CBB's non-objection to be listed;
- (b) Obtain the required approvals from the licensed exchange; and
- (c) Thereafter notify the CBB of the effective date of listing.

 <b>Central Bank of Bahrain Rulebook</b>	<b>Volume 7: Collective Investment Undertakings</b>
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<b>MODULE</b>	<b>CRR: CBB Reporting</b>
<b>CHAPTER</b>	<b>CRR-4: Notification and Approval Requirements for Bahrain Domiciled Retail and Bahrain Domiciled Expert CIUs</b>

## **CRR-4.1 General Requirements (continued)**

### *Mergers and Transfers*

**CRR-4.1.9** Bahrain domiciled CIUs must seek prior written approval from the CBB in order to merge with, or else transfer its assets to another Bahrain domiciled CIU (refer to Rules BDR-13.1.1 and BDE-13.1.1)



MODULE	CRR: CBB Reporting
CHAPTER	CRR-5: Notification and Approval Requirements for Overseas Domiciled CIUs

## CRR-5.1 General Requirements

**CRR-5.1.1** Any change to the prospectus and simplified prospectus of an overseas domiciled CIU must be communicated to the CBB and to CIU participants, within the deadline specified by the home regulator (refer to Paragraph ODC-1.2.4).

### *Reporting to CBB*

**CRR-5.1.2** The placement agent of an overseas domiciled CIU must notify the CBB in a timely manner of any intention to merge, transfer, wind up or suspend dealings in the CIU (refer to Paragraph ODC-3.2.1).

### *De-registration/De-authorisation of Overseas Domiciled CIUs*

**CRR-5.1.3** The placement agent of an overseas domiciled CIU, must give at least one month's written notice to CIU participants and to the CBB of its intention to de-register or de-authorise the CIU. The notification must be submitted along with an explanation of the reasons for wishing to de-register or de-authorise the CIU, and subsequently a confirmation that there are no obligations outstanding to any CIU participant (refer to Rule ODC-6.1.1).



MODULE	CRR: CBB Reporting
CHAPTER	CRR-6: Accuracy of Information

## CRR-6.1 General Requirements

- CRR-6.1.1** CIUs and their relevant persons must take reasonable steps to ensure that all information they give the CBB is:
- (a) Factually accurate or, in the case of estimates and judgments, fairly and properly based after appropriate enquiries have been made by the CIU; and
  - (b) Complete, in that it should include anything of which the CBB would reasonably expect notice.

- CRR-6.1.2** If the relevant person of a CIU becomes aware, or has information that reasonably suggests that it has or may have provided the CBB with information that was or may have been false, misleading, incomplete or inaccurate, or has or may have changed in a material way, it must notify the CBB immediately. The notification must include:
- (a) Details of the information which is or may be false, misleading, incomplete or inaccurate, or has or may have changed;
  - (b) An explanation why such information was or may have been provided; and
  - (c) The correct information.

- CRR-6.1.3** If the information in Rule CRR-6.1.2 cannot be submitted with the notification, (because it is not immediately available), it must instead be submitted as soon as possible afterwards.