



RELEVANT PERSONS MODULE



MODULE:	RP (Relevant Persons)
Table of Contents	

		Date Last Changed
RP-A	Introduction	
	RP-A.1 Purpose	04/2012
	RP-A.2 Module History	01/2020
RP-1	Appointment of Relevant Persons	
	RP-1.1 General Requirements	07/2017
	RP-1.2 Operator/Trustee	01/2020
	RP-1.3 Other Relevant Persons	07/2017
RP-2	Market Conduct of Relevant Persons	
	RP-2.1 General Requirements	04/2012
RP-3	Operator	
	RP-3.1 Definition	04/2012
	RP-3.2 Required Country of Domicile	04/2012
	RP-3.3 Required Type of License	04/2012
	RP-3.4 Duties	04/2012
	RP-3.5 Reporting Requirements	04/2012
	RP-3.6 Other Requirements	10/2016
RP-4	Trustee	
	RP-4.1 Definition	04/2012
	RP-4.2 Required Country of Domicile	04/2012
	RP-4.3 Required Type of License	04/2012
	RP-4.4 Duties	04/2012
	RP-4.5 Reporting Requirements	04/2012
	RP-4.6 Other Requirements	04/2012



MODULE:	RP (Relevant Persons)
Table of Contents	

		Date Last Changed
RP-5	Fund Manager	
RP-5.1	Definition	04/2012
RP-5.2	Required Country of Domicile	04/2012
RP-5.3	Required Type of License	04/2012
RP-5.4	Duties	04/2012
RP-5.5	Reporting Requirements	04/2012
RP-5.6	Other Requirements	04/2012
RP-6	Custodian	
RP-6.1	Definition	04/2012
RP-6.2	Required Country of Domicile	04/2012
RP-6.3	Required Type of License	04/2012
RP-6.4	Duties	04/2012
RP-6.5	Reporting Requirements	04/2012
RP-6.6	Other Requirements	04/2012
RP-7	Fund Administrator	
RP-7.1	Definition	04/2012
RP-7.2	Required Country of Domicile	04/2012
RP-7.3	Required Type of License	04/2012
RP-7.4	Duties	04/2012
RP-7.5	Reporting Requirements	04/2012
RP-7.6	Other Requirements	04/2012
RP-8	Registrar/Transfer Agent	
RP-8.1	Definition	04/2012
RP-8.2	Required Country of Domicile	04/2012
RP-8.3	Required Type of License	04/2012
RP-8.4	Duties	04/2012
RP-8.5	Reporting Requirements	04/2012
RP-8.6	Other Requirements	04/2012



MODULE:	RP (Relevant Persons)
Table of Contents	

		Date Last Changed
RP-9	Placement Agent	
RP-9.1	Definition	04/2012
RP-9.2	Required Country of Domicile	04/2012
RP-9.3	Required Type of License	04/2012
RP-9.4	Duties	04/2012
RP-9.5	Reporting Requirements	04/2012
RP-9.6	Other Requirements	04/2012
RP-10	Investment Advisor	
RP-10.1	Definition	04/2012
RP-10.2	Required Country of Domicile	04/2012
RP-10.3	Required Type of License	04/2012
RP-10.4	Duties	04/2012
RP-10.5	Reporting Requirements	04/2012
RP-10.6	Other Requirements	04/2012
RP-11	External Auditor	
RP-11.1	Definition	04/2012
RP-11.2	Required Country of Domicile	04/2012
RP-11.3	Required Type of License	04/2012
RP-11.4	Duties	04/2012
RP-11.5	Reporting Requirements	04/2012
RP-11.6	Other Requirements	04/2012
RP-12	Placement Agent for Overseas Domiciled CIUs	
RP-12.1	Definition	07/2017
RP-12.2	Required Country of Domicile	07/2017
RP-12.3	Required Type of License	04/2012
RP-12.4	Duties	07/2015
RP-12.5	Reporting Requirements	04/2012
RP-12.6	Other Requirements	07/2015



MODULE	RP: Relevant Persons
CHAPTER	RP-A: Introduction

RP-A.1 Purpose

Executive Summary

RP-A.1.1 This Module sets out the requirements of the Central Bank of Bahrain's (CBB) with respect to the combination, appointment and responsibilities of Relevant Persons to CIUs.

Legal Basis

RP-A.1.2 This Module contains the CBB's Directive (as amended from time to time) regarding relevant persons under Volume 7 of the CBB Rulebook. It 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'). This Directive is applicable to all CBB licensees that are relevant persons.

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



MODULE	RP: Relevant Persons
CHAPTER	RP-A: Introduction

RP-A.2 Module History

Evolution of Module

- RP-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.
- RP-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.
- RP-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
RP-12.4.1	07/2015	Amended to reflect the process for filing for exempt and expert CIUs.
RP-12.6.2	07/2015	Added requirement for placement agent to retain supporting documentation ensuring suitability of the CIU for the targeted category of investors.
RP-3.6.5	10/2016	This paragraph has been deleted in October 2016
RP-1.1.1; RP-1.3.7; RP-12.1.1; RP-12.2.1	07/2017	Deleted 'resident' with respect to investors.
RP-1.2.4	01/2020	Amended Paragraph.

Superseded Requirements

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

Circular / other reference
Volume 6 Module CIU

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



MODULE	RP: Relevant Persons
CHAPTER	RP-1: Appointment of Relevant Persons

RP-1.1 General Requirements

RP-1.1.1

A relevant person for the purpose of Volume 7, is the:

- Operator;
- Trustee (if applicable);
- Fund Manager;
- Custodian;
- Fund Administrator;
- Registrar/Transfer Agent;
- Placement Agent;
- Investment Advisor (if applicable);
- External Auditor; and
- CBB Licensee acting as a Placement Agent offering overseas domiciled CIU holdings to investors in the Kingdom of Bahrain.

RP-1.1.2

Throughout this Module, reference to relevant persons (a) to (i) is made in relation to Bahrain domiciled CIUs. Reference to relevant person (j) is made in relation to overseas domiciled CIUs; however, the CBB expects overseas domiciled CIUs to have in place relevant persons similar to (a) to (i) appointed in their home jurisdiction.

Combination of Relevant Persons

RP-1.1.3

Where relevant persons functions are combined and the CIU is structured as a Common CIU or Corporate, the following combination of relevant persons must be observed:

Relevant Person	<u>Operator</u>	<u>Fund Manager</u>	<u>Custodian</u>	<u>Fund Admin.</u>	<u>Registrar/Transfer Agent</u>	<u>Placement Agent</u>	<u>Inv. Advisor</u>	<u>External Auditor</u>
	(a)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Operator</u>		yes	no	no	no	yes	yes	no
<u>Fund Manager</u>	yes		no	no	no	yes	no	no
<u>Custodian</u>	no	no		yes	yes	no	no	no
<u>Fund Admin.</u>	no	no	yes		yes	no	no	no
<u>Registrar/Transfer Agent</u>	no	no	yes	yes		no	no	no
<u>Placement Agent</u>	yes	yes	no	no	no		yes	no
<u>Investment Advisor</u>	yes	no	no	no	no	yes		no
<u>External Auditor</u>	no	no	no	no	no	no	no	



MODULE	RP: Relevant Persons
CHAPTER	RP-1: Appointment of Relevant Persons

RP-1.1 General Requirements (continued)

RP-1.1.4

Where relevant persons functions are combined and the CIU is structured as a trust, the following combination of relevant persons must be observed:

<u>Relevant Person</u>	<u>Trustee</u>	<u>Fund Manager</u>	<u>Custodian</u>	<u>Fund Admin.</u>	<u>Registrar/ Transfer Agent</u>	<u>Placement Agent</u>	<u>Inv. Advisor</u>	<u>External Auditor</u>
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
<u>Trustee</u>		no	yes	yes	yes	no	no	no
<u>Fund Manager</u>	no		no	no	no	yes	no	no
<u>Custodian</u>	yes	no		yes	yes	no	no	no
<u>Fund Admin.</u>	yes	no	yes		yes	no	no	no
<u>Registrar/ Transfer Agent</u>	yes	no	yes	yes		no	no	no
<u>Placement Agent</u>	no	yes	no	no	no		yes	no
<u>Investment Advisor</u>	no	no	no	no	no	yes		no
<u>External Auditor</u>	no	no	no	no	no	no	no	

RP-1.1.5 In applying Rules RP-1.1.3 and RP-1.1.4 above, relevant persons who are related parties or from the same group will not be considered independent from each other, and as such will not be permitted to act in the capacity intended.

RP-1.1.6

Bahrain domiciled CIUs must appoint separate entities to act as each of the relevant persons listed under Rule RP-1.1.1, as appropriate.

RP-1.1.7

The appointment of relevant persons (a), (c), (d), (e), (f), (g) and (i) is mandatory for Bahrain domiciled CIUs. In the case of CIUs structured as trusts, the appointment of relevant person (b) in place of (a) is mandatory in addition to (c), (d), (e), (f), (g) and (i). The appointment of relevant person (h) is optional for all Bahrain domiciled CIUs.



MODULE	RP: Relevant Persons
CHAPTER	RP-1: Appointment of Relevant Persons

RP-1.2 Operator/Trustee

RP-1.2.1 The initial appointment of the operator/trustee of a Bahrain domiciled CIU will be approved by the CBB as part of the process of authorisation/registration outlined in Module ARR.

RP-1.2.2 The list of documents required to be submitted along with the initial appointment are listed in Form 1 CIU Application Form.

RP-1.2.3 Termination of the approved operator/trustee is not permitted by the CBB, without obtaining for the proposed replacement, the necessary prior written approval of the CBB and submitting the documents listed under Rule RP-1.2.4.

RP-1.2.4 The documents that must **be** submitted to the CBB in support of an application for a subsequent appointment of an operator/trustee include, but are not limited to, the following:

- (a) Board Resolutions from the BODs of the existing and proposed operator/trustee satisfying the Rule RP-1.2.3;
- (b) A copy of the license certificate of the proposed operator/trustee (if a non **CBB Licensee**);
- (c) A 'no-objection' letter from the home regulatory authority of the proposed operator/trustee (if a non **CBB Licensee**);
- (d) The audited financial statements of the proposed operator/trustee for the last 3 years (if a non **CBB Licensee**); and
- (e) A Form 1 CIU Application form, duly completed by the proposed operator/trustee.



MODULE	RP: Relevant Persons
CHAPTER	RP-1: Appointment of Relevant Persons

RP-1.3 Other Relevant Persons

RP-1.3.1

All relevant persons of a Bahrain domiciled CIU must be appointed by the operator/trustee of the CIU, after it conducts an assessment and is satisfied as to the suitability of the relevant person to undertake that role, prior to entering into an agreement with the operator/trustee of the CIU.

RP-1.3.2 The CBB will consider the suitability of the relevant persons of a CIU initially, as part of the registration/authorisation process.

RP-1.3.3 The list of documents required to be submitted along with the initial appointment are listed in Form 1 CIU Application Form.

RP-1.3.4

Appointments subsequent to granting authorisation of a Bahrain domiciled retail CIU or Bahrain domiciled expert CIU must be approved by the CBB, prior to the termination of the agreement with the existing relevant person.

RP-1.3.5

The documents that must be submitted to the CBB in support of an application for a subsequent appointment of a relevant person include, but are not limited, to the following:

- (a) A Board Resolution from the BOD of the CIU approving the appointment;
- (b) The draft contractual agreement with the relevant person;
- (c) The draft amendment to the prospectus;
- (d) A copy of license certificate for non-CBB licensee relevant persons; and
- (e) The audited financial statements for the last 3 years for the fund manager only, in case the fund manager is a non-CBB licensee.

RP-1.3.6

Appointments 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.

RP-1.3.7

Overseas domiciled CIUs must appoint an eligible CBB licensee to offer their holdings to prospective investors in Bahrain.



MODULE	RP: Relevant Persons
CHAPTER	RP-2: Market Conduct of Relevant Persons

RP-2.1 General Requirements

RP-2.1.1

Relevant persons must maintain proper standards of market conduct, in relation to their role with respect to a CIU, in addition to any applicable legal and regulatory requirements, such as those imposed on them by virtue of their license and/or authorisation.

RP-2.1.2

To demonstrate compliance with Rule RP-2.1.1 above, relevant persons must, in relation to their role with respect to a CIU:

- (a) Observe high standards of integrity and fair dealing, including being honest and straightforward in their dealings with clients;
- (b) Take all reasonable steps to identify, and prevent or manage, potential or actual conflicts of interest that could harm the interests of CIU participants (such steps must include, wherever appropriate, declaring such conflicts);
- (c) Act with due skill, care and diligence;
- (d) Act impartially and refrain from any action which may be to the advantage of one CIU and/or its participants, at the expense of another CIU and/or its participants;
- (e) Observe in full any obligations of confidentiality, including with respect to client information. This requirement does not override lawful disclosures;
- (f) Observe proper standards of market conduct, and avoid action that would generally be viewed as improper;
- (g) Take reasonable care to safeguard the assets of the CIU for which they are responsible, and ensure that those assets are kept separate from their own assets and are separately identifiable from the assets of other CIUs with which they are involved;
- (h) Pay due regard to the legitimate interests and information needs of the clients and communicate with them in a fair and transparent manner;
- (i) Act in an open and co-operative manner with the CBB and other regulatory/supervisory bodies under whose authority they come under. They should take reasonable care to ensure that their activities comply with the requirements of Volume 7, all applicable Laws and Regulations (including the Commercial Companies Law), the prospectus of the CIU, and the provisions of the contractual agreements signed with the CIU;



MODULE	RP: Relevant Persons
CHAPTER	RP-2: Market Conduct of Relevant Persons

RP-2.1 General Requirements (continued)

- (j) Take all reasonable steps to rectify any failure to comply with the obligations specified in Sup-paragraph (i), and to notify the CBB of such a breach as soon as it becomes aware of the fact;
- (k) Maintain adequate human, financial and other resources sufficient to run the CIU in an orderly manner;
- (l) Keep accurate accounts and records for each CIU for which it holds assets;
- (m) Take reasonable care to ensure that their affairs are managed effectively and responsibly, with appropriate systems and controls in relation to the size and complexity of their operations. Their systems and controls, as far as is reasonably practical, should also be sufficient to manage the level of risk inherent in their business; and
- (n) Ensure that when outsourcing functions, such outsourcing is properly controlled and that ultimate responsibility for the proper discharge of those functions is retained by the relevant person concerned.

RP-2.1.3

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:

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



MODULE	RP: Relevant Persons
CHAPTER	RP-2: Market Conduct of Relevant Persons

RP-2.1 General Requirements (continued)

RP-2.1.4

A relevant person of a Bahrain domiciled CIU is presumed by the CBB to be liable for losses suffered by a participant because of that relevant person's unjustifiable failure to perform their/its obligations required under the CIU documents or Volume 7. CBB rules do not permit relevant persons to rely on disclaimers (written or otherwise) that have the effect of restricting their liability beyond what is reasonable and customary in the fund management industry

RP-2.1.5

All relevant persons of Bahrain domiciled CIUs must act in an open and co-operative manner with the CBB and provide it with any information/documentation upon the CBB's request.

MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3.1 Definition

RP-3.1.1	An <u>operator</u> of a <u>CIU</u> is the person undertaking the functions of establishing, operating, including full oversight of the corporate governance on the <u>CIU</u> , or winding up of a <u>CIU</u> .
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MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3.2 Required Country of Domicile

RP-3.2.1 Operators must be domiciled in a reputable jurisdiction acceptable to the CBB.

RP-3.2.2 In the case that the operator is not a CBB licensee, it must appoint a locally domiciled CIU representative, being the custodian or the fund administrator, to act as a liaison with the CBB and the CIU participants. Such appointment must be stated in the prospectus.

MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3.3 Required Type of License

RP-3.3.1 The operator of a Bahrain domiciled CIU must be acceptable to the CBB.

RP-3.3.2 Operators must hold an appropriate license from the CBB or from a regulatory authority, acceptable to the CBB and permitting the entity to establish and operate CIUs.

RP-3.3.3 In applying Rule RP-3.3.2, the CBB will take into account the criteria listed under Rules ARR-2.1.4, ARR-3.1.4 and ARR-4.1.5 of Module ARR.

MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3.4 Duties

RP-3.4.1

The minimum duties of operators of CIUs authorised or registered under Module ARR, which must be executed through the appointed Board of the CIU, as appropriate, include but are not limited to the following:

- (a) Take all steps as may reasonably be required for the purposes of registering/authorising, establishing, operating and winding up the CIU;
- (b) Maintain all the documents pertaining to the CIU, consistent, current and updated, in line with applicable laws and regulations, and as approved by or notified to the CBB, as appropriate;
- (c) Make available to the CIU participants, on a prompt basis, copies of the following documents, including but not limited to:
 - (i) The instrument;
 - (ii) The prospectus or equivalent document;
 - (iii) All contractual agreements related to the CIU; and
 - (iv) All annual and semi-annual financial reports issued by the CIU.
- (d) Ensure compliance of the CIU with the requirements of Volume 7, the instrument constituting the CIU, and its prospectus;
- (e) Take all reasonable steps to rectify any failure to comply with the obligations specified above, and to notify the CBB of any breach as soon as it becomes aware of the fact;
- (f) Not withdraw as operator of the CIU except upon the appointment of a new operator and subject to the prior approval of the CBB;
- (g) Ensure compliance of the relevant persons with the terms and conditions of the contractual agreements signed with the CIU;
- (h) Ensure that all applicable anti-money laundering laws are complied with;
- (i) Liaise with the CBB as necessary from time to time for the purposes of its general oversight of the CIU;

MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3.4 Duties of the Operator (continued)

- (j) Be diligent in appointing directors who are fit and proper and approved by the CBB;
- (k) Ensure that proper corporate governance is in place for the CIU in line with Module CG;
- (l) Avoid any conflict of interest in all aspects and address any conflict of interest among the other relevant persons to the CIU;
- (m) Consider whether CIU participants should be given voting and/or other participatory rights; and
- (n) Ensure that all reports submitted to the CBB and CIU participants, by relevant persons are accurate and submitted on a timely basis. Such reports include but are not limited to:
 - (i) The semi-annual and annual financial statements of the CIU(s) for each financial year;
 - (ii) In case of CIUs structured as corporate/contractual, the annual financial statements of the fund company(ies) for each financial year; and
 - (iii) Form CIU (QS), Quarterly Statistical Return.

MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3.5 Reporting Requirements

- RP-3.5.1** The operator of a Bahrain domiciled CIU is responsible for all reporting requirements to the CBB and to other parties, as required in Module CRR. Such reporting requirements include but are not limited to:
- (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.



MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3-6 Other Requirements

RP-3.6.1 Operators must promptly provide the CBB, upon request, with any additional information relevant to the CIU.

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

RP-3.6.3 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.

RP-3.6.4 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.

RP-3.6.5 [This Paragraph has been deleted in October 2016].

RP-3.6.6 Operators of Bahrain domiciled exempt CIUs must keep the seed capital/investment invested in the CIU for at least a one year period, prior to seeking redemption of the same. In case of Bahrain domiciled exempt CIUs with no redemption windows, the invested seed capital/investment must be maintained for the duration of the CIU.

MODULE	RP: Relevant Persons
CHAPTER	RP-3: Operator

RP-3-6 Other Requirements (continued)

RP-3.6.7 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.

RP-3.6.8 Operators of Bahrain domiciled CIUs who have made investments into a CIU, other than the investment prescribed in the prospectus, or have partially redeemed, fully redeemed or bought back the seed capital/investment, must notify CIU participants of the fact, on a timely basis.

RP-3.6.9 Operators of Bahrain domiciled CIUs must seek CBB's prior approval as soon as reasonably practicable as to any intention to merge, transfer or wind-up a CIU.

RP-3.6.10 Operators of Bahrain domiciled CIUs must notify the CBB immediately upon deciding to suspend/resume dealings in a CIU.

MODULE	RP: Relevant Persons
CHAPTER	RP-4: Trustee

RP-4.1 Definition

RP-4.1.1

The trustee is the entity to whom the legal title of the trust property/assets is transferred to, in order for the trustee to exercise the duties and powers specified in the trust instrument with a view to achieving the purpose of the trust and protecting the rights of the investors.

MODULE	RP: Relevant Persons
CHAPTER	RP-4: Trustee

RP-4.2 Required Country of Domicile

RP-4.2.1 The trustee must be domiciled in the Kingdom of Bahrain.

MODULE	RP: Relevant Persons
CHAPTER	RP-4: Trustee

RP-4.3 Required Type of License

RP-4.3.1 Trustees must hold an appropriate Trust Service Providers License from the CBB under CBB Rulebook Volume 5, or CBB Rulebook Volumes 1, 2 or Volume 4 provided that they have specific approval from the CBB to undertake such activity.

Form of Appointment

RP-4.3.2 The agreement appointing the trustee must be in the form of a Trust Deed/Instrument.

MODULE	RP: Relevant Persons
CHAPTER	RP-4: Trustee

RP-4.4 Duties

RP-4.4.1

The minimum duties of trustees of CIUs authorised or registered under Module ARR include but are not limited to the following:

- (a) Take all steps as may reasonably be required for the purposes of registering/authorising, establishing, operating and winding up the CIU;
- (b) Maintain all the documents pertaining to the CIU, consistent, current and updated, in line with applicable laws and regulations, and as approved by or notified to the CBB, as appropriate;
- (c) Make available to the CIU participants, on prompt basis, copies of the following documents, including but not limited to:
 - (i) The instrument;
 - (ii) The prospectus or equivalent document;
 - (iii) All contractual agreements related to the CIU; and
 - (iv) All annual and semi-annual financial reports issued by the CIU;
- (d) Ensure compliance of the CIU with the requirements of Volume 7, the instrument constituting the CIU, and its prospectus;
- (e) Take all reasonable steps to rectify any failure to comply with the obligations specified above, and to notify the CBB of any breach as soon as it becomes aware of the fact;
- (f) Not withdraw as trustee of the CIU except upon the appointment of a new trustee and subject to the prior approval of the CBB;
- (g) Ensure compliance of the relevant persons with the terms and conditions of the contractual agreements signed with the CIU;
- (h) Ensure that all applicable anti-money laundering laws are complied with;
- (i) Liaise with the CBB as necessary from time to time for the purposes of its general oversight of the CIU;
- (j) Be diligent in appointing Directors, who are fit and proper and approved by the CBB;
- (k) Ensure that proper corporate governance is in place for the CIU in line with Module CG;
- (l) Avoid any conflict of interest in all aspects and address any conflict of interest among the other relevant persons of the CIU;

MODULE	RP: Relevant Persons
CHAPTER	RP-4: Trustee

RP-4.4 Duties of the Trustee (continued)

- (m) Ensure that the legal title of any assets belonging to the CIU are transferred under its ownership; and
- (n) Ensure that all reports submitted to the CBB and CIU participants, by relevant persons are accurate and submitted on a timely basis. Such reports include but are not limited to:
 - (i) The semi-annual and annual financial statements of the CIU(s) for each financial year;
 - (ii) In case of CIUs structured as corporates/contractual, the annual financial statements of the fund company(ies) for each financial year ; and
 - (iii) Form CIU (QS), Quarterly Statistical Return.

MODULE	RP: Relevant Persons
CHAPTER	RP-4: Trustee

RP-4.5 Reporting Requirements

RP-4.5.1

The trustee of Bahrain domiciled CIU is responsible for all reporting requirements to the CBB and to other parties, as required in Module CRR. Such reporting requirements include but are not limited to:

- (a) Reporting any breach to the requirements 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.

MODULE	RP: Relevant Persons
CHAPTER	RP-4: Trustee

RP-4.6 Other Requirements

RP-4.6.1 Trustees must provide the CBB, upon request, with any additional information relevant to the CIU, on a prompt basis.

RP-4.6.2 Trustees of Bahrain domiciled CIUs must seek CBB's prior approval as soon as reasonably practicable as to any intention to merge, transfer or wind-up a CIU.

RP-4.6.3 Trustees of Bahrain domiciled CIUs must notify the CBB immediately upon deciding to suspend/resume dealings in a CIU.

MODULE	RP: Relevant Persons
CHAPTER	RP-5: Fund Manager

RP-5.1 Definition

RP-5.1.1	A <u>fund manager</u> is a person mandated to allocate and/or manage <u>financial instruments</u> and any other assets held by a <u>CIU</u> .
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MODULE	RP: Relevant Persons
CHAPTER	RP-5: Fund Manager

RP-5.2 Required Country of Domicile

RP-5.2.1	<u>Fund managers</u> must be domiciled in any reputable jurisdiction acceptable to the CBB.
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MODULE	RP: Relevant Persons
CHAPTER	RP-5: Fund Manager

RP-5.3 Required Type of License

RP-5.3.1 The fund manager of a Bahrain domiciled CIU must be acceptable to the CBB.

RP-5.3.2 Fund managers must hold an appropriate license or equivalent from the CBB or from a regulatory authority acceptable to the CBB and permitting the entity to manage financial instruments and any other assets held by a CIU.

RP-5.3.3 Subsequent to the operator's review and assessment of the suitability of fund managers, the CBB will take into account an institution's financial soundness, relevant experience with respect to CIUs, and regulatory track record.

Form of Appointment

RP-5.3.4 The agreement appointing the fund manager must be signed between the fund manager and the fund company or trustee, as appropriate.

MODULE	RP: Relevant Persons
CHAPTER	RP-5: Fund Manager

RP-5.4 Duties

RP-5.4.1

The minimum duties of fund managers of CIUs authorised or registered under Module ARR include but are not limited to the following:

- (a) Manage and/or allocate the investments and re-investments of the assets in accordance with the investment objectives and strategy, adhering to all limitations set out in fund management agreement and prospectus;
- (b) Continuously carry out and review the investment objectives of the CIU, and advise the directors of the CIU's investment program, strategy and overall performance on a prompt and regular basis;
- (c) If required, the fund manager may appoint suitable investment advisors to assist in certain areas where the fund manager lacks the relevant expertise;
- (d) If required, the fund manager may appoint suitable advisers to assist the CIU in any legal, regulatory, financial or other matters that require professional advice or assistance in managing the CIU or administering the affairs of the CIU;
- (e) Negotiate all borrowing arrangements in line with the prescribed Rules in Volume 7, observing the limits prescribed in the prospectus of the CIU and supervising the implementation of such arrangements;
- (f) Select brokers and dealers for execution of portfolio transactions;
- (g) Determine how any voting rights of securities held by the CIU should be exercised;
- (h) Give instructions to the custodian of the CIU concerning any acquisition, disposal of or other dealing in any investments or other assets of the CIU; and
- (i) Ensuring that all investments carried out on behalf of Shari'a Compliant CIUs are in line with Shari'a principles and vetted by the Shari'a Supervisory Board/Advisors.

MODULE	RP: Relevant Persons
CHAPTER	RP-5: Fund Manager

RP-5.5 Reporting Requirements

RP-5.5.1	<u>Fund managers</u> must comply with all reporting requirements stipulated in the relevant legal agreements.
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MODULE	RP: Relevant Persons
CHAPTER	RP-5: Fund Manager

RP-5.6 Other Requirements

RP-5.6.1	<u>Fund managers</u> must provide the CBB, upon request, with any additional information relevant to the <u>CIU</u> , on a prompt basis.
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 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-6: Custodian

RP-6.1 Definition

RP-6.1.1 A custodian is a person mandated to hold and safeguard financial instruments and other assets for the account of a CIU.

MODULE	RP: Relevant Persons
CHAPTER	RP-6: Custodian

RP-6.2 Required Country of Domicile

RP-6.2.1 For Bahrain domiciled CIUs, the custodian must be domiciled in the Kingdom of Bahrain.

- RP-6.2.2 In applying Rule RP-6.2.1, the CBB will allow 'hub and spoke' arrangements, provided that:
- (a) A suitably licensed office is maintained in Bahrain, through which the CBB can access the CIU's records;
 - (b) The overseas office belongs to the same group as the Bahrain custodian, and regulated by a reputable regulatory authority acceptable to the CBB;
 - (c) The custodian retains ultimate responsibility for the CIU's assets; and
 - (d) Suitable outsourcing arrangements have been put in place.

MODULE	RP: Relevant Persons
CHAPTER	RP-6: Custodian

RP-6.3 Required Type of License

RP-6.3.1 A custodian must hold an appropriate license from the CBB permitting it to provide custody services, in accordance with the CBB Rulebook.

Form of Appointment

RP-6.3.2 The agreement appointing the custodian must be signed between the custodian and the fund company or trustee, as appropriate.



MODULE	RP: Relevant Persons
CHAPTER	RP-6: Custodian

RP-6.4 Duties

RP-6.4.1

The minimum duties of the custodian of CIUs authorised or registered under Module ARR include, but are not limited to the following:

- (a) To open, maintain, and control CIU subscription and trading cash accounts with licensed banks in all relevant markets;
- (b) To open and maintain CIU securities accounts with authorised institutions;
- (c) To ensure that all assets belonging to a CIU, including cash accounts, are segregated from other accounts of the custodian or its clients;
- (d) To directly collect and receive all income and other payments, distributions and entitlements pertaining to a CIU;
- (e) To make all payments and settlements on behalf of and for the interest of the CIU, in line with the scheme documents, including the prospectus;
- (f) To safeguard all of the assets belonging to a CIU;
- (g) To ensure that all assets belonging to a CIU are held in the name of the CIU or, where relevant market practices and/or legal requirements dictate, held on behalf of the CIU, provided that proper legal arrangements are in place;
- (h) To execute any corporate actions;
- (i) To maintain all records and documentation relating to all transactions made on behalf of the CIU; and
- (j) To reconcile the CIU records pertaining to assets held, with statements obtained from sub-custodians, brokers and agents, on a regular and timely basis.

MODULE	RP: Relevant Persons
CHAPTER	RP-6: Custodian

RP-6.5 Reporting Requirements

RP-6.5.1 Custodians must comply with all reporting requirements as stipulated in the relevant legal agreements.

RP-6.5.2 Custodians must report to the CBB immediately when they become aware of any breach of the CIU's prospectus.

RP-6.5.3 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.

MODULE	RP: Relevant Persons
CHAPTER	RP-6: Custodian

RP-6.6 Other Requirements

RP-6.6.1 Custodians must provide the CBB, upon request, with any additional information relevant to the CIU, on a prompt basis.

RP-6.6.2 Custodians must not be participants in a Bahrain domiciled CIU to which they are contractually engaged to offer custody services to.

RP-6.6.3 Custodians may not engage in stock lending of CIU assets unless permitted by the prospectus.

MODULE	RP: Relevant Persons
CHAPTER	RP-7: Fund Administrator

RP-7.1 Definition

- RP-7.1.1** Fund administrators are persons who undertake the administration of financial instruments and other assets held by a CIU. Their activities include but are not limited to the following:
- (a) Fund accounting services;
 - (b) Client enquiries;
 - (c) Valuation and pricing (including tax returns);
 - (d) Regulatory compliance monitoring;
 - (e) Record keeping for issuance and redemption of units in a CIU;
and
 - (f) General record-keeping.

 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-7: Fund Administrator

RP-7.2 Required Country of Domicile

RP-7.2.1 Fund administrators must be domiciled in the Kingdom of Bahrain.

MODULE	RP: Relevant Persons
CHAPTER	RP-7: Fund Administrator

RP-7.3 Required Type of License

RP-7.3.1 Fund administrators must hold an appropriate license from the CBB permitting the entity to administer the books and records of financial instruments and any other assets held by a CIU.

- RP-7.3.2 In applying Rule RP-7.3.1, the CBB will allow ‘hub and spoke’ arrangements, provided that:
- (a) A suitably licensed office is maintained in the Kingdom of Bahrain, through which the CBB can access the CIU’s records;
 - (b) The overseas office belongs to the same group as the Bahrain fund administrator, and regulated by a reputable regulatory authority acceptable to the CBB;
 - (c) The fund administrator retains ultimate responsibility for the CIU’s administration activities; and
 - (d) Suitable outsourcing arrangements have been put in place.

Form of Appointment

RP-7.3.3 The agreement appointing the fund administrator must be signed between the fund administrator and the fund company or trustee, as appropriate.



MODULE	RP: Relevant Persons
CHAPTER	RP-7: Fund Administrator

RP-7.4 Duties

RP-7.4.1

The minimum duties of the fund administrators of CIUs authorised or registered under Module ARR, include but are not limited to the following:

- (a) Fund accounting services for the CIU and fund company (if applicable);
- (b) Handling of client enquiries;
- (c) Valuation and pricing (including tax returns);
- (d) Regulatory compliance monitoring, including but not limited to the CIU's compliance with the investment strategy and guidelines provided in the prospectus when calculating the Net Asset Value (NAV);
- (e) Record-keeping services;
- (f) Calculation of the NAV at each valuation point;
- (g) Preparation of semi-annual and annual accounts for the CIU, and the annual accounts of the fund company (if applicable);
- (h) Calculation of dividends, service providers' fees, performance fees (if any), and other distributions;
- (i) Liaising with the CIU's external auditor in finalising the audit and review procedure;
- (j) Preparing the Quarterly Statistical Report (Form CIU-QS); and
- (k) Maintaining records of meetings of the CIU's Board of Directors.



MODULE	RP: Relevant Persons
CHAPTER	RP-7: Fund Administrator

RP-7.5 Reporting Requirements

RP-7.5.1

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:

- (a) Reporting of the NAV to the operator, fund manager and registrar, as prescribed in the prospectus;
- (b) 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;
- (c) Reporting of the fund company's annual financial statements (within 3 months of the financial year-end of the CIU) to the 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 Module CRR;
- (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 determination of the NAV; and
- (i) Meet any reporting requirement as required by the MOIC in accordance with the Bahrain Commercial Companies Law.

MODULE	RP: Relevant Persons
CHAPTER	RP-7: Fund Administrator

RP-7.5 Reporting Requirements (continued)

RP-7.5.2	<u>Fund administrators</u> must provide the CBB, upon request, with any additional information relevant to the <u>CIU</u> , on a prompt basis.
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 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-7: Fund Administrator

RP-7.6 Other Requirements

RP-7.6.1 Fund administrators must not be participants in a Bahrain domiciled CIU to which they are engaged to offer fund administration services to.

 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-8: Registrar/Transfer Agent

RP-8.1 Definition

RP-8.1.1	The <u>registrar/transfer agent</u> is an entity engaged by the <u>CIU</u> to maintain the <u>CIU participants'</u> records, including purchases, sales and account balances.
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 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-8: Registrar/Transfer Agent

RP-8.2 Required Country of Domicile

RP-8.2.1	The <u>registrar/transfer agent</u> must be domiciled in the Kingdom of Bahrain.
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 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-8: Registrar/Transfer Agent

RP-8.3 Required Type of License

RP-8.3.1 A registrar/transfer agent must be acceptable to the CBB and must hold an appropriate license permitting the entity to provide registry services to a CIU, in accordance with the CBB Rulebook.

Form of Appointment

RP-8.3.2 The agreement appointing the registrar/transfer agent must be signed between the registrar/transfer agent and the fund company or trustee, as appropriate.



MODULE	RP: Relevant Persons
CHAPTER	RP-8: Registrar/Transfer Agent

RP-8.4 Duties

RP-8.4.1

The minimum duties of the registrar/transfer agent of a CIU authorised or registered under Module ARR, include but are not limited to the following:

- (a) Maintain a register of the CIU participants of a CIU;
- (b) Preserve the confidentiality of the register at all times;
- (c) Facilitate the issuance, transfer, execute the allotment, redemption, conversion and/or redemption of holdings in a CIU;
- (d) Record in the register of a CIU the following information:
 - (i) Name of the CIU participant;
 - (ii) Official identification of the CIU participant (including the type and number);
 - (iii) Address and contact details of the CIU participant.
 - (iv) Number of units held by the CIU participant;
 - (v) Number(s) of the certificate(s) issued to each CIU participant;
 - (vi) Date of issuance or transfer of units to the CIU participant.
 - (vii) Record of redemption of units; and
 - (viii) Record of cancellation of units;
- (e) Obtain confirmation from the custodian and fund administrator that they have received all payments from all applicants, before facilitating the issuance of units;
- (f) Execute the issuance and dispatching of certificates (or confirmations) as appropriate; and
- (g) Obtain and safe-keep all signed application forms, along with “know your client” documents for each CIU participant, in original form or in the form of a certified copy, at the office in Bahrain, in line with applicable Laws and Regulations.

MODULE	RP: Relevant Persons
CHAPTER	RP-8: Registrar/Transfer Agent

RP-8.5 Reporting Requirements

RP-8.5.1 Registrars/Transfer Agents must report the NAV to the CIU participants, as prescribed in the prospectus.

RP-8.5.2 Registrars/Transfer Agents must make available 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 CIU participants.

RP-8.5.3 Registrars/Transfer Agents are required to notify the CIU participants of the following events:

- (a) When the fund manager shifts from investments into cash and cash equivalents, together with the reason and the expected time by which the stipulated limits will be met; and
- (b) Once the CIU resumes investing in accordance with the investment limits stipulated in the prospectus.

RP-8.5.4 Registrars/Transfer Agents must comply with all reporting requirements stipulated in the relevant legal agreements.

MODULE	RP: Relevant Persons
CHAPTER	RP-8: Registrar/Transfer Agent

RP-8.6 Other Requirements

RP-8.6.1 Registrars/Transfer Agents must provide the CBB, upon request, with any additional information relevant to the CIU, on a prompt basis.

 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-9: Placement Agent

RP-9.1 Definition

RP-9.1.1 A placement agent is an entity that acts as agent on behalf of the CIU in placing units of the CIU.

 Central Bank of Bahrain Rulebook	Volume 7 Collective Investment Undertakings
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MODULE	RP: Relevant Persons
CHAPTER	RP-9: Placement Agent

RP-9.2 Required Country of Domicile

RP-9.2.1 A placement agent must be based in a reputable jurisdiction acceptable to the CBB.

MODULE	RP: Relevant Persons
CHAPTER	RP-9: Placement Agent

RP-9.3 Required Type of License

RP-9.3.1 Placement agents placing units in/from the Kingdom of Bahrain must hold an appropriate license from the CBB under CBB Rulebook Volumes 1, 2, or 4 (Categories 1 and 2 only).

RP-9.3.2 Where the placement agent is not a CBB licensee, it must appoint a sub-placement agent licensed by the CBB, in line with the requirements in Rule RP-9.3.1, to market the CIU in Bahrain.

RP-9.3.3 Placement agents based in a jurisdiction outside the Kingdom of Bahrain and placing units in other jurisdictions, must be appropriately licensed and/or authorised by a regulatory authority, acceptable to the CBB, permitting the entity to market financial instruments in those jurisdictions.

Form of Appointment

RP-9.3.4 The agreement appointing the placement agent must be signed between the placement agent and the fund company or trustee, as appropriate.



MODULE	RP: Relevant Persons
CHAPTER	RP-9: Placement Agent

RP-9.4 Duties

RP-9.4.1

The minimum duties of the placement agent of CIUs authorised or registered under Module ARR include but are not limited to the following:

- (a) To ensure that all investors wishing to subscribe for the units of a CIU are eligible to subscribe for such units;
- (b) To ensure that all investors of a Bahrain domiciled expert CIU meet the definition of expert investors as defined in Volume 7;
- (c) To ensure that all investors of a Bahrain domiciled exempt CIU meet the definition of accredited investors as defined in Volume 7;
- (d) To provide a copy of the prospectus and subscription forms of a CIU to potential investors;
- (e) To ensure that investors submit duly completed subscription forms, together with all required documentation;
- (f) To obtain written confirmation from each CIU participant, stating that they satisfy the definition of an expert investor or accredited investor (as appropriate) and confirming that they understand the higher risks involved in an expert CIU or exempt CIU;
- (g) To ensure that a CIU is marketed by qualified individuals who are able to clearly explain to investors the risks and rewards associated with investing in the CIU, in a manner that is clear, fair and not misleading;
- (h) To ensure compliance with all applicable local Laws and Regulations of the jurisdictions where the units of the CIU are being placed, including but not limited to Laws and Regulations relating to public and private offerings of units and securities laws and regulations of those jurisdictions;

MODULE	RP: Relevant Persons
CHAPTER	RP-9: Placement Agent

RP-9.4 Duties of the Placement Agent (continued)

- (i) To comply at all times with all the Laws of the Kingdom of Bahrain and the Regulations and directives issued by the CBB from time to time, including those set to prevent and prohibit money laundering and the financing of terrorism;
- (j) To comply with all applicable anti money laundering and “know your client” Laws and Regulations in the jurisdictions where the units of the CIU are placed; and
- (k) Where placement agents appoint sub-placement agents, such sub-agents must be eligible to undertake this activity, notwithstanding that the placement agent will be held accountable for such appointment.

MODULE	RP: Relevant Persons
CHAPTER	RP-9: Placement Agent

RP-9.5 Reporting Requirements

RP-9.5.1 Placement agents must comply with all reporting requirements stipulated in the relevant legal agreements.

RP-9.5.2 A placement agent must report to the fund company's Board of directors/trustees, any issues related to anti-money laundering and terrorist financing.

MODULE	RP: Relevant Persons
CHAPTER	RP-9: Placement Agent

RP-9.6 Other Requirements

RP-9.6.1	<u>Placement agents</u> must provide the CBB, upon request, with any additional information relevant to the <u>CIU</u> , on a prompt basis.
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MODULE	RP: Relevant Persons
CHAPTER	RP-10: Investment Advisor

RP-10.1 Definition

RP-10.1.1	An <u>investment advisor</u> is the person undertaking the function of advising the <u>fund manager</u> on the merits of buying, selling, or subscribing for a particular asset or exercising any right conferred by the asset.
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MODULE	RP: Relevant Persons
CHAPTER	RP-10: Investment Advisor

RP-10.2 Required Country of Domicile

RP-10.2.1	<u>Investment advisors</u> must be based in any reputable jurisdiction acceptable to the CBB.
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MODULE	RP: Relevant Persons
CHAPTER	RP-10: Investment Advisor

RP-10.3 Required Type of License

RP-10.3.1 For investments advisors providing services to CIUs investing in financial instruments, the investment advisor must hold an appropriate license from the CBB, or equivalent from a regulatory authority recognised by CBB, permitting the entity to engage in investment advisory activities.

RP-10.3.2 For CIUs investing in assets other than financial instruments, the investment advisor need not be a regulated entity provided that it has relevant expertise in the asset class the fund is investing into.

Form of Appointment

RP-10.3.3 The agreement appointing the investment advisor must be signed between the investment advisor and the fund company, trustee, or fund manager, as appropriate.



MODULE	RP: Relevant Persons
CHAPTER	RP-10: Investment Advisor

RP-10.4 Duties

RP-10.4.1

The minimum duties of the investment advisor of CIUs authorised or registered under Module ARR include, but are not limited to the following:

- (a) Provide independent/prudent advice as required, to the fund manager with respect to the investments of the CIU, after conducting the appropriate due diligence; and
- (b) Refrain from participating in the investment decision-making process of the CIU.

MODULE	RP: Relevant Persons
CHAPTER	RP-10: Investment Advisor

RP-10.5 Reporting Requirements

RP-10.5.1	<u>Investment advisors</u> must comply with any reporting requirements stipulated in the relevant legal agreements.
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MODULE	RP: Relevant Persons
CHAPTER	RP-10: Investment Advisor

RP-10.6 Other Requirements

RP-10.6.1 Investment advisors must provide the CBB, upon request, with any additional information relevant to the CIU, on a prompt basis.

MODULE	RP: Relevant Persons
CHAPTER	RP-11: External Auditor

RP-11.1 Definition

RP-11.1.1	An <u>external auditor</u> is the entity responsible for the audit of the books and records of the <u>CIU</u> and <u>fund company</u> (if applicable).
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MODULE	RP: Relevant Persons
CHAPTER	RP-11: External Auditor

RP-11.2 Required Country of Domicile

RP-11.2.1 External auditors must be Bahrain-based entities.

MODULE	RP: Relevant Persons
CHAPTER	RP-11: External Auditor

RP-11.3 Required Type of License

RP-11.3.1 The external auditor must be acceptable to the CBB, and separate and independent from all other relevant persons.

Form of Appointment

RP-11.3.2 The agreement appointing the external auditor must be in the form of an engagement letter between the external auditor and the fund company/trustee (as appropriate).

MODULE	RP: Relevant Persons
CHAPTER	RP-11: External Auditor

RP-11.4 Duties

RP-11.4.1

The minimum duties of the external auditor of a CIU authorised or registered under Module ARR include but are not limited to the following:

- (a) To audit the books and records of the CIU, including the annual financial statements of the CIU, in accordance with IFRS or AAOIFI (as appropriate);
- (b) To review the semi-annual financial statements of the CIU;
- (c) If the CIU is structured as a contractual or corporate CIU, to audit the annual financial statements of the fund company; and
- (d) To review the calculation of the NAV in line with the frequency stipulated in the prospectus but not less than once a year.

MODULE	RP: Relevant Persons
CHAPTER	RP-11: External Auditor

RP-11.5 Reporting Requirements

RP-11.5.1 External auditors must comply with all reporting requirements stipulated in the relevant legal agreements.

RP-11.5.2 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.

MODULE	RP: Relevant Persons
CHAPTER	RP-11: External Auditor

RP-11.6 Other Requirements

RP-11.6.1	<u>External auditors</u> must provide the CBB, upon request, with any additional information relevant to the <u>CIU</u> , on a prompt basis.
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MODULE	RP: Relevant Persons
CHAPTER	RP-12: Placement Agent for Overseas Domiciled CIUs

RP-12.1 Definition

RP-12.1.1 A placement agent offering overseas domiciled CIU holdings to investors in the Kingdom of Bahrain is an entity that acts as agent on behalf of the CIU in placing units of the CIU.

MODULE	RP: Relevant Persons
CHAPTER	RP-12: Placement Agent for Overseas Domiciled CIUs

RP-12.2 Required Country of Domicile

RP-12.2.1 Placement agents offering overseas domiciled CIU holdings to investors in the Kingdom of Bahrain must be domiciled in the Kingdom of Bahrain.

MODULE	RP: Relevant Persons
CHAPTER	RP-12: Placement Agent for Overseas Domiciled CIUs

RP-12.3 Required Type of License

RP-12.3.1 Placement agents must hold an appropriate license from the CBB under CBB Rulebook Volumes 1, 2, or 4 (Categories 1 and 2 only), permitting them to market financial instruments.

Form of Appointment

RP-12.3.2 The agreement appointing the placement agent must be signed between the placement agent and the fund manager of the overseas domiciled CIU, or an agent representing the overseas domiciled CIU, as appropriate. However, it is the duty of the placement agent to ensure that the contractual agreement is signed with the appropriate entity, notwithstanding that a binding agreement must be in place with the issuer of the overseas domiciled CIU.



MODULE	RP: Relevant Persons
CHAPTER	RP-12: Placement Agent for Overseas Domiciled CIUs

RP-12.4 Duties

RP-12.4.1

The minimum duties of the placement agent of overseas domiciled CIUs authorised, registered or filed under Module ARR include, but are not limited to the following:

- (a) To ensure that the CIU is regulated in its home jurisdiction, and is legally separate from its operator;
- (b) To ensure that the CIU's operator and fund manager are eligible regulated entities;
- (c) To ensure that the CIU has in place relevant persons appointed in their home jurisdiction, similar to those listed in under Rule RP-B.2.1;
- (d) To ensure that all investors wishing to subscribe for the units of a CIU are eligible to subscribe for such units;
- (e) To ensure that all investors of an overseas domiciled expert CIU meet the definition of expert investors as defined in this Module;
- (f) To ensure that all investors of an overseas domiciled exempt CIU meet the definition of accredited investors as defined in this Module;
- (g) To obtain written confirmation from each CIU participant, stating that they satisfy the definition of an expert investor or accredited investor (as appropriate) and confirming that they understand the higher risks involved in an expert CIU or exempt CIU;
- (h) To provide a copy of the prospectus and the subscription agreement of the CIU to potential investors;
- (i) To ensure that investors submit duly executed subscription forms, together with all required documentation;
- (j) To ensure that a CIU is marketed by qualified individuals who are able to clearly explain to investors the risks and rewards associated with investing in the CIU, in a manner that is clear, fair and not misleading;

MODULE	RP: Relevant Persons
CHAPTER	AU-A: Introduction

RP-12.4 Duties of the Placement Agent (continued)

- (k) To be responsible for addressing any client complaints and/or enquiries and to provide any such other information supplementary to the prospectus as may be reasonably required by existing or potential investors;
- (l) To ensure that the units subscribed for by clients are appropriately identified as clients' holdings in the books and records of the issuer; and
- (m) To comply at all times with all the laws of the Kingdom of Bahrain and the regulations and directives issued by the CBB from time to time, including those set to prevent and prohibit money laundering and the financing of terrorism.



MODULE	RP: Relevant Persons
CHAPTER	RP-12: Placement Agent for Overseas Domiciled CIUs

RP-12.5 Reporting Requirements

RP-12.5.1 Placement agents must comply with any reporting requirements to the CIU participants, stipulated in the relevant legal agreements.

RP-12.5.2 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.

RP-12.5.3 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.

RP-12.5.4 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 an overseas domiciled CIU.

RP-12.5.5 Placement agents must file with the CBB Form CIU (QS), the CIU Quarterly Statistical Return, within the deadline specified on the return.

MODULE	RP: Relevant Persons
CHAPTER	RP-12: Placement Agent for Overseas Domiciled CIUs

RP-12.6 Other Requirements

RP-12.6.1 Placement agents must provide the CBB, upon request, with any additional information relevant to overseas domiciled CIUs, on a prompt basis.

RP-12.6.2 The placement agent must keep all documents supporting the due diligence process undertaken to ensure suitability of the CIU to the targeted category of investors within its premises. Such documents must be available to the CBB upon request.