



EDFIS/C/013/2009  
9<sup>th</sup> April 2009

**The Chairman/CEO/General Manager**  
All Listed Companies  
All Licensees  
Legal Firms  
Auditing Firms  
Manama  
Kingdom of Bahrain

Dear Sir,

**Subject: Clearing, Settlement and Central Depository Rules**

Following the consultation which concluded at the end of 2008, the CBB is now issuing its new Clearing, Settlement and Central Depository rules in final form. The new rules take effect on 1<sup>st</sup> May 2009.

The new rules are contained in a single document, called the Clearing, Settlement and Central Depository Module (Module CSD). This document forms part of the Capital Market Rulebook – Volume 6.

Basically, Module CSD provides a comprehensive framework for the licensing of clearing, settlement and/or central depository entity operating in or from Bahrain. This Module shall apply to (a) clearing and settlement services provided by a licensed clearing house in or from the Kingdom of Bahrain for the clearing and settlement of securities transactions; and (b) custodial services for securities offered by a central depository in or from the Kingdom of Bahrain. The new Module seeks to introduce a consistent, effective and harmonized approach in regulation and supervision of licensed clearing houses and licensed central depositories in the Kingdom of Bahrain.

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- 2 -

The new CSD rules benefited from the wide range of industry comments received during the consultation process, and the CBB looks forward to working with you in implementing these rules. I believe they provide us with a good basis for supporting the further growth of the capital markets in Bahrain.

Should you have any queries in respect of any matter referred herein, please do not hesitate to contact the Director of the Capital Markets Supervision Directorate, Mr. Ali Salman Thamer (on 17547909).

Yours faithfully,



**Abdul Rahman Al Baker**