



EDFIS/C/016/2009  
20<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: Prohibition of Market Abuse and Manipulation Rules**

Following the consultation which concluded on 12<sup>th</sup> March 2009, the CBB is now issuing its new Prohibition of Market Abuse and Manipulation rules in final form. The new rules take effect on 1<sup>st</sup> June 2009.

The new rules are contained in a single document, called the Prohibition of Market Abuse and Manipulation Module (Module MAM). This document forms part of the Capital Market Volume 6 Rulebook.

Basically, Module MAM provides a comprehensive framework for the prohibition of market abuse and market manipulation. The Module applies to any conduct or behaviour occurring within Bahrain, as well as in relation to conduct or behaviour outside Bahrain in respect of securities offered, listed or issued in Bahrain.

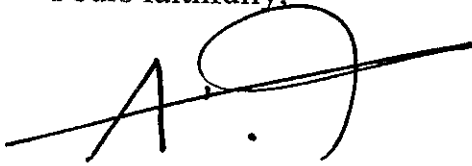
As market manipulation, misleading conduct, insider trading and fraudulent or deceptive conduct may distort the price discovery system and distort prices and thereby unfairly disadvantage investors, the CBB seeks to maintain investor confidence through this Module by clearly laying down the various types of prohibited market conduct so as to provide a clear framework in respect of understanding, prevention and enforcement.

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The new MAM 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 to herein, please do not hesitate to contact the Director of the Capital Markets Supervision (CMS) Directorate, Mr. Ali Salman Thamer, on Tel: 17547909.

Yours faithfully,



**Abdul Rahman Al Baker**