



EDFIS/C/024/2008
5th October 2008

The CEO/General Manager
All Listed Companies
Bahrain Stock Exchange
Brokers and Securities Brokerage Firms
Legal Firms, Auditing Firms
Manama
Kingdom of Bahrain

Dear Sir,

Subject: New Markets & Exchanges Rules

Following the consultation which concluded earlier this year, the CBB is now issuing its new Markets and Exchanges rules in final form. The new rules take effect on 1st November 2008.

The new rules are contained in a single document, called the Markets and Exchanges Module (Module MAE). This document forms part of the rulebook for capital markets-related activities, called Volume 6 of the CBB Rulebook.

In addition to Module MAE, we have enclosed the relevant forms to be used in making an application to set up an exchange or market operator in Bahrain, as well as the forms for their ongoing reporting requirements.

Basically, Module MAE provides a comprehensive framework for the licensing of any type of capital market exchange, including but not limited to equity, debt, commodity and other asset classes. It also seeks to introduce a consistent, effective and harmonised approach in regulation and supervision of licensed exchanges and licensed market operators in the Kingdom of Bahrain.

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The new MAE 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

Attachments

- Module MAE (Markets & Exchanges), Volume 6
- Forms 1-8, Module MAE, Volume 6