



EDFIS/C/025/2014
30th October 2014

The Compliance Officer
All Investment Firm Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 4 (Investment Business)
October 2014 Update

The October 2014 quarterly update to Volume 4 has now been incorporated in the website version of the Rulebook.¹

Changes for October 2014

The changes for October 2014 are listed in the attached table.

Further Information

Should you have any queries regarding these updates, you may contact the Director of Financial Institutions Supervision Directorate on 17547968, or the CBB Rulebook team at (rulebook@cbb.gov.bh).

Yours faithfully,

Abdul Rahman Al Baker

Enclosure: Volume 4 Update Table.

¹ Volume 4 can be accessed from www.cbb.gov.bh : from the Home page, select 'CBB Rulebooks' and then 'Volume 4'.

CBB Rulebook (Volume Four) – October 2014 Update

PART A FOLDER		
Module Code	Module Title	Summary of Changes and Printing Instructions
All Modules	N/A	Print off the Table of Contents page for each Module and the Module History Section when changes have been made.
ES	Executive Summary	ES-1.8.5: Added new guidance for capital for underwriting purposes.
AU	Authorisation	AU-1.1.24, AU-1.1.24A and AU-1.1.24B: Amended requirements to have a Shari'a Board based on the category of investment firm licensee. AU-1.4.11 and AU-1.4.11: Clarified the meaning of dealing in financial instruments as a principal and added cross reference to approval from CBB's Capital market Supervision Directorate as well as requirements under Module OFS of Volume 6 of the CBB Rulebook. AU-5.1.7A: Clarified that any PPM issued to raise capital must comply with module OFS and is subject to the CBB's Capital Market Supervision Directorate's prior approval.
HC	High-Level Controls	HC-1.3.2 and HC-10.1.8: Corrected typo to be consistent with other Volumes of the CBB Rulebook. HC-9.2.1: Clarified language for Category 1 and 2 Islamic investment firms. HC-10.9.2: Amended guidance for Category 3 Islamic investment firms to appoint a minimum of one Shari'a advisor or scholar instead of having a Shari'a Supervisory Board.
AA	Auditors and Accounting Standards	AA-4.1: Clarified the application of accounting standards for investment firms based on whether they undertake conventional and/or Shari'a compliant activities.
CA	Capital Adequacy	CA-4.1.1: Added new guidance for capital for underwriting purposes.
FC	Financial Crime	Updated to reflect February 2012 update to FATF Recommendations.
BR	CBB Reporting	BR-2.3.33: Added cross reference to Module OFS in Volume 6 of the CBB Rulebook.

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PART B FOLDER	
Glossary	
Amended the cross reference for relevant authorities.	
CBB Reporting Forms	
	Direct Debit Authorisation Form
	Added IBAN Number.