



EDFIS/C/014/2012
11th July 2012

The Compliance Officer
All Investment Firm Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 4 (Investment Business)
July 2012 Update

The July 2012 quarterly update to Volume 4 has now been incorporated in the website version of the Rulebook.¹

This letter highlights changes introduced this quarter. Licensees are required to note any policy changes. In addition, recipients who wish to update their hard copy folders should access the Central Bank of Bahrain ('CBB') website and print off the relevant pages for insertion into their folder.

All changes are highlighted in colour in the PDF versions of the Modules included on the CBB's website. All changes to the text of the previous version of Volume 4, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

Part A Modules

Contents Pages and Module History

The contents page for each Module shows the date each section was last changed and provides a good reference tool to keep track of the latest updates along with the Module History.

Changes for July 2012

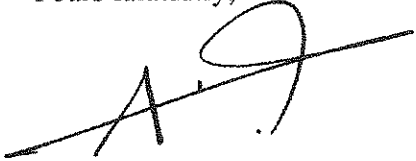
The changes for July 2012 are listed in the attached table.

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

Further Information

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

Yours faithfully,



Abdul Rahman Al Baker

Enclosure: Volume 4 Update Table.

CBB Rulebook (Volume Four) – July 2012 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.
UG	User's Guide	UG-A.1.2, UG-1.2.1 and UG-2.1: Various minor corrections to reflect structure of Rulebook, including issuance of Volume 7.
AU	Authorisation	AU-1.2.13, AU-1.2.13A and AU-1.2.13B: Clarified Rule and added Paragraphs on investment consultant and investment adviser.
HC	High-level Controls	HC-1.9.5: Clarified guidance. Appendix A: Clarified requirement for written report on performance evaluation for Audit Committee.
BC	Business Conduct	BC-3.1.3A: Added guidance on the appointment of the customer complaints officer.
RM	Risk Management	RM-4.1.8 and RM-4.1.9: Replaced reference to "securities" with "financial instruments".
BR	CBB Reporting	BR-1.4.10: Deleted Paragraph to be in line with changes made to Module FC. BR-2.3.27A: Added a Paragraph to reflect CBB prior approval requirements under Paragraph CA-1.1.5A. BR-3.1.1A and BR-3.1.1B: Added Paragraphs to clarify Rules on power to request information. BR-3.3.1 and BR-3.4: Minor corrections.

PART B FOLDER		
CBB Reporting Forms		
QPR: Quarterly Prudential Return		Change reference to Guidance Notes from QPR reporting instructions
QPR – Reporting Instructions		Amended to be in line with QPR Form
QPR – Glossary of Defined Terms		Glossary for QPR form deleted.
Supplementary Information		
CL-(i)	Agreed Upon Procedures	Report amended and shortened.