



EDFIS/C/011/2008  
23<sup>rd</sup> April 2008

**The Compliance Officer**  
All Insurance Licensees  
Manama  
Kingdom of Bahrain

Dear Sir,

**CBB Rulebook: Volume 3 (Insurance)  
April 2008 Update**

The April 2008 quarterly update to Volume 3 has now been incorporated in the website version of the Rulebook.<sup>1</sup>

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 3, however minor, are highlighted. The searchable version of the Rulebook, in addition, allows users to list changes and compare different versions of the Rulebook.

<sup>1</sup> Volume 3 can be accessed from [www.cbb.gov.bh](http://www.cbb.gov.bh) : from the Home page, select 'Regulatory Functions' and then 'Laws & Regulations'. Alternatively, use the 'Quick Links' facility on the Home page to access the CBB Rulebook facility.

**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 April 2008:**

The changes for April 2008 are listed in the attached table.

**Reminder: Annual License Fees Due Date is 30<sup>th</sup> April:**

Licenses are reminded that the annual license fees required in accordance with Section AU-6.3 are to be paid no later than **30<sup>th</sup> April**. Detailed calculations on the amount of license fees due are outlined in Section AU-6.3 and Form ALF (Annual License Fees) that can be found under Volume 3 (Insurance) Part B Reporting Forms.

**Further Information:**

Should you have any queries regarding these updates, you may contact the CBB Rulebook team at ([rulebook@cbb.gov.bh](mailto:rulebook@cbb.gov.bh)), or the Director of Insurance Supervision on 17547302.

Yours faithfully,



**Abdul-Rahman Al-Baker**

Executive Director – Financial Institutions Supervision

*Enclosure: Volume 3 Update Table.*

**CBB Rulebook (Volume Three)**  
**April 2008 Update**

<b>PART A FOLDER</b>		
<b>Module Code</b>	<b>Module Title</b>	<b>Summary of Changes and Printing Instructions</b>
All Modules	N/A	<b>Print off the Table of Contents page for each Module and the Module History Section when changes have been made.</b>
AU	Authorisation	<p>AU-5.2.2: Clarified to whom Form 3 should be sent to if dealing with a request for an appointment of MLRO from an existing insurance licensee. <b>Print off updated AU-5.2: Page 1 of 1.</b></p> <p>AU-5.5.6: Outlined CBB's requirements in instances where a controlled function becomes vacant. <b>Print off updated Section AU-5.5.</b></p> <p>AU-6.3: Clarified the payment of annual fees for new insurance licensees and registered persons. <b>Print off updated AU-6.3: Page 2 of 2.</b></p>
GR	General Requirements	GR-10.1.1A: Added Guidance concerning limitations on indemnification coverage. <b>Print off updated GR-10.1: Page 1 of 2.</b>
RM	Risk Management	RM-7.5.3: Clarified that CBB prior approval is required for intra-group outsourcing. <b>Print off updated Section RM-7.5.</b>

**CBB Rulebook (Volume Three)  
April 2008 Update (continued)**

<b>PART B FOLDER</b>		
FC	Financial Crime	<p>FC-3.3.7: Clarified to whom in the CBB should the reports required under Paragraph FC-3.3.1 be submitted to. <b>Print off updated FC-3.3: Page 3 of 3.</b></p> <p>FC-1.7.2, FC-2.2.3, FC-2.2.6, FC-4.2.5, FC-6.1.1, 6.1.2 and 6.1.3: Reduced retention requirements of records to five years to be consistent with AML Law and other Volumes of the CBB Rulebook. <b>Print off updated FC-2.2: Pages 1 and 2 of 3; updated FC-4.2: Page 2 of 2; Print off updated FC-6.1.</b></p>
<b>Authorisation Forms</b>		
Form 3	Application for Approved Person Status	Amended instructions for applications dealing with existing business investment firm licensee pertaining to the position of MLRO. <b>Print off Updated Instructions.</b>
<b>Reporting Forms</b>		
IMR	Insurance Intermediary and Manager Return	Clarified Instructions in line with Paragraph BR-1.2.20, noting that audited financial statements and external auditor's management letter must be submitted with the IMR. <b>Print off Updated Instructions.</b>
ALF	Annual License Fee Form	Form amended to provide information on payment by wire transfer and change contact information. Also, information on fixed annual fees provided. <b>Print off updated Form ALF.</b>