



EDFIS/C/007/2014
19th May 2014

The Compliance Officer
All Insurance Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 3 (Insurance) – April 2014 Update

The April 2014 quarterly update to Volume 3 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 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.

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 2014

The changes for April 2014 are listed in the attached table and include the results of the consultation which took place on the enhanced operational and solvency framework for Takaful and Retakaful industry.

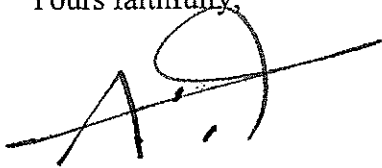
¹ Volume 3 can be accessed from www.cbb.gov.bh : from the Home page, select 'CBB Rulebook', Volume 3.

As changes have been made to all reporting forms for insurance firms (IFR and IFRQ) for both conventional and Takaful firms, **the updated forms on the CBB Website must be used for all future reporting.**

Further Information

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

Yours faithfully,



Abdul Rahman Al Baker

Enclosure: Volume 3 Update Table.

CBB Rulebook (Volume Three) – April 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-1.1.9: Updated transition period to repay/write off of Qard Hassan granted for solvency purposes. ES-1.2.2: Updated list of approved persons to be in line with AU-1.2.2. ES-1.7.5, ES-1.19.3 and ES-2.6: Updated to reflect the consultation on the enhanced operational and solvency framework for Takaful firms.
AU	Authorisation	AU-1.2: Approved persons requirement updated to reflect consultation undertaken on the enhanced operational and solvency framework.
AA	Auditors and Actuaries	AA-4: Amended to be in line with updated actuarial requirements.
CA	Capital Adequacy	CA-1.2.3, CA-1.2.23, CA-4.2.25, CA-8.2, CA-8.3, CA-8.4, CA-8.4A and CA-8.5: Various amendments to reflect consultation undertaken on the enhanced operational and solvency framework. Some changes are applicable to all insurance firms and some only applicable to Takaful firms.
RM	Risk Management	RM-1.1: Enhanced the requirements for the risk management function.
BR	CBB Reporting	BR-1.1: Amended to be in line with the updated requirements for the actuary's financial condition report.
PD	Public Disclosure	PD-1.1.12A, PD-1.1.13A and PD-2.1.2A: Added public disclosure requirements for Takaful firms.
TA	Takaful/Retakaful	TA-1.2.1, TA-2.4.3, TA-2.4.4, TA-3.1.3 and TA-3.1.13A: Updated to reflect the consultation on the enhanced operational and solvency framework for Takaful firms.

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PART B FOLDER		
Glossary of Defined Terms		
Added the term earmarked asset(s)		
CBB Authorisation Forms		
Form 3	Application for Approved Person	Updated application to be in line with updated controlled functions in Section AU-1.2
CBB Reporting Forms		
	Instructions for Insurance Firm Return	Updated to reflect new enhanced operational and solvency framework for Takaful and Retakaful industry.
IFR(C)	Insurance Firm Return (Conventional Principles)	Updated new wording for actuary's certificates as well as update and corrections to IFR(C)40.30 and 55.10.
IFRQ(C)	Insurance Firm Quarterly Return (Conventional Principles)	IFRQ(C) 20.60 updated to add link to new liabilities sheets added. IFRQ(C)40.30 updated to reflect that receivables are net of provisions in accordance with CA-4.2.25. Added IFR 60.30 and IFR 60.40 to record liabilities during the financial period.
IFR(T)	Insurance Firm Return (Takaful Principles)	Updated to reflect new enhanced operational and solvency framework for Takaful and Retakaful industry.
IFRQ(T)	Insurance Firm Quarterly Return (Takaful Principles)	IFRQ(C) 20.60 updated to add link to new liabilities sheets added. Updated to reflect new enhanced operational and solvency framework for Takaful and Retakaful industry. Added IFR 60.30, IFR 60.40 and IFR 60.50 to record liabilities during the financial period.