



EDFIS/C/020/2012
11th October 2012

The Compliance Officer
All Insurance Licensees
Manama
Kingdom of Bahrain

Dear Sir,

CBB Rulebook: Volume 3 (Insurance) – October 2012 Update

The October 2012 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 October 2012

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

Module EN

Module EN includes a new Section EN-5.3B on financial penalties for date sensitive requirements. The financial penalties in relation to date sensitive compliance issues have

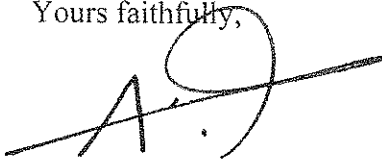
¹ Volume 3 can be accessed from www.cbb.gov.bh : from the Home page, select 'CBB Rulebook', Volume 3.

been standardised to a daily amount for each requirements that is late. These penalties will be enforced for any past due requirements after 1st January 2013, without prior notice being issued to the licensee or registered person. All licensees and registered persons should therefore be fully familiar with all date sensitive requirements included in Volume 3 and should ensure that they meet these requirements at all times. The compliance officer is required to ensure that all senior managers are fully aware of such enforcement actions.

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.

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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, UG-1.2.2, UG-1.2.7, UG-2.1.1, UG-2.1.2, UG-2.1.3 and UG-2.2.2: Various minor amendments to reflect the structure of the Rulebook, including the issuance of Volume 7.
ES	Executive Summary	ES-1.1.9 and ES-1.15: The reference to Module DP was deleted as customer complaints procedures are included in Chapter BC-4.
AU	Authorisation	AU-2.1.8 and AU-2.1.9: Clarified legal status for single person company and natural person. AU-5.5.4A: Corrected cross reference.
HC	High-level Controls	HC-7.2.5 and HC-10.7.6: Clarified guidance on election of board members. Appendices A, B and C: Amended requirement for written report on performance evaluation for various Board committees. Appendix A: Included reference to compliance under Committee Duties and responsibilities.
AA	Auditors and Actuaries	AA-3.2.1: Clarified that an approved consultancy firm can also provide the report on compliance with financial crime rules required under Section FC-3.3.
BC	Business Conduct	BC-4.3.1A: Added guidance on the appointment of the customer complaints officer.
EN	Enforcement	EN-5.1.1: Amended guidance. EN-5.3B: Added new Section on financial penalties for date sensitive requirements.
DP	Dispute Procedures	This Module was deleted in October 2012 as Customer Complaints procedures are dealt with in Chapter BC-4.

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PART B FOLDER		
CBB Authorisation Forms		
Form 3	Application for Approved Person Status	Clarified details of controlled functions for director positions.
CBB Reporting Forms		
Instructions for Insurance Firm Return		Clarified instructions for IFR 30.20.
Form ALF	Annual License Fee Form	Reference added in instructions to late payment penalties.