



Central Bank of Bahrain



مصرف البحرين المركزي

OG/299/2024
17th October 2024

Chief Executive Officer
All Licensees
Manama - Kingdom of Bahrain

Dear Sir/ Madam,

Consultation: Proposed new Fit and Proper Requirements Module

As part of the Central Bank of Bahrain's ("CBB") objective to develop the financial sector, the CBB is hereby issuing a consultation on the proposed new Fit and Proper Requirements Module which will be applicable to all licensees.

The proposed Module will supersede the Training and Competency Modules in the CBB Rulebook, and the requirements related to 'fit and proper' under Approved Persons Conditions in the Licensing Requirements Modules and Authorisation Modules of the Rulebook.

Also attached to this circular is a questionnaire (See Annexure) that licensees should complete for the CBB to get a better understanding of the licensee's readiness to adopt the new approach.

The proposed Module shall be available on the CBB website (www.cbb.gov.bh) under the "Open Consultations" Section.

The CBB requests you to provide your response to the consultation questionnaire and any further comments on the proposed Module, including "nil comments" in an editable format to consultation@cbb.gov.bh by 14th November 2024.

Yours faithfully,

Khalid Humaidan
Governor

cc: Law Firms
External Audit Firms
Bahrain Association of Banks
Bahrain Insurance Association

Annex: Consultation questionnaire

1. Do you agree that the approach underlying the new proposed Fit and Proper Requirements Module will have the following benefits:

Area	Comment
Reduce dependency on the CBB for appointments to a number of positions?	
Reduce time taken to appoint a person to a senior position	

2. Do you agree with the CBB's approach reflected in the proposed Module which will require the licensees to be accountable for decisions they take regarding appointments of persons to senior management positions?
3. Do you agree that this approach will help licensees to design their organisation structure in a manner that best suits their operating model?
4. Do you agree that the responsibility for design of the organisation structure and the identification of 'senior management' rests with the Chairman of the Board of Directors and the Chief Executive Officer?
5. Do you agree to the approach of requiring licensees to develop and customise the fit and proper criteria and standards and implement their policies, procedures and processes to address the standards while using the illustrative qualifications and core competencies provided in the Appendix FP-1 to the proposed Module as examples?
6. Do you agree that over time, the Kingdom of Bahrain should develop competency frameworks that cover all job families and job roles across different competency or proficiency levels to help the individual licensees to match them?