



EDBS/KH/C/3/2018

21<sup>st</sup> January 2018

**The CEO/General Manager**

All CBB Licensees

All Listed Companies

Self-Regulatory Organizations (SROs)

SRO Members

All Legal Firms

All Audit Firms

Manama - Kingdom of Bahrain

Dear Sir,

**Re: Consultation on the proposed Short Selling and Giving Securities on Loan Regulation**

As part of the Central Bank of Bahrain's ("CBB") effort to develop the financial sector in the Kingdom of Bahrain, I enclose for your comments the draft of the proposed short selling and giving securities on loan regulation.

The objective of the proposed regulation is to improve efficiency of the capital market and facilitate a variety of transactions in the market which shall result in better price discovery and enhanced liquidity.

The proposed regulation will be available following the issuance of this letter on the CBB website ([www.cbb.gov.bh](http://www.cbb.gov.bh)) under the Regulatory Functions/Consultations Section.

You are kindly requested to review the proposed regulation, and to provide the CBB with your comments electronically, including 'nil comment', to the Director – Capital Markets Supervision Directorate, Mrs. Abeer Al Saad via email at [AAlsaad@cbb.gov.bh](mailto:AAlsaad@cbb.gov.bh) and CBB Consultation Team at [consultation@cbb.gov.bh](mailto:consultation@cbb.gov.bh) by 20<sup>th</sup> February 2018.

Yours faithfully,

  
**Khalid Hamad**