

Industry Comments & the CBB Feedback Statement on the Representative Offices Rulebook Consultation 28-December-2010

Industry Comments			CBB Initiative
Specific comments			
Proposed Rule	Rulebook Ref.	comments	CBB Initiative
<i>Specific Modules</i>			
Authorisation (AU)	AU-1.3.1	<p>Definition of regulated representative office services</p> <p><u>Representative office licensees</u> may undertake the following <u>regulated representative office services</u>:</p> <p>a) Conducting research and surveys for its parent company/Head Office on local Bahrain economy and international market;</p> <p>b) Liaising with customers on behalf of the Head Office or Parent Company;</p> <p>c) Providing factual information, data and promotional material relating to the Head Office's products and services to existing and potential customers of the Head Office; and</p> <p>d) Responding to general inquiries related to the Head Office.</p>	-
	AU-1.3.1(b)	A Rep office stated that item (b) should include entities such as branches and 100% subsidiaries from the Head Office'.	The text of item (b) will be amended to (b)"Maintaining contact with customers on behalf of the Head Office or Parent Company; or wholly owned subsidiary as approved by the CBB"
		A Rep office stated that rep offices in addition to promoting the products of the Head office (parent company) generally represents and acts as a link between the Head office and its customers locally (i.e. in the country where the rep office is situated). Further, a rep office conducts pre-operational market research with respect to the ongoing state of the local economy, gathers information in terms of the commercial and financial conditions prevailing there, regarding the insurance needs of the customers, etc. The rep	The text will be amended to remove the words "existing and potential" (c) <i>Providing factual information, data</i>

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	AU-1.3.1 (c)	<p>office also acts as an arm of the Head Office and services the customers locally.</p> <p>A Rep office stated that rep offices are allowed to provide factual information, data and promotional material relating to the Head Office's products and services to existing and potential customers of the Head Office. In this regard, guidance is <u>requested</u> from the CBB, in terms of activities that rep offices can undertake to reach out and identify these potential customers.</p> <p>These potential customers could then be given factual information and material as required by them (which could include brochures, leaflets and application forms, of the products of the company). Further accepting the application and agreeing to enter into a contract (i.e. 'underwriting'/'assumption of risk') should be done at the Head Office, after assessing the details of the application.</p>	<p><i>and promotional material relating to the Head Office's products and services to existing and potential customers of the Head Office</i></p>
General Requirements (GR)	GR-1.1.1	<p>General Requirements (Books and Records):</p> <p><u>Representative Office licensees</u> must maintain the following records in original form or in hard copy at their premises in Bahrain:</p> <p>(a) A copy of all documents submitted to the CBB as part of the license application;</p> <p>(b) Corporate records, including Head Office Annual Report, License Certificate (granted by the CBB), Commercial Registration Certificate, Memorandum and Articles of Association;</p> <p>(c) Correspondence with the CBB and records relevant to monitoring compliance with CBB requirements;</p> <p>(d) Reports prepared by the <u>Representative Office</u> to its Head Office and vice versa; and</p> <p>(e) Any other documents deemed necessary by the CBB;</p>	
	GR-1.1.1 (b), (c), (d) & (e)	<p>A Rep office inquired: How long should the Rep office keep records?</p>	<p>To amend this rule and add 10 years record keeping and to add a reference to the FC Module which requires 5 years for all the</p>

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			documents required under FC.
	GR-1.1.2	Unless otherwise agreed with the CBB in writing, records must be kept in either English or Arabic; or else accompanied by a certified English or Arabic translation. Records must be kept current.	-
		A Rep office stated that they need exceptions for records in the past. Depending on institutions, national languages might have been kept other than English or Arabic.	This requirement will be grandfathered. i.e. only applying it from the date of issuance of the Module.
	GR-3.1.4	Representative office licensees must submit to the CBB the annual report of the Head Office within 6 months of the financial year end and any other documents and information requested by the CBB from time to time related to its undertakings.	-
		A Rep office stated that the hard copy of the parent's annual report may be published more than 6 months after the financial year end due to mainly using WEB information.	Disagree-6 months is sufficient