

Dismissal of Persons in Control Functions (Banks)

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March 2014

Proposed Rule:

Where a person occupies a position in an internal audit, risk management, AML, compliance function or internal Shari'a review, of the bank[financing company], and the bank [financing company] wishes to dismiss or suspend the subject person, the bank [financing company] must seek the CBB's prior written approval before the proposed dismissal or suspension takes place and communicated to the person involved.

Industry Comments		CBB Initiative
Under existing CBB rules, departures of all 'control functions' are reported to the CBB regardless of reason. The proposed rule seems to include all staff in these functions (Int. Audit, Compliance, Risk Management and AML) and not necessarily restricted to 'control functions'	1	The bank has misunderstood the rule and confuses 'controlled functions as defined in the CBB Rulebook and 'control functions' for the purpose of this consultation – referring to the 'policing' staff of the bank. Sent email to bank to explain on Feb 12.
In our view, and for practical reasons, rather than obtaining the CBB's 'prior approval' in case of dismissal or suspension, we propose that such a decision by management to be approved/ratified at the Board level (for Heads of departments) and be immediately communicated in writing to the CBB with justification, and considered final unless the CBB revert back with any reservations or objections within a reasonable time frame (e.g. 30 days). In our view, it is more practical and serves to achieve the objectives to further augment the sound governance principles as sought by CBB in the proposed amendment.	2	Notification will continue to apply. No prior CBB approval will apply. Rule amended accordingly.
We understand this rule is not applicable for internal transfers of staff within the bank to any other country.	3	The Rule does apply to such transfers, but has been modified to just require notification.
On the up side, it will enhance governance and provides possible protection for those in control functions. On the down side, the "unwanted" employee could be cornered into a resignation situation, which is technically not a dismissal. The wording may want to consider that.	4	Wording has been amended to cover all staff changes, including resignation.

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Subject to having a cap time of 10 days maximum to wait for the CBB response on the notification of the bank seeking approval, after which, it shall be construed as a No objection by the CBB on the dismissal or suspension of the concerned person.	5	Refer to item 2.
In principle, we do not have any objections to CBB's proposed prior approval requirement. However, in the absence of further explanations as to the risk mitigation purposes behind this approval requirement, we note that it might include a cumbersome process to some licensees.	6	Refer to item 2.
In summary, while it is wholly appropriate to require banks to obtain prior written approval from CBB to appoint all Approved Persons - including those in a Control Function, dismissals and suspensions should, in my view be a matter for management, directors and ultimately shareholders. Dismissals of any Approved Persons should of course be required to be reported immediately to CBB. Also, clearly if as a result of suspensions or dismissals a bank becomes non-compliant with CBB regulations then CBB can take such enforcement action as is already available to CBB.	7	Refer to item 2.
<i>We believe that if this is implemented it will create an immediate friction between management and the Board of Directors.</i> A bank normally seeks the approval of the CBB when they want to hire a person in a control function, starting from the CEO, department heads reporting to the CEO and the heads of independent functions like Risk, Internal Audit, and Compliance & AMLO. The Board can dismiss the CEO without obtaining a prior written approval from the CBB. The CEO can dismiss any head reporting to him without obtaining the prior approval of the CBB. We believe this is the responsibility of the Board in managing the bank and its management including the persons heading the functions that are subject of your letter.	8	Refer to item 2.
We suggest that the decision of dismissal or suspension of these persons is left to the Board of Directors and that the CEO or the secretary of the Board notifies the CBB within five working days from taking the decision.	9	Refer to item 2.
The CBB may then wish to call the dismissed or suspended person for an interview to hear his/her side of the reasons. The CBB may also want to call the CEO or the Chairman of the Committee to which this person is reporting to understand the reasons why the Committee or the Board has taken that decision. After hearing both sides the CBB can take the necessary actions in accordance to laws and regulations of the CBB.	10	Refer to item 2.
We don't believe it is healthy for a bank if the Board decides to dismiss or suspend a person in a Control Function and the CBB rejects that or disagree. This person will be more like an employee of the CBB being paid by the bank rather than an employee of the Bank.	11	Refer to item 2.
Appendix A of the HC module of the CBB rule book (Volume 1) requires the Board Audit Committee's consents for termination of Head of Internal Audit and Head of Compliance. We believe that this is the right way of managing this issue.	12	Refer to item 2.

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<p>We believe that this will heavily conflict with the Labor Law for the Private Sector and especially Article 107, unless this proposed guideline will supersede a law issued by a Decree.</p> <p style="text-align: center;">Article 107</p> <p>A contract of employment made for a period of indefinite duration may be terminated by either party thereto after giving the other party thirty days' prior notice before such termination, in writing, in respect of monthly paid workers and fifteen days' notice in respect of other workers. The party terminating a contract without giving the required notice shall pay to the other party compensation equivalent to the amount of wages payable to the worker for the period of such notice or the unexpired portion thereof.</p>	13	Refer to item 2.
<p>We really appreciate what the CBB is trying to do with regards to improving corporate governance principal in order to protect the financial sector in Bahrain, the financial institutions themselves and the reputation of Bahrain in general. However, we believe there is a clear line between supervision and management. This issue can be addressed in a way other than taking the management decision away from the Board that is elected by the shareholders of the Bank, and who are responsible jointly and severally according to the law.</p>	14	Refer to item 2.
<p>How would the proposed impact the voluntary resignation of the concerned control functions?</p>	15	Refer to item 4
<p>What is the expected seniority level of the concerned control functions? We do not think that junior staff in such functions should be impacted by the proposed.</p>	16	<p>Notification only applies for all staff.</p> <p>Any dismissal or suspension of any staff in internal audit, risk management, AML, compliance function or internal Shari'a review of the bank. The notification must include the reason for the dismissal or suspension of such individual.</p> <p>.</p>
<p>Change to “the bank must notify CBB immediately upon dismissal or suspension takes place.</p> <p>All involuntary terminations must be approved by management, coordinated with Human Resources Department and processed in accordance with the provisions outlined in Labour law of Bahrain and Maybank policy.</p>	17	Refer to item 2.
<p>The proposed amendments should not alter the employment relationship and the employer right for lawful dismissal/suspension of an employee unless otherwise provided by law. This right is clearly provided for the new labor law where the old law was silent. Thus, we believe that CBB right and requirement is to be notified for, (and not approve), the termination/dismissal of a control function.</p>	18	Refer to item 2.

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The proposed amendments will improperly limit or interfere with the terms and conditions of the employment contract, the banks' employment-related policies and practices, such as HR policies and procedures, Code of Conduct and Ethics, etc.	19	Refer to item 2.
We believe that collaboration (and trust) between CBB and all regulated entities will assist the governance framework. CBB shall always maintain the right to have full access to review, at anytime, banks' policies Governance model in terms of employee life cycle including, the employment contract, unfair dismissals, HR policies and standards, Compliance/Grievance, speak up/whistleblowing, etc.	20	Noted
We recommend that if the employee has failed to comply with internal policies or legal requirements, then the dismissal of a control function to be made only by a decision of the independent, non-executive audit committee members.	21	Refer to item 2.
Such a stringent requirement will be detrimental to Bahrain as an international banking centre. We believe that institutions should have the freedom to appoint, dismiss or suspend any person in accordance with its own governance structure and policies. Notwithstanding the above, with regard to the dismissal or suspension of any person occupying a control function, as defined in the consultation paper, the CBB should be advised of such an action and explanations provided, as required.	22	Refer to item 2.
Strong objection to the proposal. It should be left to the bank to dismiss the person if the circumstances demand such action. The proposal will invariably complicate the matters for the bank. In future, if the bank comes across a situation where a staff in a control function must be terminated for a valid cause, the bank cannot wait until CBB approves its request to do so. Such undue delay in the process may cause further damage to the bank by carrying the risk of retaining the concerned staff.	23	Refer to item 2.

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<ol style="list-style-type: none">1- It is true that the control functions should be carried out accurately and independently, however we believe that the employees who occupy these positions are subject to the same terms of employment and disciplinary measures as applied to other employees. As such, these employees are not independent given the employment relationship between them and the Bank is classified under the principles of Labor Law as master and servant relationship which obliges the employee to abide by and comply with the employer's policies and regulations or else the employer may terminate the relationship.2- The employment relationship including rights and obligations of the parties and terms of termination of the relationship are governed in accordance with the provisions of Labor Law of 2012 which regulate all these matters.3- Seeking CBB prior written approval before terminating or suspending certain group of employees will impact the Bank rights granted under Article 99 or 107 of the Labor Law to terminate the service of any employee occupies position in internal audit, risk management, AML or compliance who breaches his/her obligations under the contract of employment.	24	Refer to item 2.
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<p>4- The proposed provision may oblige the Bank to keep against its will these employees in its service even if such employees' service is for limited period of say 2 years and terminable under Article 96 of the labor law.</p> <p>5- The basic principle of the Labor Law is that specific performance is not possible under the contract of employment. As such, the employer who fires an employee even arbitrarily is not obliged to reinstate such employee as the only remedy available to him is compensation for arbitrary termination. However the only exception to the rule in which the court can force the employer to reinstate terminated employee in accordance with the provision of Article 104 of the Labor Law, is the case where the termination is founded on racial, religious motives or due to employee joining trade union or laborer organization.</p> <p>6- The employment relationship is based on the concept of freedom of contract that allow either party to terminate such contract without prejudice to the other party right of compensation if he/she deserves such compensation. Other than this exception the Labor Law does not oblige the employer to keep an employee in his service against his will or vice versa.</p> <p>7- The Labor Law covers all situations where the termination is fair or arbitrary and empowers the court to exclusively assume jurisdiction and determine appropriate remedy in case the termination is arbitrary.</p> <p>8- Given the availability of adequate legal remedies for the employer or the employee under the Labor Law and through the court proceedings, we don't see reason for CBB approval before termination of an employee. Besides; such resolution may contradict the above provisions of the Labor law which is an act of Parliament.</p> <p>we strongly recommend not to implement this provision through the rule book.</p>		
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The basis of the CBB's approval to dismiss or suspend the approved persons should be clearly stated in the rule as well as the measurements that will be taken to protect the approved person's independence.	25	Refer to item 2.
The timeframe of the CBB's written approval should be included in the new rule.	26	Refer to item 2.
The CBB should not insist on retention of an approved person which the licensee wishes to dismiss. It should be sufficient to give prior notification and allow the CBB to do an exit interview.	27	Refer to item 2.
<p>Persons occupying positions in the mentioned control functions are responsible for critical organizational areas and handling sensitive information and hence any breach of policies, procedures or regulatory requirements are considered serious violations and Management, Board, or the Audit Committee, where appropriate, should have the full authority to dismiss and/or suspend as the case may be.</p> <p>The CBB currently has the authority to request the banks to provide further clarifications for the departure in accordance with section LR-1A.1.22, LR-1A.1.23 and LR-1A.1.24 of the CBB Rulebook. However, it would not, in our view, be appropriate to seek prior written approval of the CBB as this is likely to be detrimental to the banks as the delay may result in further damage to the internal controls and the reputation of the organization.</p> <p>We would like to mention that the staff is at liberty to file a complaint against the Bank at the CBB or at the court of law if he/she believes that the suspension/dismissal from work is not legitimate or wrongful. In conclusion, we recommend deleting the proposed new paragraphs BR-5.1.19 (<i>Vol 1 and 2</i>) or BR-2.3.23 (<i>Vol 5</i>).</p>	28	Refer to item 2.
<p>We suggest the new paragraph BR-5.1.18 in Volume 2 to read as follows:</p> <p>An Islamic bank licensee must seek the CBB's prior written approval before dismissing or suspending an approved person occupying the controlled function of Chief Risk Officer/Head of Risk Management, Head of Internal Audit, Head of Shari'a Review, Compliance Officer, Money Laundering Reporting Officer or Deputy Money Laundering Reporting Officer."</p>	29	Refer to item 2.
In our opinion along with dismissal and suspension, this should also be added in the proposed paragraph "removal from that position through any mean." We also suggest that other controlled positions may also be considered for the same treatment.	30	Refer to items 2 and 4.
It is not clear whether all the persons working in the respective departments are covered under the proposed rule or whether only the Heads are covered.	31	The Rule is clear and applies to all persons occupying a

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		position in these departments.
It is our considered opinion that the proposed amendment will serve to increase avoidable administrative work for the regulator. The logic extended for such an amendment appears for protect the independence of these functions. The independence of roles such as Head of Internal Audit and Head of Compliance is already protected, as currently it is the responsibility of the Audit Committee to review and discuss and make recommendations regarding the selection, appointment and termination where appropriate of the head of internal audit and head of compliance . Head of Risk has also direct access to the Board. In order to further enhance the independence, we are of the view that dismissal or suspension of the subject persons should be with the consent of the Board based on the recommendations of the Nomination & Remuneration Committee.	32	Refer to item 2.
In order to protect the rights of the subject persons, the aggrieved person may be allowed to appeal to the Board with facts for review of the decision and then to the CBB as an arbitrator if he still remains unsatisfied with the Board's decision.	33	Refer to item 2.
“More clear definition with regards to people in control functions. The circular refers to all the people in Audit, Risk,...etc which is not in line with the current definition of the “Control Function”	34	The Rule is clear and does not refer to the defined term ‘controlled functions’ which is different from people occupying a position in an internal audit, risk management, AML, compliance function or internal Shari’a review.
Also, the circular does not address issues with regards to those who leave voluntarily”.	35	See comment under item 4.
While our bank fully appreciate the steps taken by CBB to enhance the Corporate Governance Framework in all the financial institution but at the same time bank would like to preserve its rights, integrity and also place trust in the independent function of its Board committee. We would like to bring to your kind attention that all the persons heading the Control Functions (such as Sharia’a Review, Audit, Compliance and Risk) reports directly to the Head of respective Board	36	Refer to item 2.

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committee while discharging their duties. Board members and Board committee members would like to retain its power and maintain the current procedure and status quo in the matter of dismissal or suspension of persons involved in the control function.		
<p>1- The paragraph to remain the same for dismissal cases only.</p> <p>2- While for suspending the subject person, the Bank / Financing Company must immediately notify the CBB as to the name, position and reasons for suspending. If the subject person returns back to work after the suspension period, another notification to be sent to the CBB in that regard. If a decision was made to dismiss the suspended person, then the CBB prior approval must be obtained. In some of the cases, the Bank / Financing Company cannot wait for the CBB prior approval to suspend a person (i.e. in the cases where the approved person is involved in criminal cases, forgery, fraud, etc).</p>	37	Refer to item 2.
<p>While we appreciate the intention of the CBB to recognise the key role of the control functions, and protect their independence, the approach of the proposed paper requiring banks to seek ‘prior approval in writing before the dismissal or suspension’ of Heads of the specific control functions presents practical difficulties, especially for international organisations like Standard Chartered Bank.</p> <p>Standard Chartered bank has a number of controls built into its governance structures. The new organization structure being introduced from April 1, specifically removes all matrix/dotted reporting lines for functions (including control functions) to the businesses. Country staff of controlled functions report directly up to their respective Group functions.</p> <p>With reference to the Audit Function, the recent guidelines issued by the Chartered Institute of Internal Auditors states that “The Audit Committee should be responsible for appointing the Chief Internal Auditor and removing him/her from post”. This is another level of control.</p> <p>Furthemore, if CBB approvals must be obtained even before suspension of staff, it means that the Bank’s internal policies relating to suspension of a staff for (say) financial impropriety cannot be followed. This could jeopardise investigations.</p> <p>Finally, it is important to point out that the new regulation will be a challenge to implement in cases where staff are being terminated on performance grounds/not performing their essential duties. Would the CBB require that the grounds for such termination and our internal policies on performance management are assessed and how will this be done in practice?</p>	38	Refer to item 2.
Seeking prior written approval from the CBB in case of a dismissal or suspension of a controlled person would place a many restrictions on the bank, especially if the contravention is severe that requires immediate suspension or dismissal from their duties.	39	Refer to item 2.

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<p>Further to your letter of 11 February 2014 requesting our comments in relation to the proposed amendment for CBB’s approval for the dismissal of persons in a controlled function, we are of the view that such amendment will not only have a negative impact on our Bahraini entity but on other financial institutions in the Kingdom of Bahrain.</p> <p>We do not believe that such a requirement is appropriate or reasonable in the event of a dismissal, especially since the CBB are in any event notified of any changes of controlled functions and any replacement requires the CBB’s prior approval.</p> <p>Rule LR 1A.1.22 specifically provides that “<i>conventional bank licensees must immediately notify the CBB when an approved person ceases to hold the controlled function for which they have been approved, for whatever reason.</i>”</p> <p>Rule LR-1A.1.23 also provides that “<i>Banks must notify the CBB in writing of any proposed changes to senior positions prior to the change. The communication should include the reason for the departure of the personnel and the Curriculum Vitae of any new persons taking up the relevant positions in the bank.</i>”</p> <p>We therefore believe that this is sufficient information to be provided to the CBB in the event of a termination of a controlled function employee for the purposes of the CBB fulfilling its role and duties as a regulator and ensuring compliance of the CBB’s existing rules. If it would assist, we would be happy to notify the CBB in advance when our bank intends to suspend or dismiss an approved person in a controlled function, rather than only notify the CBB once an approved person ceases to hold the controlled function for which they have been approved.</p> <p>We further believe that in the event the CBB imposes the further requirement of prior approval for dismissal, this will diminish the control of our bank on its employees and the ultimate control of employment affairs of personnel in controlled functions of the bank will rest solely with the CBB. This in turn will take away the rights of the management and shareholders of the bank/financial institutions. It will also potentially discredit the employer’s authority in the employees’ minds in respect of having control over its own standards and dismissal decisions, thereby weakening our bank’s control over its employees’ behaviour and standards.</p>	40	Refer to item 2.
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<p>We as JP Morgan have our own internal controls and procedures that provide for a proper dismissal process for all persons under the category of controlled functions. In addition we also have a Disciplinary Policy that was approved by Ministry of Labour and is now being revised in accordance with the new labour law of 2012. Therefore we fail to understand or see the necessity to obtain prior approval from the CBB for the dismissal of persons in a controlled function as employees will be terminated in accordance with the Bahrain Labour Law and will always have recourse to the labour courts for any claims arising out of unjustified termination and which will give rise to compensation claims being awarded against the employer.</p> <p>We would be happy to discuss this further or provide you with any additional information you may require.</p>		
<p>We agree that Internal audit, Compliance and AML should be included. However we request more clarity around which functions would fall under Risk management as it is too broad and is likely to be subject to interpretation by different licensees.</p> <p>Secondly, we have no objection to seeking CBB approval for dismissal of employees, however we would request that Banks should be able to suspend employees to prevent them from accessing bank facilities if the situation warrants. This is particularly relevant because action may have to be taken at very short notice and it may not be feasible to wait for formal CBB approval before suspending the staff. Banks could be mandated to inform the CBB as soon as such suspensions are carried out. We would also request clarity on the time frames within which CBB approval may be provided.</p>	41	Refer to item 2.

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<p>We noticed that the proposed amendment may contradict with the literal wording and interpretation of clause 107 of Labour Law in The Private Sector No 36 of 2013, where the Law stated certain events which empowered the Employer “Licensee” to terminate the contract of the employee “regardless of his position” without notice and compensation.</p> <p>We believe that the intention of the Bahraini Legislature to avail such authority to Employers is not to be restricted or reduced by the Licensing Regulator.</p> <p>In light of the above, we recommend rephrasing the proposed amendment to read as follows:</p> <p>“Where a person occupies a position of control function, of the bank [financing company], and the bank [financing company] wishes to dismiss or suspend the said person, the bank [financing company] must inform the CBB before the proposed dismissal or suspension takes place and communicated to the person involved, (provided that the reason behind such decision relates purely to the performance of the duties and responsibilities of the control function)”.</p>	42	Refer to item 2.
<p>We would like to suggest adding the following staff to paragraph BR-5.1.19 the person occupies a position of financial controller, secretary to the Board and any other person approved by the CBB and report to the Board. Usually decision to dismiss a staff is unexpectedly therefore, we also suggest to have time band between reporting to CBB and receiving CBB’s approval.</p>	43	Refer to item 2. Notification requirement now applies to all ‘approved persons’ as defined under CBB Glossary and under updated LR-1A.1.22
<p>We agree that to protect the independence of person in Control Function prior approval from CBB is required.</p>	44	Noted. Refer to item 2.
<p>Agrees wholeheartedly that individuals in these positions play an important role in assuming that a bank operates with adequate systems and controls. The Audit Committee also agrees that it is very important that individuals in these control functions be permitted to operate independently.</p> <p>For these reasons, the executives who head each of these functions report to the Audit Committee, and have done so for several years.</p>	45	Refer to item 2.

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The ultimate responsibility to take such action should therefore continue to rest with the audit committee.		
The proposed new paragraph is not addressing the issue of transfer to another function within the licensee, or to another group entity, which is currently subject to notification process as per paragraph LR-1A.1.24 of the CBB Rulebook V2.	46	Refer to item 3.
What if the concerned person commits an action or behavior (e.g. wrongdoing, unethical behavior etc.) which would normally require or invoke an immediate suspension / termination?	47	Refer to item 2.
If the proposed amendment is applied, we believe that it should be applicable only to approved persons within the control functions (i.e. Head of Risk Management, Head of Internal Audit, Head of Shari’a Review, Compliance Officer, MLRO & Deputy MLRO) and not all persons within these control functions.	48	Refer to items 2 and 16.
<p>Furthermore, it should be borne in mind that these functions do report directly to Board level committees and the SSB in the case of Shari’a reviewer, in addition to their dotted reporting lines to senior management and the CEO. The decision for dismissal or suspension of approved persons within these functions is finally taken at the Board level. With this structure, we do believe that the independence objective is fully maintained (i.e. independence from the Business line as well as independence from Management influence. The proposed regulatory prior approval for the dismissal or suspension for the above mentioned functions would in fact introduce a new dimension, which is “independence from the Bank”. Achieving the desired objective of independence within these control functions can be accomplished through ensuring that a systematic mechanism is in place, prudently implemented by CBB’s licensees, with timely CBB’s supervision through an ex-ante notification process.</p> <p>Accordingly, we do believe that the current notification practice reflected under section LR-1A.1 of the CBB Rulebook V2, is sufficient, yet an enhancement can be introduced towards protecting the independence of the above mentioned functions by notifying the CBB before the intended dismissal/suspension take place, supported with adequate information. Kindly refer to the below proposed amendments:</p> <p>CBB’s Rulebook Volume Two – Islamic Banks:</p> <p>LR-1A.1.22B Where an approved person occupies a position in internal audit, risk management,</p>	49	Refer to item 2.

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<p>AML, compliance function or internal Shari'a review of the Islamic bank licensee, and the Islamic bank licensee wishes to dismiss or suspend the subject person, the Islamic bank licensee must notify the CBB before the proposed dismissal or suspension takes place. The notification letter should include extract from the Board approval as well as the reason for the dismissal or suspension. The CBB reserve its right to discuss the dismissal/suspension decision with the Islamic bank licensee before it actually takes place, if it deems necessary.</p> <p>LR-1A.1.22C If the suspension decision is underpinned by actions undertaken by the subject person, that might put the Islamic bank licensee's interest at risk and warrant an immediate suspension, the Islamic bank licensee may take the necessary action provided detailed information is submitted to the CBB immediately after the suspension take place.</p>		
<p>A regulator should not be involved in approving the dismissal or suspension of an approved person so as to avoid the regulator being caught up in a purely employee/employer matter and related consequences, however, to address any concerns as to the appropriateness of a decision to dismiss or suspend an approved person, we consider it more appropriate for any such action to be subject to a "prior notification" so that the CBB is aware of the matter and the matter can be discussed with the Bank or dismissed employee, if needed.</p>	50	Refer to item 2.
<p>We wish to propose that the following provision should be added at the end of the proposed Regulation: "However, the Bank (Financing Company) may withdraw all work from such employee pending receipt of CBB approval".</p> <p>The above is considered necessary to protect the interests of the institution in cases where the employee is involved in fraud/moral turpitude.</p>	51	Refer to item 2.
<p>There may be instances where the bank will need to ensure that dismissal of persons in control functions will happen on the spot and they will need to leave the premises immediately.</p> <p>Furthermore, our bank has policies, procedures and sound practices that safeguard its staff against unjustified dismissals and unfortunately such a rule could also potentially be misused by an employee occupying such a position.</p> <p>Hence and in order to safeguard all stakeholders, we propose an amendment to the subject proposed requirement as follows ".....and the bank (financing company) wishes to dismiss or suspend the subject person, the bank must inform the CBB within 24hrs of the dismissal or suspension clearly identifying the</p>	52	Refer to item 2.

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causes of such an action. The CBB retains the right to seek further information and clarification from the bank in cases which the CBB believes to be compromising the independence of the function. In cases where the CBB declares that a dismissal or suspension has compromised the independence of the function, the CBB shall take remedial actions against the bank concerned”		
The proposed amendment includes all staff occupying a position in internal audit, risk management, AML, compliance and internal Shari’a review, even the most junior levels. We are of the view that the CBB should consider limiting the amendment to the Approved Persons heading these control functions, as it is the heads who are ultimately responsible for the decisions, performance and independence of those functions.	53	Refer to items 2 and 16.
The Labour Law for the Private Sector prescribes a strict timeframe for the investigation of a violation by a staff member (investigations to commence within 7 days of the discovery of the violation in accordance with Article 76) and the imposition of sanctions on a staff member (sanctions may be imposed 15 days or more from the date of the finding in accordance with Article 78(7)). Accordingly, the proposed requirement to seek the CBB’s written approval before dismissal or suspension takes place could cause a delay in the proceedings and may result in the Bank being barred from imposing a sanction on a staff member who is guilty of a violation.	54	Refer to item 2.