



EDBS/KH/0529/2008
14 January 2008

Mr. Jamal Abbas Zaidi
Chief Executive Officer
Islamic International Rating Agency
P.O. Box 20582
Manama
Kingdom of Bahrain



Dear Jamal,

Recognition as an External Credit Assessment Institution

Thank you for your letter of November 11 2007.

I am please to confirm that the Central Bank of Bahrain has recognised the Islamic International Rating Agency (IIRA) as an eligible External Credit Assessment Institution. We will place IIRA alongside the four ECAIs we have already recognised in the next update to the CBB Rulebook. In order for us to allow banks to use IIRA ratings for risk weighting purposes, I would ask you to complete the attached tables (as applicable), mapping your ratings alongside those of your fellow ECAIs. I would also ask that you confirm the correctness of the tables in a covering letter or by initialling the tables for our records. We will then insert the ratings into the concerned Appendix in the Rulebook and put the name of IIRA into Module CA as an eligible ECAI.

For the sake of good order, I would ask that you prepare an action plan which addresses the six criteria (objectivity, independence, transparency,

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disclosure, resources, credibility) outlined in Modules CA-3.4 (Volume 1) and CA-4.6 (Volume 2) of the CBB Rulebook and in Basel II Pillar One paragraphs 90 to 108. This plan should outline how IIRA meets these criteria or is working to meet these criteria. This action plan should be formalised and worked upon so that IIRA may achieve international recognition as an eligible ECAI by foreign supervisory authorities in due course.

I look forward to receiving your reply at the earliest opportunity. The action plan for recognition should follow within one month of the date of this letter.

Yours sincerely,


Khalid Hamad

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