

## CHAPTER II

**FINANCIAL, RISK-BASED AND OTHER RELATED RETURNS, AND INSTRUCTIONS,  
DIRECTIVES AND INTERPRETATIONS RELATING TO THE COMPLETION THEREOF**

**7. List of forms prescribed in respect of financial, risk-based and other related returns to be submitted to the Registrar with indication of institution by which, intervals at which and period within which returns shall be submitted**

Form number	Title/ description	Solo supervision					Consolidated supervision		
		Bank in Republic <sup>1</sup>	Foreign branches of South African banks <sup>2</sup>	Bank legal entity <sup>3</sup>	Foreign bank <sup>4</sup>	Other operations <sup>5</sup>	Bank consolidated <sup>6</sup>	Sub-consolidation <sup>7</sup>	Controlling company consolidated <sup>8</sup>
BA 099	Declaration in respect of statutory returns submitted <sup>9</sup>	Whenever required as control sheet and for purpose of making required declarations							
BA 099A	Declaration in respect of statutory returns submitted by foreign operations <sup>9</sup>								
BA 100	Balance sheet	Monthly <sup>10b, 10h</sup>		Monthly <sup>10b, 10h</sup>		In accordance with conditions specified by the Registrar	Quarterly <sup>10d, 10h</sup>	In accordance with conditions specified by the Registrar	Quarterly <sup>10d, 10h</sup>
BA 110	Off-balance-sheet activities	Monthly <sup>10b, 10h</sup>		Monthly <sup>10b, 10h</sup>			Quarterly <sup>10d, 10h</sup>		Quarterly <sup>10d, 10h</sup>
BA 120	Income statement	Monthly <sup>10b, 10h</sup>		Monthly <sup>10b, 10h</sup>			Quarterly <sup>10d, 10h</sup>		Quarterly <sup>10d, 10h</sup>
BA 125	Return regarding shareholders			Annually <sup>10f</sup>	Annually <sup>10f</sup>				Annually <sup>10f</sup>
BA 130	Restriction on investments, loans and advances	Quarterly <sup>10c, 10h</sup>							
BA 200	Credit risk: monthly return	Monthly <sup>10c, 10h</sup>							
BA 210	Credit risk: quarterly return	Quarterly <sup>10c, 10h</sup>							
BA 220	Credit risk: six-monthly return	Six-monthly <sup>10h</sup>							
BA 300	Liquidity risk	Monthly <sup>10c, 10h</sup>							
BA 310	Minimum reserve balance and liquid assets	Monthly <sup>10b, 10h</sup>							
BA 320	Market risk	Monthly <sup>10c, 10h</sup>							
BA 325	Daily return: selected risk exposure	Daily <sup>10a, 10h</sup>							
BA 330	Interest-rate risk: banking book	Monthly <sup>10c, 10h</sup>							
BA 340	Equity risk in the banking book	Monthly <sup>10c, 10h</sup>							
BA 350	Derivative instruments	Monthly <sup>10c, 10h</sup>							
BA 400	Operational risk: six-monthly return	Six-monthly <sup>10e, 10h</sup>							
BA 410	Operational risk: annual return	Annually <sup>10e, 10h</sup>							
BA 500	Securitisation schemes	Monthly <sup>10c, 10h</sup>							
BA 600	Consolidated return						Quarterly <sup>10d, 10h</sup>		Quarterly <sup>10d, 10h</sup>
BA 610	Foreign operations of South African banks		Quarterly <sup>10c, 10h</sup>		Quarterly <sup>10c, 10h</sup>				
BA 700	Capital adequacy	Monthly <sup>10c, 10h</sup>				Quarterly <sup>10d, 10h</sup>	Quarterly <sup>10d, 10h</sup>		

- 1 Means the supervision of the South African operations of a bank incorporated in the Republic.
- 2 Means a bank conducting business as such outside the Republic, through the medium of a branch of a bank.
- 3 Means the supervision of a bank on a legal entity basis, that is, the combination of information of the relevant bank in the Republic and its relevant branches.
- 4 Means a bank or other entity conducting the business of a bank, which bank or entity is not located or incorporated in the Republic but is controlled by a bank or controlling company that is incorporated in the Republic, but does not include any branch of a bank.
- 5 Means any regulated or unregulated non-bank entity controlled by a bank or controlling company incorporated in the Republic.
- 6 Means the supervision on a consolidated basis of a bank incorporated in the Republic and its relevant branches, subsidiaries and associates, as envisaged in regulation 36.
- 7 Means the supervision on a sub-consolidated basis of a bank or controlling company and its relevant branches, subsidiaries and associates when the said bank or controlling company is a subsidiary of another bank or controlling company subject to the relevant requirements for consolidated supervision specified in these Regulations.
- 8 Means the supervision on a consolidated basis of a bank controlling company incorporated in the Republic and its relevant subsidiaries and associates, as envisaged in regulation 36.
- 9 Forms BA 099 and BA 099A are not prescribed financial returns, but shall be used as a control sheet and to furnish the required declarations regarding compliance and the maintenance of prescribed minimum balances.
- 10 The prescribed statements and returns shall be submitted within the periods specified below.
- a. Before 09:00 am on the second business day immediately following on the day to which the prescribed statement or return relates.
  - b. Within 15 business days immediately following on the month-end or quarter-end to which the prescribed statement or return relates.
  - c. Within 20 business days immediately following on the month-end or quarter-end to which the prescribed statement or return relates.
  - d. Within 30 business days immediately following on the month-end or quarter-end to which the prescribed statement or return relates.
  - e. Within 20 business days immediately following on the sixth month of the financial year or the date to which the annual financial statements relate.
  - f. Within 30 days of 31 December of each year.
  - g. Within 90 days immediately following on the date to which the annual financial statements relate.
  - h. Within 60 days immediately following on the sixth month of the financial year and within 90 days immediately following on the date to which the annual financial statements relate.

(Note: As an example, a reference to 10c; 10h in respect of a specific prescribed return means two independent submissions in respect of the specified return, interval and period.)

**DECLARATION IN RESPECT OF STATUTORY RETURNS SUBMITTED**

BA 099

(To accompany all relevant statutory returns submitted in terms of these Regulations)

Name of bank/controlling company .....

Period ended.....(yyyy-mm-dd)

**A. DECLARATION IN RESPECT OF RETURNS**

We, the undersigned, hereby declare as follows in respect of each of the relevant statutory statements and returns (identified and rendered in the manner indicated in the space provided for such purposes in part C of this form) submitted herewith in respect of the period indicated above:

**1. GENERAL**

- (i) The information contained in the statements and returns is to the best of our knowledge and belief correct; and
- (ii) the statements and returns have been compiled in accordance with the relevant provisions of these Regulations; and
- (iii) the statements and returns reflect the management accounts presented to the management and board of directors of the bank, as required in regulation 2 of these Regulations.

**2. FORM BA 130**

This bank has at all times during the reporting period complied with the relevant provisions and requirements specified in sections 76 and 77 of the Act.

**3. FORM BA 310**

- (i) None of the liquid assets included in items 16 to 22 of the form BA310 have been pledged or otherwise encumbered, as envisaged in section 72(3) of the Act, without the consent of the Registrar;
- (ii) all securities included under the liquid assets envisaged in paragraph (i) have been valued in accordance with the provisions of section 72(4) of the Act; and
- (iii) this bank has from the fifteenth business day of the month following the month for which the preceding return of form BA 310 was submitted to date maintained, and will continue to maintain, for every day until the fourteenth business day of the month following the month to which this return relates, the prescribed average daily minimum reserve balance with the Reserve Bank, as required in terms of section 10A of the South African Reserve Bank Act, 1989, and the prescribed average daily minimum amount of liquid assets, as prescribed in regulation 27(3), and complies/will comply, as from the fifteenth business day of the month following the month to which this return relates, with the aforesaid prescribed minimum requirements on the basis of its prescribed amount of liabilities during the reporting month. (When the bank failed to comply with the prescribed requirements, the declaration shall be qualified, and a statement showing the relevant deficiency(ies), for every day on which a deficiency existed, shall accompany this return.)

**4. FORM BA 325**

This bank has not exceeded the limit on its effective net open position(s) in foreign currency, as prescribed in regulation 29(3). (When the bank exceeded the prescribed limit, the declaration shall be qualified, and a statement showing the relevant excess(es), for every day on which an excess existed, shall accompany this return.)

**5. FORM BA 700**

This bank has from the twentieth business day of the month following the month for which the preceding return of form BA 700 was submitted to date maintained, and will continue to maintain, for every day until the nineteenth business day of the month following the month to which this return relates, the relevant prescribed minimum amount of-

- (i) allocated qualifying primary and secondary capital and reserve funds relating to risks other than market risk, as prescribed in regulations 38(8) and 38(9); and
- (ii) allocated qualifying primary and secondary capital and reserve funds and tertiary capital relating to market risk, as prescribed in regulations 38(8) and 38(9),

and complies/will comply, as from the twentieth business day of the month following the month to which this return relates, with the aforesaid relevant requirements relating to the maintenance of the prescribed minimum amounts of:

- (i) allocated qualifying primary and secondary capital and reserve funds; and
- (ii) allocated qualifying primary and secondary capital and reserve funds and tertiary capital.

(When the bank failed to comply with the relevant prescribed requirements, the declaration shall be qualified, and a statement showing the relevant deficiency(ies), for every day on which a deficiency existed, shall accompany this return.)

**B. DECLARATION IN RESPECT OF RELATED MATTERS**

We, the undersigned, hereby declare as follows:

**1. INVESTMENTS BY CONTROLLING COMPANIES\* (\* Delete when not relevant)**

The abovementioned controlling company has at all times during the reporting period complied with the provisions of section 50 of the Act.

**2. FINANCIAL INTELLIGENCE CENTRE ACT, 2001 (FICA)**

This bank/controlling company has to date complied with and will continue to comply with-

- (i) any relevant requirement contained in the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), as amended; and
- (ii) any relevant requirement contained in the Regulations that may be issued from time to time in terms of the aforesaid Act.

(When the bank/controlling company failed to comply with any relevant requirement, the declaration shall be qualified, and a statement indicating the relevant details of the failure to comply shall accompany this return.)

**C. FORMS SUBMITTED**

The following statement(s) and return(s), as identified by a hash total or cross in the relevant space provided, are submitted herewith in the format indicated below:

Form number	Title/ description	Hash total on BA form electronically submitted <sup>1</sup>	In the event of a query, the Reserve Bank may contact:		
			Name	Tel no.	Ext
BA 100	Balance sheet				
BA 110	Off-balance-sheet activities				
BA 120	Income statement				
BA 125	Return regarding shareholders				
BA 130	Restriction on investments, loans and advances				
BA 200	Credit risk: monthly return				
BA 210	Credit risk: quarterly return				
BA 220	Credit risk: six-monthly return				
BA 300	Liquidity risk				
BA 310	Minimum reserve balance and liquid assets				
BA 320	Market risk				
BA 325	Daily return: selected risk exposure				
BA 330	Interest-rate risk: banking book				
BA 340	Equity risk in the banking book				
BA 350	Derivative instruments				
BA 400	Operational risk: six-monthly return				
BA 410	Operational risk: annual return				
BA 500	Securitisation schemes				
BA 600	Consolidated return				
BA 610	Foreign operations of South African banks				
BA 700	Capital adequacy				
BA 900	Institutional and maturity breakdown of liabilities and assets				
BA 920	Analysis of instalment sale transactions, leasing transactions and selected assets				
BA 930	Interest rates on deposits, loans and advances				
BA 940	Selected locational statistics based on residence				
BA 950	Selected locational statistics based on nationality of bank				

Form number	Title/ description	Hard copies submitted <sup>2</sup>	In the event of a query, the Reserve Bank may contact:		
			Name	Tel no.	Ext
BA 125	Return regarding shareholders				
BA 210	Credit risk: quarterly return				
BA 220	Credit risk: six-monthly return				
BA 410	Operational risk: annual return				
BA 500	Securitisation schemes				
BA 600	Consolidated return				
BA 700	Capital adequacy				
Other	(Please specify)				

1. In respect of relevant amounts electronically submitted.
2. In respect of detailed information not submitted in an electronic format on the relevant return.

**D. ATTESTATION OF FORM BA 099**

**1. CERTIFICATION BY OFFICIALS RESPONSIBLE FOR EACH RELEVANT RISK**

RISK	RESPONSIBLE OFFICIAL	SIGNATURE	DATE
Balance sheet			
Income statement			
Solvency			
Liquidity			
Counterparty			
Interest rate			
Market (Position)			
Credit			
Technological			
Operational			
Any other risk regarded as material – please specify			

**2. CERTIFICATION BY CHIEF EXECUTIVE OFFICER, CHIEF ACCOUNTING OFFICER AND EXECUTIVE OFFICER (FICA)**

Signed at ....., this ..... day of ..... (yyyy-mm)

.....  
Chief Executive Officer\*

.....  
Chief Accounting Officer\*

.....  
Executive Officer: FICA\*

\*Please note: When the Chief Executive Officer, Chief Accounting Officer or Executive Officer (FICA) is not available to sign a completed form BA 099, the officer performing the relevant function shall sign the said form in an acting capacity and not on behalf of the absent officer, and the normal office of the officer so acting shall clearly be stated.

**DECLARATION IN RESPECT OF STATUTORY RETURNS SUBMITTED BY  
FOREIGN OPERATIONS**

BA 099A

(To accompany all statutory returns submitted by the above institutions in terms of the Regulations relating to Banks)

Name of foreign operation.....

Period ended.....(yyyy-mm-dd) Host country.....

**A. DECLARATION IN RESPECT OF RETURNS**

We, the undersigned, hereby declare as follows in respect of each of the relevant statutory statements and returns (identified and rendered in the manner indicated in the space provided for such purposes in part C of this form) submitted herewith in respect of the period indicated above:

**1. GENERAL**

- (i) The information contained in the statements and returns is to the best of our knowledge and belief correct; and
- (ii) the statements and returns have been compiled in accordance with the relevant provisions of these Regulations or, when relevant, the rules and regulations of the relevant host supervisor; and
- (iii) the statements and returns reflect the relevant management accounts presented to the management and board of directors of the relevant bank/ operation.

**2. FORM BA 610**

The issued primary and secondary capital and reserve funds and tertiary capital of the abovementioned bank/ operation have on ..... (date) been reduced by the relevant amounts of items prescribed in regulations 23(6), 23(8), 23(11) and 23(13) as deductions against capital and reserve funds.

Furthermore, this bank/operation has from the twentieth business day of the month following the quarter for which the preceding return of form BA 610 was submitted to date maintained, and will continue to maintain, for every day until the nineteenth business day of the month following the quarter to which this return relates, the relevant prescribed minimum amount of-

- (i) allocated qualifying primary and secondary capital and reserve funds relating to risks other than market risk, as prescribed in regulations 38(8) and 38(9); and
- (ii) allocated qualifying primary and secondary capital and reserve funds and tertiary capital relating to market risk, as prescribed in regulations 38(8) and 38(9), or
- (iii) capital and reserve funds specified by the relevant host supervisor should the latter be higher,

and complies/will comply, as from the twentieth business day of the month following the quarter to which this return relates, with the aforesaid relevant requirements relating to the maintenance of the prescribed minimum amounts of:

- (i) allocated qualifying primary and secondary capital and reserve funds; and
- (ii) allocated qualifying primary and secondary capital and reserve funds and tertiary capital.

(When the bank/ operation failed to comply with the relevant prescribed requirements, the declaration shall be qualified, and a statement showing the relevant deficiency(ies), for every day on which a deficiency existed, shall accompany this return.)

**B. DECLARATION IN RESPECT OF RELATED MATTERS**

We, the undersigned, hereby declare as follows:

**1. ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM LEGISLATION**

This bank/operation has to date complied with and will continue to comply with any relevant requirement contained in relevant legislation in respect of anti-money laundering or combating the financing of terrorism.

(When the bank/operation failed to comply with any relevant requirement, the declaration shall be qualified, and a statement indicating the relevant details of the failure to comply shall accompany this return.)

**C. FORMS SUBMITTED**

The following statement(s) and return(s), as identified by a hash total or cross in the relevant space provided, are submitted herewith in the format indicated below:

Form number	Heading of form	Hash total on BA form electronically submitted <sup>1</sup>	In the event of a query, the Reserve Bank may contact:		
			Name	Tel no.	Ext
BA 610	Foreign operations of South African banks				
		Hard copies submitted <sup>2</sup>	In the event of a query, the Reserve Bank may contact:		
			Name	Tel no.	Ext
BA 610	Foreign operations of South African banks				
Other	(Please specify)				

1. In respect of relevant amounts electronically submitted.
2. In respect of detailed information not submitted in an electronic format on the relevant return

**D. ATTESTATION OF FORM BA 099A****1. CERTIFICATION BY OFFICIALS RESPONSIBLE FOR EACH RELEVANT RISK**

RISK	RESPONSIBLE OFFICIAL	SIGNATURE	DATE
Balance sheet			
Income statement			
Solvency			
Liquidity			
Counterparty			
Interest rate			
Market (Position)			
Credit			
Technological			
Operational			
Any other risk regarded as material – please specify			

**2. CERTIFICATION BY FOREIGN CHIEF EXECUTIVE OFFICER, FOREIGN CHIEF ACCOUNTING OFFICER AND FOREIGN EXECUTIVE OFFICER (ANTI-MONEY LAUNDERING)**

Signed at ....., this ..... day of ..... (yyyy-mm)

.....  
Foreign Chief Executive Officer\*

.....  
Foreign Chief Accounting Officer\*

.....  
Foreign Executive Officer\* (Anti-money laundering)

\*Please note: When the Foreign Chief Executive Officer, Foreign Chief Accounting Officer or Foreign Executive Officer (Anti-money laundering) is not available to sign a completed form BA 099A, the officer performing the relevant function shall sign the said form in an acting capacity and not on behalf of the absent officer, and the normal office of the officer so acting shall clearly be stated.

## INSTRUCTIONS RELATING TO FINANCIAL, RISK-BASED AND OTHER RELATED RETURNS

### 8. Calculation of averages

(1) Whenever relevant or required, unless specifically otherwise stated, the average daily balance for a month in respect of any liability or asset item, or any other balance or prescribed magnitude, identified in the prescribed forms, shall be calculated by totalling the amounts thereof for each day of the month and by dividing such total by the number of calendar days in the particular month to which the statement relates.

(2) The balance to be used in respect of any day on which the reporting bank is not open for business shall be the total of the relevant liability or asset item, balance or magnitude as at the close of business on the preceding business day.

(3) When a bank is unable to calculate an average daily balance for a month, as envisaged in subregulation (1), the bank concerned may apply to the Registrar for approval to use, in respect of a particular item, the month-end figure for the reporting month and the relevant figures for the preceding two month-ends to calculate an average balance. (A bank shall indicate, in its application to the Registrar, the approximate average difference between the month-end figure and the average daily balance for the particular item and by which date it expects to be able to calculate an average daily balance for the month, as envisaged in subregulation (1)).

### 9. Gross balances

(1) Unless expressly otherwise directed in writing by the Registrar or provided in these Regulations, including the prescribed forms, all information required to be reported in the forms shall be reported on the basis of gross balances.

(2) Subject to the provisions of subregulation (1), the reduction of balances shall be effected only as a result of the application of set-off in terms of regulation 13, cash-management schemes in terms of regulation 16 or netting in terms of the relevant requirements specified in regulation 23.

(3) Assets pledged as security for liabilities of a bank, and such liabilities, shall respectively be reported on the basis of gross balances.

### 10. Maturity classification

Unless specifically otherwise stated, the maturity classification of a liability or an asset (which classification shall for the purpose of the determination of any average amount be effected on a daily basis) shall be determined with reference to **the remaining period to maturity** of the liability or asset in question and not with reference to the date on which the liability was incurred or the asset was acquired.

## 11. Reference to line item numbers

Arabic numerals appearing under the heading "Line item" and used to number individual paragraphs of the regulations containing directives and interpretations for the completion of returns correspond to the relevant line item numbers appearing on the relevant forms.

## 12. Revaluation surplus ranking as secondary unimpaired reserve funds

(1) A surplus resulting from a revaluation of specified assets shall rank as secondary unimpaired reserve funds only to the extent permitted in paragraph (a) of the definition of "secondary unimpaired reserve funds", in section 1(1) of the Act, if the revaluation in question complies with the conditions specified below.

- (a) The revaluation shall be a revaluation of strategic long-term investments or fixed assets that have formally been identified by the board of directors of the relevant bank as strategic long-term investments.
- (b) The revaluation shall be made by an independent valuer or associated valuer registered as such under the Valuers' Act, 1982, as amended, **the Property Valuers Profession Act, 2000, as amended**, or, with the approval of the Registrar, by another suitably qualified person, at intervals of not more than once every financial year or at such intervals as may be specified in writing by the Registrar and in accordance with the accounting policy of the reporting bank and relevant financial reporting standards issued from time to time.
- (c) The assets being revalued shall be similar in nature, for example, investments in premises of a bank, and the revaluation of all such assets shall be undertaken on a portfolio basis at the same time.
- (d) A reduction in the value of any relevant asset revalued shall also be taken into account.
- (e) Details of all revaluations of assets shall **be** clearly **disclosed** in the annual financial statements of the relevant reporting bank.

(2) Subject to the provisions of subregulation (1), no surplus resulting from a **contingency** item shall rank as secondary unimpaired reserve funds in terms of section 1(1) of the Act.

### 13. Set-off

(1) When a client maintains both debit and credit balances with a bank, it may be permissible in certain circumstances to set such balances off against one another for the purposes of completing the prescribed forms, resulting in only net balances being reported.

(2) Unless specifically otherwise provided in these Regulations, set-off shall be allowed only if all of the circumstances specified below apply.

- (a) A legal right to set-off shall exist, and the reporting bank shall in cases of legal uncertainty obtain a legal opinion to the effect that its right to apply set-off is legally well founded and would be enforceable in the liquidation or bankruptcy of the client or the bank.
- (b) The debit and credit balances shall relate to the same obligor.
- (c) Both the debit and credit balances shall be denominated in the same currency.
- (d) The debit and credit balances shall have identical maturities.
- (e) The reporting bank shall monitor and control the relevant debit and credit balances on a net basis in its risk management process and client database for the granting of facilities.

(3) For the purposes of this regulation 13, obligor means any natural person or juristic person, and "person" shall not have the same meaning as a "person" defined in regulation 67.

### 14. Trading activities

(1) All items included in a bank's trading book or comprising a bank's trading portfolio-

- (a) shall be reported in the forms prescribed in these Regulations and shall be reflected against the appropriate items and in the columns specified in the forms;
- (b) shall be reported in accordance with the relevant instructions, directives and interpretations of these Regulations;
- (c) shall on a daily basis be marked to market or when the bank adopted an approach of marking to model, the bank shall assess on a daily basis the relevant parameters of the model;

- (d) shall be managed and monitored in terms of duly defined policies and procedures, and a duly defined trading strategy, which policies, procedures and strategy-
  - (i) shall be approved by the bank's board of directors and senior management;
  - (ii) shall be duly documented;
- ⌋(e) shall be managed through a trading desk by dealers with the autonomy, amongst other things, to enter into or manage the positions within the agreed limits and in accordance with the said board approved policies, procedures and trading strategy of the bank;
- (f) shall be subject to appropriate position limits;
- (g) shall be reported to the senior management of the bank as an integral part of the bank's day-to-day risk management process;
- (h) shall actively be monitored with reference to relevant market information, including a continuous assessment by the bank of-
  - (i) market liquidity;
  - (ii) the ability to hedge positions;
  - (iii) the extent of turnover in the market;
  - (iv) the quality and availability of information that has an impact on the bank's valuation process;
  - (v) the extent and nature of relevant positions traded in the market.

## 15. Accrued interest and amounts

- (1) All liabilities and all assets shall include interest accrued up to the end of the period to which the relevant statement relates.
- (2) When a bank is unable to include interest accrued up to the end of the period to which the statement relates, as required by subregulation (1), the bank concerned may apply to the Registrar for approval to respectively reflect such accrued interest under other liabilities or other assets. (The bank shall indicate in its application to the Registrar by which date it expects to be able to include accrued interest in the respective liability or asset items, as required by subregulation (1)).
- (3) Amounts shall be reported to the nearest thousand units of currency, for example, R4 107 498 and R4 107 540 shall respectively be reported as R4 107 and R4 108.

## 16. Cash-management schemes

(1) Unless specifically otherwise specified or prescribed in these Regulations, the reduction of balances resulting from the application of a cash-management scheme shall be taken into account in completing the prescribed forms only when all of the conditions specified below are met.

- (a) The cash-management scheme shall be conducted only for companies that are subsidiaries of the same holding company and that are included in the group audited annual financial statements of such holding company, as well as for such holding company.
- (b) Any transfers of debit or credit balances from individual accounts to a central group account shall be shown as actual transactions on individual accounts, as well as in the accounting records of the individual account holders, in order to ensure that the accounting system of the relevant bank reflects the true debtor/creditor and legal relationships.
- (c) The bank shall provide its clients with statements of account evidencing the effect of transfers, whenever such transfers are made between their accounts and a central group account, in order to enable the clients of the bank to make the necessary entries to ensure that their respective accounting records reflect the true debtor/creditor and legal relationships *vis-à-vis* the bank (except for uncleared items, balances in the books of clients should therefore correspond to balances on client accounts in the accounting system of the relevant bank).
- (d) A group account, or any other account to which transfers are made, shall be in the name of a legal entity in order to protect the legal position of the bank.
- (e) Any transfer between client accounts and a central group account shall be supported by legal authorisation granted to the bank by its clients, including resolutions of clients' boards of directors to effect such transfers.
- (f) Written agreements whereby authorisation is granted as contemplated in paragraph (e) shall legally limit the bank's risk to the debtor/creditor relationship that exists after transfers have been effected.
- (g) Any statutory return shall reflect the true debtor/creditor and legal relationships of the bank *vis-à-vis* its clients.
- (h) The bank entering into written agreements relating to cash-management schemes with its clients shall ensure that the clients are fully aware that after the transfer of balances on their accounts, they have no claim against or obligation to the bank in respect of the amounts so transferred.
- (i) The bank shall ensure that all written agreements relating to cash-management schemes entered into by it with clients are legal and binding.

- (j) Any cash-management scheme involving the transfer of balances among different legal entities, as well as a standardised written agreement, providing for the conduct of such a scheme, entered into between a bank and its clients, shall be submitted to the Registrar for approval.

**17. *Assets sold or acquired in terms of a repurchase or resale agreement***

- (1) All repurchase and resale agreements concluded by a bank shall comply with the conditions specified below, and such further conditions as may be specified in writing by the Registrar.
  - (a) No repurchase or resale agreement shall be concluded by a bank with a client of that bank without such client's prior consent.
  - (b) A bank shall advise its client in writing of every such agreement concluded between them.
  - (c) All documentation relating to such agreements, including letters of confirmation, statements of account and audit certificates, furnished to its clients by a bank, shall clearly identify the relevant transactions as repurchase or resale agreements.
  - (d) Each transaction shall be recorded in the accounting records of the bank, including the client's account in the books of the bank, and the client shall be advised in writing of each transaction on his/her/its account with the bank concerned.
  - (e) The underlying asset of such agreement shall at all times separately be identified physically and in the accounting records of the bank.