

2003-12-11

TO ALL BANKS, BRANCHES OF FOREIGN BANKS AND MUTUAL BANKS

BANKS ACT CIRCULAR 15/2003

AMENDMENTS TO FORM DI 425

1. INTRODUCTION

In Banks Act Circular 2 of 1999, issued on 26 March 1999, banks were requested to report certain figures in terms of the Regulations relating to Capital Adequacy Requirements for Banks' Trading Activities in Financial Instruments ("the CAR Regulations") on a daily basis. Subsequently, the electronic form DI 425 was introduced by way of Banks Act Circular 8 of 2000, issued on 10 November 2000.

This Office has decided to amend the form DI 425 in order to ensure a more reliable method of determining banks' daily adherence to the minimum capital requirements relating to their trading activities.

2. AMENDMENTS TO FORM DI 425

Previously, the base requirement, which forms part of the required capital and reserve funds relating to trading activities, was not required to be reported on the form DI 425, since it was a figure that would remain stable over long periods of time and it was therefore not deemed to be necessary to submit it on a daily basis.

Including the base requirement on the form DI 425 would, however, ensure that an excess or deficiency in respect of the required amount of capital allocated to the trading book could be calculated automatically and without extracting any information from other sources of submitted data. Furthermore, banks would also be able to determine their compliance immediately from the form DI 425, before submitting the data to this Office.

It was therefore decided to include both the base requirement and a calculation

of the excess or deficiency in respect of allocated capital and reserve funds to the trading activities of a bank on the face of the form DI 425.

Attached as Annexure A is the amended form DI 425, which should be used from the reporting period in respect of 2 January 2004 and onwards.

3. ACKNOWLEDGEMENT OF RECEIPT

Two additional copies of this circular are enclosed for the use of your institution's independent auditors. The attached acknowledgement of receipt, duly completed and signed by both the chief executive officer of the institution and the said auditors, should be returned to this Office at the earliest convenience of the aforementioned signatories.

E M Kruger
Registrar of Banks

ENCL. 2

The previous circular issued was Banks Act Circular 14/2003 dated 6 November 2003.