



South African Reserve Bank

From the Office of  
the Registrar of Banks

Confidential

2007-03-26

**TO ALL BANKS, BRANCHES OF FOREIGN BANKS AND MUTUAL BANKS**

**BANKS ACT CIRCULAR 1/2007**

**ANNUAL WITHDRAWAL AND RETENTION OF CIRCULARS**

**1. Executive Summary**

In order to –

- (a) ensure that banks, branches of foreign banks and mutual banks are in no doubt as to which administrative directives and guidelines regarding the application and interpretation of the provisions of the Banks Act, 1990 (Act No. 94 of 1990 – “the Banks Act”), as contained in circulars issued by this Office, are in force at a particular point in time; and
- (b) avoid an accumulation of ephemeral matter,

all circulars issued by this Office during a calendar year are withdrawn at the beginning of the next year through the medium of Banks Act Circular 1 of such next year: Provided that–

- (i) those of the circulars so withdrawn that should logically remain in force *in toto* will remain effective, with retention of their original numbers and dates; and
- (ii) where, notwithstanding such withdrawal of particular circulars, certain essential directives thereof remain applicable, such directives will be reissued in an abbreviated form in the said Banks Act Circular 1.

**2. Reissue of Circulars**

The circulars listed below remain effective until further notice. Accordingly, banks, branches of foreign banks, mutual banks and their independent auditors are hereby requested to retain copies of these circulars.

**Circular**

**Brief Details**

2.1 Banks Act Circular 2/99

Reporting of capital-adequacy requirements by banks trading in financial instruments.

- 2.2 Banks Act Circular 5/2000 Position statement on personal account trading.
- 2.3 Banks Act Circular 7/2000 Electronic submission of amended statutory DI returns to this Office by banks and branches of foreign banks.
- 2.4 Banks Act Circular 8/2000 Submission of daily trading book activities to this Office by banks trading in financial instruments.
- 2.5 Banks Act Circular 2/2001 Completion of a compliance checklist.
- 2.6 Banks Act Circular 8/2001 Use of divisional names.
- 2.7 Banks Act Circular 13/2001 Electronic submission of amended capital-adequacy ratio requirement DI returns to this Office by banks and branches of foreign banks.
- 2.8 Banks Act Circular 14/2001 Electronic submission of amended capital-adequacy ratio requirement DI returns to this Office by mutual banks.
- 2.9 Banks Act Circular 2/2002 Procedure to be followed in respect of applications in terms of the provision of section 37, 52 and/or 54 of the Banks Act.
- 2.10 Banks Act Circular 6/2002 Requirements for completion of the statement and declaration of the:
- Form DI 020 of the Regulations relating to Banks and the Regulations relating to Mutual Banks, and
  - of the form RO 003 and RO 004 of the Regulations relating to Representative Offices of Foreign Banking Institutions.
- 2.11 Banks Act Circular 8/2002 Applications in terms of the provisions of section 37, 52 and/or 54 of the Banks Act.
- 2.12 Banks Act Circular 10/2002 Disclosure of repurchase and resale agreements and similar transactions.
- 2.13 Banks Act Circular 11/2002 Electronic submission of amended DI returns to provide for the regulatory and supervisory treatment of credit risk-mitigation instruments, including credit-derivative instruments, to this Office by banks and branches of foreign banks.
- 2.14 Banks Act Circular 3/2003 Positions denominated in foreign currency held by banks.
- 2.15 Banks Act Circular 4/2003 Composition of Board-appointed committee to approve large exposures.
- 2.16 Banks Act Circular 7/2003 Amendment to the procedure for the electronic submission of DI returns to this office by controlling companies, banks, mutual banks, branches of foreign banks and offshore branches of South African Banks.
- 2.17 Banks Act Circular 11/2003 Risk weighting of the International Finance Corporation.
- 2.18 Banks Act Circular 15/2003 Amendments to form DI 425.
- 2.19 Banks Act Circular 3/2004 Amendments to the requirements for the conducting of the business of a representative office of a foreign banking institution operating in South Africa and of a representative office of a South African bank operating abroad.
- 2.20 Banks Act Circular 8/2004 Applications in terms of section 52(1)(c) of the Banks Act.
- 2.21 Banks Act Circular 11/2004 Reserve requirements relating to Banks as Central Securities Depository Participants ("CSDPs") in share transactions totally electronic ("STRATE").

- 2.22 Banks Act Circular 14/2004 Outsourcing of functions within banks.
- 2.23 Banks Act Circular 16/2004 Auditor rotation.
- 2.24 Banks Act Circular 18/2004 Treatment of regulatory capital – risk margin placed with licensed exchanges.
- 2.25 Banks Act Circular 20/2004 New Capital Accord (“Basel II”) – implementation timelines and related issues.
- 2.26 Banks Act Circular 21/2004 Provisions in terms of regulation 28 of the Regulations relating to Banks and impairments in terms of accounting standard AC 133.
- 2.27 Banks Act Circular 4/2005 Issue of guidance note by the Financial Intelligence Centre in terms of section 4(c) of the Financial Intelligence Centre Act, 2001.
- 2.28 Banks Act Circular 6/2005 Enforcement of the 30 September 2005 deadline for client identification and verification in terms of the Financial Intelligence Centre Act, 2001 (“FICA”).
- 2.29 Banks Act Circular 2/2006 Electronic communication with this Office
- 2.30 Banks Act Circular 6/2006 Cell-phone banking
- 2.31 Banks Act Circular 8/2006 Endorsement of revised Core Principles for Effective Banking Supervision
- 2.32 Banks Act Circular 9/2006 Development programme for directors of banks

Mutual banks and their independent auditors are furthermore requested to retain copies of Mutual Banks Act Circular 1/96, regarding amendments to the form DI 310 of the Regulations relating to Mutual Banks, and of Mutual Banks Act Circular 9/97, regarding electronic submission of statutory DI returns to this Office by mutual banks.

### **3. Reissue of Essential Directives**

The following essential directives are hereby reissued:

- 3.1 Notwithstanding the withdrawal of:
  - 3.1.1 Banks Act Circular 8/96 (Foreign-exchange settlement risk), the essential directives contained in paragraphs 1, 2 and 3 of the circular are retained.
  - 3.1.2 Banks Act Circular 4/97 (Information submitted on the form DI 900 to be made available on the Internet), the essential directives contained in the said circular are retained.
  - 3.1.3 Banks Act Circular 10/99 (Liquid assets held in compliance with section 72 of the Banks Act, 1990 and section 50 of the Mutual Banks Act, 1993), the essential directives pertaining to liquid assets held in compliance with section 50 of the Mutual Banks Act, 1993, are retained.

#### 4. 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

The previous circular issued was Banks Act Circular 9/2006 dated 22 November 2006.