



South African Reserve Bank

From the Office of  
the Registrar of Banks

C1/2012

2012-01-23

**To banks, branches of foreign institutions, controlling companies, eligible institutions and auditors of banks or controlling companies**

**Circular 1/2012 issued in terms of section 6(4) of the Banks Act, 1990:**

**Status of previously issued circulars**

### **Executive Summary**

**In order to ensure that banks (including branches of foreign institutions), controlling companies, eligible institutions and auditors of a bank or controlling company are in no doubt as to which previously issued circulars remain effective, this Office will annually confirm their status.**

**Addressees should note that contrary to the process whereby the status of circulars are annually confirmed, directives issued in terms of section 6(6) of the Banks Act, 1990 (Act No. 94 of 1990 – the Banks Act), remain effective until such time that they are cancelled in writing by the Registrar of Banks (the Registrar) in terms of section 6(6)(c) of the Banks Act. Accordingly, please be advised that Directive 8/2008 issued on 29 September 2008 is hereby cancelled.**

#### **1. Introduction**

- 1.1 All previously issued circulars are deemed to be withdrawn/terminated/replaced except if such a circular is to remain effective and is then accordingly published in Circular 1 of that year. The circulars that remain effective will retain their original numbers and dates.

#### **2. Effective Circulars**

The circulars listed below remain effective. Accordingly, banks, controlling companies, eligible institutions and auditors of a bank or controlling company are hereby requested to retain a copy of these circulars.

<u>Circular</u>	<u>Brief Details</u>
2.1	Banks Act Circular 2/2010 Interpretation of definition of default as outlined in regulation 65 of the Regulations relating to Banks
2.2	Banks Act Circular 3/2010 Regulations relating to Banks and related matters
2.3	Banks Act Circular 4/2010 Basel Committee report to the G20: Comprehensive response to the international financial crisis
2.4	Banks Act Circular 5/2010 Interpretation and application of criteria relating to the granularity for retail exposures
2.5	Banks Act Circular 6/2010 Interpretation and application of criteria relating to exposures secured by residential mortgage bonds
2.6	Banks Act Circular 2/2011 Eligible credit assessment institutions approved by the Registrar of Banks
2.7	Banks Act Circular 3/2011 The use of mapping tables by banks, controlling companies and branches of foreign institutions converting national scale ratings to international scale ratings for the calculation of minimum required capital and reserve funds related to credit risk
2.8	Banks Act Circular 5/2011 Disclosure of capital related information

### **3. Effective Directives**

Section 6(6)(a) of the Banks Act prescribes that this Office may, after consultation with the relevant bank, controlling company, eligible institution or auditor of a bank or controlling company, issue a directive to such a bank, controlling company, eligible institution or auditor of a bank or controlling company, either individually or collectively, regarding the application of the Banks Act.

This Office issued a number of directives in terms section 6(6)(a) of the Banks Act. It is hereby confirmed that all such issued directives will remain effective until such time as they are cancelled in writing by the Registrar in terms of section 6(6)(c) of the Banks Act.

<u>Directive</u>	<u>Brief Details</u>
3.1	Directive 1/2008 Use of divisional names
3.2	Directive 2/2008 Procedure to be followed in respect of applications in terms of the provisions of sections 37, 52 and/or 54 of the Banks Act, 1990

3.3	Directive 3/2008	Appointment of directors or executive officers and completion of Form BA 020
3.4	Directive 4/2008	Disclosure of repurchase and resale agreements and similar transactions
3.5	Directive 5/2008	Composition of board-appointed committee to approve large exposures
3.6	Directive 6/2008	Auditor rotation
3.7	Directive 7/2008	Mapping of the international scale rating symbols of Fitch Ratings and Moody's Investors Service to the prescribed risk weights available in terms of regulation 23 of the Regulations relating to banks
3.8	Directive 3/2009	Limit in respect of effective net open foreign-currency position, and matters related to the unencumbered assets to be held by branches of foreign institutions
3.9	Directive 1/2011	Matters relating to securitisation vehicles
3.10	Directive 2/2011	Reporting daily value-at-risk amounts for market risk using specified items of the form BA 325
3.11	Directive 3/2011	Investments and loans and advances by controlling companies: Section 50 of the Banks Act, 1990
3.12	Directive 4/2011	Matters related to capital floors
3.13	Directive 5/2011	Exemption from certain minimum disclosure requirements pertaining to branches of foreign institutions

#### **4. Cancelled Directive**

Section 6(6)(c) of the Banks Act prescribes that this Office may, after consultation with the relevant bank, controlling company, eligible institution or auditor of a bank or controlling company, subject to the directive, cancel in writing a previously issued directive.

4.1	Directive 8/2008	Completion of specified items of form BA 320 for commodities and foreign exchange including gold
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## 5. Acknowledgement of Receipt

- 5.1 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.



René van Wyk  
**Registrar of Banks**

The previous circular issued was Banks Act Circular 5/2011, dated 18 August 2011.