

South African Reserve Bank

From the Office of
the Registrar of Banks

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C1/2017

2017-02-06

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

Circular 1/2017 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6(6) of the Banks Act, 1990 (Act No. 94 of 1990 – the Banks Act), remain effective until such time that they are withdrawn in writing by the Registrar of Banks (the Registrar) in terms of section 6(6)(c) of the Banks Act.

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1.1 All previously issued circulars are deemed to be withdrawn/terminated/replaced except if such a circular is to remain effective and is then accordingly confirmed in Circular 1 of that year.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

2. Effective Circulars issued in terms of the Banks Act, 1990

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.

Circular

Brief Details

2.1	Banks Act Circular 2/2011	Eligible credit assessment institutions approved by the Registrar of Banks
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| 2.2 | 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 |
| 2.3 | Banks Act Circular 3/2013 | Interpretation and application of criteria relating to effective maturity |
| 2.4 | Banks Act Circular 4/2013 | Treatment of investments in banking, financial, securities, insurance and commercial entities |
| 2.5 | Banks Act Circular 5/2013 | Reporting of items subject to thresholds that do not constitute a full deduction from qualifying capital and reserve funds |
| 2.6 | Banks Act Circular 2/2014 | Interpretation of definition of default as outlined in regulation 67 of the Regulations relating to Banks |
| 2.7 | Banks Act Circular 3/2014 | Interpretation and application of criteria relating to the granularity for retail exposures |
| 2.8 | Banks Act Circular 4/2014 | Interpretation and application of criteria relating to exposures secured by residential mortgage bonds |
| 2.9 | Banks Act Circular 6/2014 | Interpretation of specified conditions for the issuing of instruments or shares which rank as additional tier 1 capital and tier 2 capital |
| 2.10 | Banks Act Circular 7/2014 | External auditors of newly acquired or established entities |
| 2.11 | Banks Act Circular 4/2015 | Matters related to banks' compliance with the prescribed requirements related to the liquidity coverage ratio (LCR) and high-quality liquid assets (HQLA) |
| 2.12 | Banks Act Circular 5/2015 | Matters related to the use of support in a bank's credit risk rating process |
| 2.13 | Banks Act Circular 8/2015 | Countercyclical capital buffer for South Africa based on the Basel III framework |
| 2.14 | Banks Act Circular 4/2016 | Matters relating to the implementation of the capital conservation buffer |
| 2.15 | Banks Act Circular 5/2016 | Matters of interpretation relating to the Liquidity Coverage Ratio |
| 2.16 | Banks Act Circular 6/2016 | Disclosure of capital related matters |

- 2.17 Banks Act Circular 7/2016 Matters related to specified minority interests, that is, non-controlling interests, in shares and/or instruments qualifying as capital
- 2.18 Banks Act Circular 1/2017 Status of previously issued circulars

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 withdrawn in writing by the Registrar in terms of section 6(6)(c) of the Banks Act.

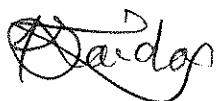
<u>Directive</u>	<u>Brief Details</u>
3.1 Directive 1/2008	Use of divisional names
3.2 Directive 2/2008	Procedure to be followed in respect of applications in terms of the provisions of sections 37, 52 and/or 54 of the Banks Act, 1990
3.3 Directive 3/2008	Appointment of directors or executive officers 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 1/2011	Matters relating to securitisation vehicles
3.8 Directive 2/2011	Reporting daily value-at-risk amounts for market risk using specified items of the form BA 325
3.9 Directive 5/2011	Exemption from certain minimum disclosure requirements pertaining to branches of foreign institutions
3.10 Directive 1/2012	Information to be included in applications in terms of the Securitisation Notice – Designation of an activity not falling within the meaning of “the business of a bank” (Securitisation Notice)
3.11 Directive 1/2013	Matters related to qualifying capital instruments issued by subsidiaries of banks or controlling companies

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| 3.12 | Directive 3/2013 | Matters related to capital floors |
| 3.13 | Directive 4/2013 | Matters related to transitional arrangements relating to the surplus capital of a subsidiary attributable to third parties |
| 3.14 | Directive 9/2013 | Investments, and loans and advances by controlling companies: Section 50 of the Banks Act, 1990 |
| 3.15 | Directive 10/2013 | 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. |
| 3.16 | Directive 11/2013 | Operational risk practices – completion and submission of the BA 410 return |
| 3.17 | Directive 12/2013 | 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 |
| 3.18 | Directive 13/2013 | Clarification of the requirements for approval of the acquisition of "an interest" outside the Republic as provided for in section 52(1)(c) of the Banks Act, 1990 (Act No. 94 of 1990) |
| 3.19 | Directive 1/2014 | Matters related to assets lodged or pledged to secure liabilities |
| 3.20 | Directive 2/2014 | Matters related to changes to internal rating systems used to calculate the minimum required capital for credit risk |
| 3.21 | Directive 3/2014 | Process in respect of specific capital issuances and redemptions |
| 3.22 | Directive 7/2014 | National discretion related to the liquidity coverage ratio |
| 3.23 | Directive 8/2014 | Matters related to compliance with the liquidity coverage ratio (LCR) |
| 3.24 | Directive 11/2014 | Liquidity coverage ratio: Scope of application and related disclosure requirements |
| 3.25 | Directive 1/2015 | Minimum requirements for the recovery plans of banks, controlling companies and branches of foreign institutions |
| 3.26 | Directive 2/2015 | Effective risk data aggregation and risk reporting |
| 3.27 | Directive 4/2015 | Amendments to the Regulations relating to Banks, and matters related thereto |
| 3.28 | Directive 5/2015 | Capital requirements for over-the-counter derivatives not transacted through a central counterparty |
| 3.29 | Directive 7/2015 | Restructured credit exposures |

- 3.30 Directive 9/2015 Approval and mapping of the international scale rating symbols of Global Credit Rating Co. (Pty) Ltd to the prescribed risk weights available in terms of regulation 23 of the Regulations relating to Banks
- 3.31 Directive 10/2015 Matters related to changes to the AMA operational risk management and measurement system used for the calculation of required capital for operational risk
- 3.32 Directive 11/2015 Matters related to revised Pillar 3 disclosure requirements
- 3.33 Directive 1/2016 Matters related to the exposure limits imposed in the classification of deposits and credit exposures to small and medium enterprises (SME's)
- 3.34 Directive 2/2016 Domestic systemically important banks (D-SIB's) to submit group consolidated information on a six-monthly basis.
- 3.35 Directive 4/2016 Matters related to the net stable funding ratio
- 3.36 Directive 5/2016 Compliance with principles for effective risk data aggregation and risk reporting
- 3.37 Directive 6/2016 Capital framework for South Africa based on the Basel III framework
- 3.38 Directive 7/2016 Assessment of instruments issued by domestic systemically-important banks and controlling companies (D-SIBs) for capital and funding purposes
- 3.39 Directive 8/2016 Reporting requirements relating to material outsourced service providers and critical third-party service providers

4. Acknowledgement of Receipt

- 4.1 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 and the said auditors, must be returned to this Office at the earliest convenience of the aforementioned signatories.



Kuben Naidoo
Deputy Governor and Registrar of Banks

Date: 7/2/2017

The previous circular issued was Banks Act Circular 7/2016, dated 24 November 2016.