



South African Reserve Bank

From the Office of
the Registrar of Banks

D7/2013

2013-05-23

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

Directive 7/2013 issued in terms of section 6(6) of the Banks Act, 1990

Matters related to locational statistics based on residence and nationality (form BA 940)

Executive summary

On 1 January 2013 the amended Regulations relating to Banks (the Regulations) were implemented. However, in view of the fact that the global financial crisis highlighted the need for enhanced data on major banking systems' funding and lending patterns, it has become necessary to amend the forms BA 940 and BA 950. These amendments have been duly incorporated into the amended form BA 940.

Banks are hereby directed to complete the amended form BA 940, which is attached hereto as Annexure A, instead of the forms BA 940 and BA 950 contained in the Regulations, with effect from the June 2013 reporting period.

1. Introduction

1.1 On 12 December 2012 the amended Regulations were published in *Government Gazette* No. 35950, following which they became effective on 1 January 2013. The majority of the amendments were made to incorporate the Basel III framework.

1.2 The Bank for International Settlements (BIS) previously invited a number of countries, in particular from emerging markets and including South Africa, to participate in the process of collecting information regarding international banking statistics. For this purpose, specific forms and related directives that were essentially based on standardised information requirements with regard to international banking statistics were developed and incorporated into the forms BA 940 and BA 950 of the Regulations.

- 1.3 The recent global financial crisis highlighted the need for enhanced data on major banking systems' funding and lending patterns. A working group of the Committee on the Global Financial System (CGFS) was accordingly tasked to review cross-border statistical requirements, following which a number of proposals were made to enhance locational banking statistics. These enhancements were subsequently approved by the CGFS for implementation. The enhancements will result in significant and long-lasting improvements in the usefulness of the BIS's international banking statistics for financial stability analysis.
- 1.4 The decisions and proposals of the CGFS require an expansion of the detail and scope of the BIS's locational banking statistics.
- 1.5 Therefore, with effect from the reporting period of June 2013, the forms BA 940 and BA 950 will be replaced by a single amended form BA 940, which is attached as Annexure A. The amended form BA 940 not only combines information required for locational statistics by requesting information on both residence and nationality, but also requires a more granular sectoral breakdown by banks.
- 1.6 Aggregated data obtained from the amended form BA 940 will be shared with the BIS and other reporting central banks under a reciprocity arrangement and in terms of the provisions of sections 4 and 89 of the Banks Act, 1990 (Act No. 94 of 1990). Data reported to the BIS may be flagged as being either "free" (shareable with anyone), "restricted" (shareable with reporting central banks), or "confidential" (only for use by the BIS). Confidential data are not shared outside the BIS without the explicit permission of the central bank concerned.
- 1.7 This Office hereby informs all relevant persons that it intends to incorporate the amended form BA 940 into the Regulations during the next round of regulatory amendments.

2. Directive

- 2.1 Banks are hereby directed to complete the amended form BA 940, instead of the forms BA 940 and BA 950 contained in the Regulations, with effect from the June 2013 reporting period.

3. Acknowledgment of receipt

- 3.1 Two additional copies of this directive 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.



R H Urry

Deputy Registrar of Banks

The previous directive issued was Directive 6/2013, dated 21 May 2013.

Encl. 1