



Ref.: 15/8/1/3

D6/2023

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

**Directive issued in terms of section 6(6) of the Banks Act 94 of 1990**

**South African domestic systemically important banks (D-SIBs) to submit consolidated information**

### **Executive summary**

**This Directive serves to inform all banks, branches of foreign institutions, controlling companies and auditors of banks or controlling companies of further requirements applicable to South African D-SIBs. These further requirements relate to the submission of credit-related statutory BA returns, based on consolidated information as well as assurance requirements.**

**This Directive replaces Banks Act Directive 1/2021, dated 26 February 2021.**

## **1. Introduction**

1.1 Globally, the overall scope of the Basel framework is applied to internationally active banks at every tier within the banking group, on a consolidated basis. Consequently, all information required for international reviews and analysis in respect of the South African banking sector relates to consolidated information. Therefore, the Prudential Authority (PA) requires South African D-SIBs to report credit-related information on a consolidated basis, at bank and controlling company level.

## **2. Directive**

2.1 Based on the aforesaid information, in terms of the provisions of section 6(6) of the Banks Act 94 of 1990 (Banks Act) and as further outlined in this directive, D-SIBs are hereby directed to submit the credit-related statutory BA 200 and BA 210 returns biannually, based on consolidated information, at bank and controlling company level.

2.2 D-SIBs with year-ends other than June or December are required to submit additional statutory BA 200 and BA 210 returns, based on consolidated information, at bank and controlling company level as at the D-SIB's year-end.

2.3 The following requirements apply with regard to the submission of the credit-related statutory BA returns:

- 2.3.1 The statutory BA returns shall be submitted six-monthly<sup>1</sup>, based on a calendar year (i.e., end-June and end-December data of each year, using a six-month comparative period) within 30 business days immediately following the period to which the return relates.
- 2.3.2 The comparative period to be used for D-SIBs with year-ends other than June or December in respect of the additional statutory BA 200 and BA 210 returns based on consolidated information, at bank and controlling company level as at the D-SIB's year-end, shall be the preceding six-month return submitted (i.e., June or December, which ever precedes the D-SIBs year-end).
- 2.3.3 Directives and interpretations for the completion of the statutory BA 200 and BA 210 returns are outlined in regulations 23 and 24 of the Regulations relating to Banks (Regulations) respectively, read with any relevant Directive issued in terms of section 6(6) of the Banks Act related to the completion of the statutory BA 200 and BA 210 returns.
- 2.3.4 The certification and rendition of these returns shall comply with the respective requirements specified in regulation 4 of the Regulations.
- 2.3.5 In line with regulation 6 of the Regulations, the returns shall be submitted electronically and shall include the statutory BA 200 and BA 210 returns on a controlling company consolidated level and a bank consolidated level respectively.
- 2.4 Not all line items on the consolidated statutory BA 200 and BA 210 returns are mandatory. The following table outlines the line items that are not mandatory in the submission of the consolidated statutory BA returns:

Statutory BA returns	Line items that are not mandatory
BA 200	86, 103 to 106, 201 to 206, 276, 293 to 320 and 325 to 331
BA 210	1 to 21, 43 to 117, 215 to 256, 285 to 340 and 438 to 452

- 2.5 All D-SIBs must comply with the respective requirements specified in this directive for reporting periods ending on or after 31 December 2023.

**3. Audit reports**

- 3.1 The reports on the statutory BA 200 and BA 210 returns on a bank and controlling company consolidated level, shall be based on agreed upon procedures, included in the Regulation 46 Independent Regulatory Board for Auditors (IRBA) template report, which have been agreed between the PA, external auditors and D-SIBs performed in line with the respective requirements specified in regulation 46(2)(b) of the Regulations.
- 3.2 Where the statutory BA 200 and BA 210 returns on a bank and controlling company consolidated level submitted in terms of this directive coincide with the

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<sup>1</sup> D-SIBs with year-ends other than June or December shall submit the additional statutory BA returns as indicated in paragraph 2.2 within 30 business days immediately following their year-ends.

period ending as at the reporting D-SIB's year-end, the said statutory BA returns shall instead be audited, reviewed or concluded upon under a limited assurance framework in line with the respective requirements specified in regulation 46(6) of the Regulations read with any relevant Directive issued in terms of section 6(6) of the Banks Act.

#### **4. Acknowledgement of receipt**

- 4.1 Kindly ensure that a copy of this directive is made available to your institution's external auditors. In addition, 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 the PA at the earliest convenience of the signatories.

Fundi Tshazibana  
**Chief Executive Officer**

Date:

The previous directive issued was Directive 5/2023, dated 20 July 2023.