



South African Reserve Bank

From the Office of
the Registrar of Banks

2012-08-15

G8/2012

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

Guidance Note 8/2012 issued in terms of section 6(5) of the Banks Act, 1990

Further information and additional requirements regarding the Basel III parallel test run

Executive summary

The Office of the Registrar of Banks (this Office) hereby informs all relevant persons of the revised target dates and additional reporting requirements relating to the Basel III parallel test run that is to be conducted prior to the implementation of the proposed amended Regulations relating to Banks (proposed amended Regulations).

1. Introduction

- 1.1 This Office issued Guidance Note 6/2012 on 6 July 2012, which contained detailed target dates and reporting requirements for the upcoming parallel test run that is to be conducted prior to the implementation of the proposed amended Regulations on 1 January 2013.
- 1.2 However, recent developments have necessitated amendments to the key target dates and reporting requirements communicated in Guidance Note 6/2012, particularly with regard to the form BA 325 and the BA 900 series.

2. Form BA 325

- 2.1 Guidance Note 6/2012 required all banks to report data for five consecutive business days in the amended form BA 325 as follows:
 - 21 and 25 to 28 September 2012; and
 - 22 to 26 October 2012.

2.2 However, due to additional reporting requirements included in the form BA 325, Guidance Note 6/2012 is hereby amended by requesting all banks to report data for five consecutive business days in the amended form BA 325 as follows:

- 22 to 26 October 2012; and
- 26 to 30 November 2012.

The above data shall be submitted to this Office on the second business day immediately following the day to which the form BA 325 relates.

2.3 Guidance Note 6/2012 also advised that no parallel test run submissions would be required in respect of the form BA 900 series. However, all banks are hereby informed that one parallel test run submission will be required for the form BA 900, based on December 2012 data, which is to be submitted on 5 February 2013.

2.4 Table 1 of Guidance Note 6/2012 is therefore amended as follows:

Table 1 – Final submission dates for the proposed amended regulatory BA forms (other than the daily return)

Proposed amended form	Reporting month			
	September 2012	October 2012	November 2012	December 2012
BA 900	No submission required.			5 February 2013

3. Further developments

3.1 Draft 2 of the proposed amended Regulations will be released on 17 August 2012. Due to time constraints, provision is not made for a formal consultative period. However, banks will collectively be afforded the opportunity to discuss and subsequently raise substantive points in respect of Draft 2 of the proposed amended Regulations by using the Banking Association of South Africa as a platform for discussing and raising such points. The date for the discussion will be communicated in due course.

3.2 This Office continually reviews and assesses the domestic regulatory and supervisory framework to ensure alignment with international standards, specifically with regard to the requirements of the Basel Committee on Banking Supervision (the Basel Committee).

3.3 In particular, the Basel Committee has published two documents entitled “Capital requirements for bank exposures to central counterparties” and “Regulatory treatment of valuation adjustment to derivative liabilities: final rule issued by the Basel Committee” during July 2012.¹ This Office expects to issue updated proposed amended Regulations at the end of September 2012, which will include the minimum reporting requirements prescribed by the two aforesaid documents issued by the Basel Committee.

¹ The documents are available at <http://www.bis.org/publ/bcbs227.htm> and <http://www.bis.org/press/p120725b.htm> respectively.

3.4 Banks will be informed of any further amendments to the proposed amended Regulations that might arise following further international regulatory developments.

4. Acknowledgement of receipt

4.1 Two additional copies of this guidance note are enclosed for use by 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 guidance note issued was Guidance Note 7/2012, dated 15 August 2012.