



South African Reserve Bank

From the Office of  
the Registrar of Banks

Ref.: 15/8/2

G1/2017

2017-02-06

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

**Guidance Note 1/2017 issued in terms of section 6(5) of the Banks Act, 1990:**

**Status of previously issued guidance notes**

### Executive Summary

**Banks Act Guidance note 1/2008 dated 7 May 2008 established the process whereby banks (including branches of foreign institutions), controlling companies and auditors of a bank or controlling company will be informed of the status of previously issued guidance notes.**

**In order to ensure that banks (including branches of foreign institutions), controlling companies, and auditors of a bank or controlling company are in no doubt as to which previously issued guidance notes remain effective, the first guidance note of a particular year will serve as a notification to all institutions indicating which previously issued guidance notes remain effective for the ensuing year.**

#### **1. Introduction**

1.1 All previously issued guidance notes are deemed to be withdrawn/terminated/replaced except if such a guidance note is to remain effective and is then accordingly confirmed in Guidance note 1 of that year.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

#### **2. Effective Guidance Notes**

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

#### Guidance Note

#### Brief Details

- |     |                                |  |
|-----|--------------------------------|--|
| 2.1 | Banks Act Guidance note 1/2008 | Status of previously issued guidance notes     |
| 2.2 | Banks Act Guidance note 2/2008 | Position statement on personal account trading |
| 2.3 | Banks Act Guidance note 5/2008 | Electronic communication with this Office      |

- 2.4 Banks Act Guidance note 6/2008 Cell-phone banking
- 2.5 Banks Act Guidance note 7/2008 Development programme for directors of banks
- 2.6 Banks Act Guidance note 8/2008 FATF call for enhanced scrutiny of transactions with certain jurisdictions and UN sanctions in relation to proliferation of weapons of mass destruction
- 2.7 Banks Act Guidance note 9/2008 Stress testing
- 2.8 Banks Act Guidance note 3/2010 Performing market risk hypothetical backtesting by internal models approach banks
- 2.9 Banks Act Guidance note 3/2011 Covered bonds
- 2.10 Banks Act Guidance note 2/2012 Matters related to the implementation of Basel III
- 2.11 Banks Act Guidance note 2/2013 Operational risk practices
- 2.12 Banks Act Guidance note 4/2013 Operational risk practices – completion and submission of the BA 410 return
- 2.13 Banks Act Guidance note 5/2013 Foreign Exchange Settlement Risk
- 2.14 Banks Act Guidance note 7/2013 Loss absorbency requirements for Additional Tier 1 and Tier 2 capital instruments
- 2.15 Banks Act Guidance note 3/2014 Effective risk data aggregation and risk reporting
- 2.16 Banks Act Guidance note 4/2014 Application process in respect of the proposed adoption of the internal ratings-based approach for the measurement of banks' credit risk exposure in respect of positions held in the banking book
- 2.17 Banks Act Guidance note 5/2014 Outsourcing of functions within banks
- 2.18 Banks Act Guidance note 6/2014 Application process for approval to adopt the standardised approach or alternative standardised approach for measuring banks' operational risk exposure
- 2.19 Banks Act Guidance note 3/2015 Application process to adopt the advanced measurement approach for measuring banks' operational risk exposure
- 2.20 Banks Act Guidance note 4/2015 This guidance note outlines the expectations of the Bank Supervision Department (BSD) of the South African Reserve Bank (the Bank) with respect to the internal capital adequacy assessment process (ICAAP) of banks, controlling companies, and branches of foreign institutions – hereinafter referred to as 'banks'.

- 2.21 Banks Act Guidance note 3/2016 Credit risk and accounting for expected credit losses
- 2.22 Banks Act Guidance note 4/2016 Instruments qualifying as high-quality liquid assets
- 2.23 Banks Act Guidance note 5/2016 Corporate governance principles for banks
- 2.24 Banks Act Guidance note 6/2016 Provision of a committed liquidity facility by the South African Reserve Bank
- 2.25 Banks Act Guidance note 7/2016 Capital arbitrage transactions
- 2.26 Banks Act Guidance note 8/2016 Margin requirements for non-centrally cleared derivatives
- 2.27 Banks Act Guidance note 1/2017 Status of previously issued guidance notes

### **3. Acknowledgement of Receipt**

- 3.1 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.



**Kuben Naidoo**  
**Deputy Governor and Registrar of Banks**

Date: 7/2/2017

The previous guidance note issued was Guidance Note 8/2016, dated 19 December 2016.