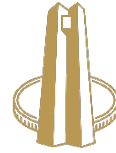


—
P O Box 427 Pretoria 0001 South Africa
370 Helen Joseph Street Pretoria 0002
+27 12 313 3911 / 0861 12 7272
www.resbank.co.za



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Ref.: 15/8/2

G1/2021

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

Guidance note 1/2021 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1.1 All previously issued guidance notes are deemed to be withdrawn/terminated/replaced except if such a guidance note is to remain effective and is then accordingly confirmed in Guidance note 1 of that year.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.

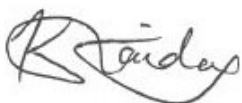
<u>Guidance Note</u>	<u>Brief Details</u>
2.1 Banks Act Guidance note 1/2008	Status of previously issued guidance notes
2.2 Banks Act Guidance note 2/2008	Position statement on personal account trading
2.3 Banks Act Guidance note 5/2008	Electronic communication with this Office
2.4 Banks Act Guidance note 7/2008	Development programme for directors of banks

2.5	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
2.6	Banks Act Guidance note 9/2008	Stress testing
2.7	Banks Act Guidance note 3/2010	Performing market risk hypothetical backtesting by internal models approach banks
2.8	Banks Act Guidance note 3/2011	Covered bonds
2.9	Banks Act Guidance note 2/2013	Operational risk practices
2.10	Banks Act Guidance note 5/2013	Foreign Exchange Settlement Risk
2.11	Banks Act Guidance note 3/2014	Effective risk data aggregation and risk reporting
2.12	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
2.13	Banks Act Guidance note 5/2014	Outsourcing of functions within banks
2.14	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
2.15	Banks Act Guidance note 3/2015	Application process to adopt the advanced measurement approach for measuring banks' operational risk exposure
2.16	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'
2.17	Banks Act Guidance note 3/2016	Credit risk and accounting for expected credit losses
2.18	Banks Act Guidance note 4/2016	Instruments qualifying as high-quality liquid assets
2.19	Banks Act Guidance note 5/2016	Corporate governance principles for banks
2.20	Banks Act Guidance note 7/2016	Capital arbitrage transactions
2.21	Banks Act Guidance note 8/2016	Margin requirements for non-centrally cleared derivatives
2.22	Banks Act Guidance note 3/2017	Audit implications of the expected credit loss model for the auditors of banks
2.23	Banks Act Guidance note 4/2017	Cyber Resilience
2.24	Banks Act Guidance note 6/2017	Loss absorbency requirements for Additional Tier 1 and Tier 2 capital

- 2.25 Banks Act Guidance note 5/2018 Cloud computing and the offshoring of data
- 2.26 Banks Act Guidance note 2/2020 Meetings to be held during the 2020 calendar year with the boards of directors of banks and controlling companies
- 2.27 Banks Act Guidance note 3/2020 Matters relating to the application of International Financial Reporting Standard (IFRS) 9 in response to the Coronavirus pandemic (Covid-19)
- 2.28 Banks Act Guidance note 4/2020 Recommendations on the distribution of dividends on ordinary shares and payment of cash bonuses to executive officers and material risk takers, in light of the negative economic impact of the Coronavirus Disease (Covid-19) pandemic and the temporary regulatory capital relief provided by the Prudential Authority
- 2.29 Banks Act Guidance note 5/2020 Suspension of the flavour-of-the-year topics for the remaining 2020 meetings with boards of directors of banks and controlling companies
- 2.30 Banks Act Guidance note 6/2020 Further guidance on matters relating to the application of International Financial Reporting Standard (IFRS) 9 in response to the Coronavirus Disease pandemic (Covid-19)
- 2.31 Banks Act Guidance Note 7/2020 Proposed implementation dates in respect of specified regulatory reforms
- 2.32 Banks Act Guidance note 8/2020 Continued provision of a committed liquidity facility and the introduction of a restricted-use committed liquidity facility by the South African Reserve Bank
- 2.33 Banks Act Guidance note 9/2020 Operational risk practices – completion and submission of form BA 410

3. Acknowledgement of Receipt

- 3.1 Two additional copies of this guidance note 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, must be returned to the Prudential Authority at the earliest convenience of the aforementioned signatories.



Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 2021-01-27

The previous guidance note issued was Banks Act Guidance note 9/2020, dated 23 September 2020.