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

Proposed Directive issued in terms of section 6(6) of the Banks Act, 1990 (Act No. 94 1990)

Completion of forms BA600 and BA610

Executive summary

The proposed amendments to the Regulations relating to Banks (Regulations) enable the Prudential Authority (PA) to specify instructions or requirements for completing forms BA600 and BA610.

The purpose of this proposed Directive is twofold: (i) to direct banks, controlling companies and offshore operations of South African banks regarding the completion and submission of form BA600 for consolidated results and form BA610 for offshore operations for South African banks; and (ii) to provide specific instructions and interpretations to ensure consistency in the completion of these returns.

1. Introduction

- 1.1 The purpose of form BA600 is to obtain selected information in respect of, among other things, group risk-based capital requirements, intra-group exposures that are eliminated for consolidation purposes and large exposures.
- 1.2 The purpose of form BA610 is to obtain selected information in respect of, among other things, the balance sheet, income statement, capital adequacy and risk-based capital requirements in respect of offshore operations for South African banks.

- 1.3 The proposed Directive includes proposed revisions to forms BA600 and BA610 to ensure that the revised forms correctly capture the provisions of the proposed amended Regulations. Furthermore, regulation 36(19) of the proposed amended Regulations enables the PA to specify instructions or requirements for completing form BA600.
- 1.4 Regulation 37(3) of the proposed amended Regulations gives effect to the provisions relating to the completion, on a solo basis, of the respective risk-based returns by a bank in South Africa to apply mutatis mutandis to the completing of form BA610.
- 1.5 As part of the PA's supervisory process and in line with the respective requirements specified in regulations 4 and 7 of the Regulations, banks, controlling companies and offshore operations of South African banks are required to complete and submit forms BA600 and BA610 respectively on a quarterly basis.

2 Proposed Directive

- 2.1 Based on the aforementioned and in accordance with the provisions of section 6(6) of the Banks Act, 1990 (Act No. 94 of 1990) (Banks Act), banks and controlling companies are hereby directed as follows:
 - 2.1.1 Comply with the instructions and interpretations specified in regulation 36 of the Regulations for the completion of form BA600.
 - 2.1.2 Complete and submit form BA600 in accordance with the instructions set out in Annexure A of this proposed Directive.
 - 2.1.3 Complete and submit form BA600 in accordance with the instructions specified in Annexure B of this proposed Directive.
 - 2.1.4 Submit form BA600 in accordance with the relevant requirements specified in regulations 4 and 7 of the Regulations.
- 2.2 In accordance with the provisions of section 6(6) of the Banks Act, banks are hereby directed as follows:

- 2.2.1 Complete and submit form BA610 in respect of their offshore operations in accordance with the provisions of regulation 37 of the Regulations, read with Annexure A of this proposed Directive.
- 2.2.2 Complete and submit form BA610 in respect of their offshore operations in accordance with the provisions of regulation 37(3) of the Regulations.
- 2.2.3 Submit form BA610 in accordance with the relevant requirements specified in regulations 4 and 7 of the Regulations.

3. Implementation date

- 3.1 The requirements and conditions specified in this proposed Directive become effective from the proposed implementation date of the proposed amended Regulations, as contained in Guidance Note 3 of 2023 or any revisions thereto as may be issued by the PA.

4. Published for information

- 4.1 After several consultations with the relevant stakeholders, the PA has reviewed and, where appropriate, revised forms BA600 and BA610, as well as the accompanying instructions for completion. The amendments to these forms and the instructions for completion have undergone an appropriate governance review process and is therefore not open for further comments.

Fundi Tshazibana

Chief Executive Officer

Date:

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