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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

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D2/2026

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 of 1990)

Reporting requirements in terms of regulation 46 of the Regulations relating to Banks

Executive summary

Regulation 46 of the Regulations relating to Banks (Regulations) imposes specified reporting duties on the auditors of banks, controlling companies and branches of foreign institutions (collectively auditors of banks).

The purpose of this Proposed Directive is to specify in detail the references to the Banks Act (BA) returns that must be audited, reviewed, or concluded upon under a limited assurance framework in partial fulfilment of the auditors' reporting obligations under regulation 46 of the Regulations.

This Proposed Directive incorporates the changes to specified BA returns resulting from the amendments to the Regulations issued in terms of section 90 of the Banks Act, 1990 (Act No. 94 of 1990) as gazetted on 26 June 2025 in *Government Gazette* No. 52907, implemented with effect from 1 July 2025.

This Proposed Directive is intended to replace Directive 2 of 2024 dated 8 March 2024.

1. Introduction

- 1.1 Regulation 46(1) of the Regulations requires the auditor of a bank to report annually, within 120 days of the financial year end, on the bank's financial position and the results of its operations, as reflected in the BA returns specified in regulation 46(6) of the Regulations.
- 1.2 In addition to reporting on the quantitative aspects, the auditor is also required to report on qualitative aspects of the bank and its operations, including, but not limited to, the bank's system of internal controls.
- 1.3 Regulation 46(6) of the Regulations further requires that the auditor's reports contemplated in the same regulation be rendered in accordance with the wording and practices agreed from time to time between the Prudential Authority (Authority), the South African Institute of Chartered Accountants and the Independent Regulatory Board for Auditors (IRBA).

- 1.4 IRBA's Committee for Auditing Standards is mandated to review and approve the illustrative regulatory reports referred to in regulation 46(6) of the Regulations, in line with required due process. The latest approved versions of these illustrative regulatory reports are published on IRBA's website¹ for use by auditors in fulfilment of the reporting requirements stipulated in regulation 46 of the Regulations.
- 1.5 In respect of regulatory reports pertaining to South African operations, the illustrative regulatory reports referenced above comprise Parts A to I, with Parts A to E addressing the reports required in terms of regulation 46(6) of the Regulations and structured in accordance with the type of audit, review, or limited assurance engagement conducted, including the associated levels of assurance. These are:
- Part A – Audit report on the year-end BA returns
 - Part B – Review report on the year-end BA returns
 - Part C – Limited assurance report on risk returns at year-end
 - Part D – Limited assurance report on risk returns at year-end derived from internal models
 - Part E – Limited assurance report on BA 325 daily market risk returns
- 1.6 In respect of regulatory reports pertaining to foreign operations, the illustrative regulatory reports referenced above comprise Parts A to H, with Parts A to D addressing the reports required in terms of regulation 46(6) of the Regulations and structured in accordance with the type of audit, review, or limited assurance engagement conducted, including the associated levels of assurance. These are:
- Part A – Audit report on the year-end BA 610 return
 - Part B – Review report on the year-end BA 610 return
 - Part C – Limited assurance report on risk lines of the BA 610 return at year-end
 - Part D – Limited assurance report on risk lines of the BA 610 return at year-end derived from internal models

2. Proposed Directive

- 2.1 Based on the aforesaid and in accordance with the provisions of section 6(6) of the Banks Act, 1990, auditors of banks are hereby directed as follows:
- 2.1.1 Perform an audit, review, or conduct limited assurance engagement on the respective BA returns specified in regulation 46(6) of the Regulations, in accordance with the detailed audit matrix provided in Annexure 1 for reports submitted to the Authority in relation to engagements for financial years ended on/ or after 1 July 2025 for the purposes of reporting in terms of Parts A to E or Parts A to D of the illustrative regulatory reports in relation to both South African and foreign operations.
- 2.1.2 The reports submitted to the Authority in relation to the above, shall be rendered in accordance with the illustrative regulatory reports published by IRBA from time to time.

¹ <https://www.irba.co.za/industry-specific-guides-and-regulatory-reports-pages/reports-to-the-prudential-authority-and-the-exchange-control-department>

2.1.3 Parts A to E and Parts A to D of the respective reports submitted to the Authority shall refer to this Directive insofar as the detail of the audit, review, or limited assurance work performed is concerned.

3. Invitation for comment

3.1.1 Banks and other interested persons are hereby invited to submit their comments on the proposed Directive to pa-its-accounting_and_auditing@resbank.co.za, copying Mr Ramatla Msimanga at Ramatla.Msimanga@resbank.co.za by 27 March 2026.

3.1.2 The comments received may be published on the Authority's website, unless a respondent specifically requests confidential treatment.

Fundi Tshazibana
Chief Executive Officer

Date:

Encl.: 1