

Appendices

Appendix 1

Registered banks, local branches of foreign banks and mutual banks as at 31 December 2017

Registered banks

Institution	Address	Total assets as at 31 December		Annual growth %
		2016 (R millions)	2017 (R millions)	
1 Absa Bank Limited	P O Box 7735, Johannesburg, 2000	914 669	983 378	7.51
2 African Bank Limited (2014/176899/06)	Private Bag X170, Midrand, 1685	36 460	31 356	-14.00
3 Albaraka Bank Limited	P O Box 4395, Durban, 4000	5 386	5 930	10.10
4 Bidvest Bank Limited	P O Box 185, Johannesburg, 2000	7 009	8 508	21.39
5 Capitec Bank Limited	P O Box 12451, Die Boord, Stellenbosch, 7613	71 729	87 033	21.34
6 Commonwealth Bank of South Africa Limited, trading as TymeDigital by CommonwealthBank SA	PostNet Suite 168, Private Bag X31, Saxonwold, 2192	–	1 403	100.00
7 Discovery Bank Limited	P O Box 786722, Sandton, 2146	–	622	100.00
8 FirstRand Bank Limited	P O Box 650149, Benmore, 2010	1 016 761	1 120 747	10.23
9 Grindrod Bank Limited	P O Box 3211, Durban, 4000	15 190	16 696	9.91
10 Habib Overseas Bank Limited	P O Box 62369, Marshalltown, 2107	1 134	1 186	4.61
11 HBZ Bank Limited	P O Box 1536, Wandsbeck, 3631	4 224	4 856	14.97
12 Investec Bank Limited	P O Box 785700, Sandton, 2146	387 052	415 285	7.29
13 Mercantile Bank Limited	P O Box 782699, Sandton, 2146	11 830	12 892	8.97
14 Nedbank Limited	P O Box 1144, Johannesburg, 2000	869 362	892 006	2.60
15 Sasfin Bank Limited	P O Box 95104, Grant Park, 2051	6 806	7 778	14.29
16 The South African Bank of Athens Limited	P O Box 784921, Sandton, 2146	2 265	2 355	3.95
17 The Standard Bank of South Africa Limited	P O Box 7725, Johannesburg, 2000	1 234 575	1 254 849	1.64
18 Ubank Limited	Private Bag X0030, Halfway House, 1685	4 627	5 224	12.90

Appendix 1

Registered banks, local branches of foreign banks and mutual banks as at 31 December 2017 (continued)

Registered local branches of foreign banks

Institution	Address	Total assets as at 31 December		Annual growth %
		2016 (R millions)	2017 (R millions)	
1 Bank of Baroda	Premises No.14, 2nd floor, Sandton City Twin Towers (East Wing), Sandton, 2196	3 940	2 779	-29.47
2 Bank of China Limited Johannesburg Branch (trading as Bank of China Johannesburg Branch)	P O Box 782616, Sandton, 2146	32 666	44 341	35.74
3 Bank of India	P O Box 653589, Benmore, 2010	427	472	10.53
4 Bank of Taiwan South Africa Branch	P O Box 1999, Parklands, 2121	2 008	2 365	17.78
5 BNP Paribas South Africa	PostNet Suite 457, Private Bag X1, Melrose Arch, 2075	11 204	13 748	22.70
6 Canara Bank	11th floor, Sandton City Office Towers, 5th Street and Rivonia Road, Sandhurst Ext. 3, Sandton, 2196	328	488	48.65
7 China Construction Bank Corporation – Johannesburg Branch	Private Bag X10007, Sandton, 2146	37 567	36 098	-3.91
8 Citibank NA	P O Box 1800, Saxonwold, 2132	64 944	58 756	-9.53
9 Deutsche Bank AG	Private Bag X9933, Sandton, 2146	10 388	10 450	0.60
10 HSBC Bank Plc – Johannesburg Branch	Private Bag X785434, Sandton, 2146	45 106	47 717	5.79
11 ICICI Bank Limited	Private Bag X78261, Sandton, 2146	269	584	116.79
12 JPMorgan Chase Bank, NA (Johannesburg Branch)	Private Bag X9936, Sandton, 2146	28 524	33 939	18.99
13 Société Générale Johannesburg Branch	P O Box 6872, Johannesburg, 2000	7 874	8 935	13.48
14 Standard Chartered Bank (Johannesburg Branch)	P O Box 782080, Sandton, 2146	32 281	33 493	3.75
15 State Bank of India	P O Box 2538, Saxonwold, 2538	7 438	8 602	15.64



Appendix 1

Registered banks, local branches of foreign banks and mutual banks as at 31 December 2017 (continued)

Registered mutual banks

Institution	Address	Total assets as at 31 December		Annual growth %
		2016 (R millions)	2017 (R millions)	
1 Finbond Mutual Bank	P O Box 2127, Brooklyn Square, 0075	1 653	1 603	-3.03
2 GBS Mutual Bank	P O Box 114, Grahamstown, 6140	1 226	1 376	12.27
3 VBS Mutual Bank	Metropolitan Office Park, 82 Wessels Road, Rivonia, 2191	1 543	2 401	55.63

Banks under curatorship

Institution	Curator	Date of order
1 None		

Banks in final liquidation

Institution	Liquidator	Date of order
1 Islamic Bank Limited	Mr A D Wilkens of Deloitte & Touche	13 January 1998
2 Regal Treasury Private Bank Limited	Mr T A P du Plessis of D&N Trust and Mr J Pema of Sekela Antrust (Pty) Limited	10 February 2004

Name changes

Previous name	New name	Date of change
1 None		

Appendix 2

Authorisation to establish, and the registration and cancellation of the registration of banks during the period 1 January 2017 to 31 December 2017

Authorisation in terms of section 13 of the Banks Act 94 of 1990

Institution	Date of authorisation
1 Postbank Limited*	4 July 2016

Registration in terms of section 17 of the Banks Act 94 of 1990

Institution	Date of authorisation
1 Commonwealth Bank of South Africa trading as TyneDigital by CommonwealthBank SA	18 May 2017
2 Discovery Bank Limited	12 October 2017

* Postbank Limited has subsequently submitted its application for registration as a bank in accordance with the provisions of section 16 of the Banks Act 94 of 1990, which application is currently under consideration by the Prudential Authority.

Appendix 2

Authorisation to establish, and the registration and the cancellation of the registration of banks during the period 1 January 2017 to 31 December 2017 (continued)

Authorisation granted in terms of section 11 of the Mutual Banks Act 124 of 1993

Institution	Date of order
1 Neo Labs (Pty) Limited in respect of Bank Zero Mutual Bank	23 November 2017

Registration granted in terms of section 14 of the Mutual Banks Act 124 of 1993

Institution	Date of authorisation
1 None	

Cancellation of registration

Institution	Date of authorisation
1 None	

Appendix 3

Registered controlling companies as at 31 December 2017

Institution	Address
1 African Bank Holdings Limited	Private Bag X170, Midrand, 1685
2 Barclays Africa Group Limited	P O Box 7735, Johannesburg, 2000
3 Bidvest Bank Holdings Limited	P O Box 185, Johannesburg, 2000
4 Capitec Bank Holdings Limited	P O Box 12451, Die Boord, Stellenbosch, 7613
5 Commonwealth Bank of South Africa Holding Company Limited	PostNet Suite 168, Private Bag X31, Saxonwold, 2192
6 Discovery Bank Holdings Limited	P O Box 786722, Sandton, 2146
7 FirstRand Limited	P O Box 650149, Benmore, 2010
8 Grindrod Financial Holdings Limited	P O Box 3211, Durban, 4000
9 Investec Limited	P O Box 785700, Sandton, 2146
10 Mercantile Bank Holdings Limited	P O Box 782699, Sandton, 2146
11 Nedbank Group Limited	P O Box 1144, Johannesburg, 2000
12 Sasfin Holdings Limited	P O Box 95104, Grant Park, 2051
13 Standard Bank Group Limited	P O Box 7725, Johannesburg, 2000
14 Ubank Group Limited	Private Bag X0030, Halfway House, 1685

The following institutions are deemed to be controlling companies in terms of section 42 of the Banks Act 94 of 1990:

1	Albaraka Banking Group (in respect of Albaraka Bank Limited)	P O Box 1882, Manama, Kingdom of Bahrain
2	Habib Bank AG Zurich (in respect of HBZ Bank Limited)	59 Weinbergstrasse, Postfach 8042, Zurich, Switzerland
3	National Bank of Greece (in respect of The South African Bank of Athens Limited)	86 Aioulou Street, Athens TT 121, Greece
4	Pitcairns Finance SA (in respect of Habib Overseas Bank Limited)	121 Avenue de la Faiencerie, L-1511 Luxemburg, RCS Luxemburg, B nr 33-106

Appendix 4

Foreign banks with approved local representative offices

Institution	Address
1 AfrAsia Bank Limited	P O Box 55351, Northlands, 2116
2 Banco BIC	30 Arena Close, H Santos Building, Bruma, 2198
3 Banco Santander Totta SA	P O Box 309, Bruma, 2026
4 Bank of America, National Association	P O Box 651987, Benmore, 2010
5 Bank One Limited	P O Box 25386, Gateway, 4321
6 Banque Lombard Odier and Cie SA	140 West Street, Sandton, Johannesburg, 2196
7 Banque SYZ Suisse SA	P O Box 653641, Benmore, 2010
8 Caixa Bank	Fredman Drive 13, 9th floor, Fredman Towers, Sandton, 2146
9 Commerzbank AG Johannesburg	P O Box 860, Parklands, 2121
10 Doha Bank	P O Box 785553, Sandton, 2146
11 Ecobank	Block F, 8th floor, 135 Rivonia Road, Sandown, 2196
12 Export-Import Bank of India	2nd floor, Sandton City, Twin Towers East Wing, Sandton, 2196
13 Hellenic Bank Public Company Limited	P O Box 783392, Sandton, 2146
14 HSBC Private Bank (Suisse) SA	2 Exchange Square, 85 Maude Street, Sandton, 2196
15 Industrial and Commercial Bank of China African Representative Office	P O Box 40, Cape Town, 8000
16 KfW IpeX-Bank GmbH	P O Box 2402, Saxonwold, 2132
17 Millennium BCP	P O Box 273, Bruma, 2026
18 Mizuho Bank Limited	P O Box 785553, Sandton, 2146
19 National Bank of Egypt	P O Box 55402, Northlands, 2116
20 Notenstein La Roche Private Bank Limited	100 New Church Street, Tamboerskloof, Cape Town, 8001
21 Novo Banco	P O Box 749, Bruma, 2026
22 Société Générale Representative Office for Southern Africa	P O Box 2805, Saxonwold, 2132
23 Sumitomo Mitsui Banking Corporation	Building Four, 1st floor, Commerce Square, 39 Rivonia Road, Sandhurst, 2196
24 Swedbank AB (Publ)	Private Bag X1, Dainfern, 2055
25 The Bank of New York Mellon	PostNet Suite 1061, Private Bag X9, Benmore, 2010
26 The Bank of Tokyo-Mitsubishi UFJ Limited	P O Box 78519, Sandton, 2146
27 The Mauritius Commercial Bank Limited	3rd Floor, Atrium on 5th East Tower, Sandton, 2196
28 The Representative Office for Southern and Eastern Africa of the Export-Import Bank of China	PostNet Suite 158, Private Bag X91-BE, Benmore, 2010
29 Unicredit Bank AG	P O Box 1483, Parklands, 2121
30 Wells Fargo Bank, National Association	P O Box 3091, Saxonwold, 2132
31 Zenith Bank Plc	P O Box 782652, Sandton, 2146

Appendix 4

Report on representative offices

1. Introduction

The Regulations relating to Representative Offices of Foreign Banking Institutions (RO Regulations), issued under Government Notice No. 1370, in *Government Gazette* No. 22939 dated 13 December 2001, seek to ensure continuous oversight by BSD of the activities of representative offices (ROs) of foreign banking institutions operating within the Republic of South Africa.

As at 31 December 2017, there were 31 ROs operating in South Africa, emanating from 18 jurisdictions.

2. Change in status of ROs during 2017

2.1 During the year under review, the following ROs were deregistered:

- i. African Banking Corporation Botswana Limited (trading as BancABC Botswana)
- ii. Bank Leumi Le-Israel BM
- iii. First Bank of Nigeria Limited
- iv. Union Bank of Nigeria Plc
- v. Banco BPI, SA
- vi. Vnesheconombank
- vii. Credit Suisse AG

2.2 During the year under review, the following ROs were registered:

- i. Banque Lombard Odier & Cie SA

2.3 During the year under review, the following ROs' names changed:

- i. Notenstein Private Bank Limited to Notenstein La Roche Private Bank Limited

2.4 Events after 31 December 2017

None

3. Supervisory approach

In order to fulfill its responsibilities in terms of the RO Regulations, BSD follows the following supervisory approach:

- regular interaction with the chief representative officers of the respective ROs;
- on-site visits at the offices of the ROs;
- analysis of returns submitted by the ROs in terms of the RO Regulations and follow-up of any issues identified; and
- analysis of the internal control reports submitted by the ROs on an annual basis in terms of Banks Act Circular 3/2004.

Appendix 5

Circulars, directives, guidance notes and proposed directives issued in 2017

Banks Act Circulars issued in 2017

C1/2017	Status of previously issued circulars
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Banks Act Directives issued in 2017

D1/2017	Matters related to qualifying capital instruments issued by subsidiaries of banks or controlling companies
D2/2017	Matters related to the communication of key audit matters in the independent auditor's report
D3/2017	Assets lodged or pledged to secure liabilities
D4/2017	Matters related to securitisation vehicles
D5/2017	Regulatory treatment of accounting provisions: interim approach and transitional arrangements, including disclosure and auditing aspects
D6/2017	Process in terms of specific capital issuances and redemptions
D7/2017	Submission of regulatory and economic capital information by domestic systemically important banks and controlling companies (D-SIBs) on a biannual basis
D8/2017	Matters related to the net stable funding ratio

Banks Act Guidance Notes issued in 2017

G1/2017	Status of previously issued guidance notes
G2/2017	Meetings to be held during the 2017 calendar year with the boards of directors of banks and controlling companies
G3/2017	Audit implications of the expected credit loss model for the auditors of banks
G4/2017	Cyber-resilience
G5/2017	Provision of a committed liquidity facility by the South African Reserve Bank
G6/2017	Loss absorbency requirements for additional tier 1 and tier 2 capital
G7/2017	Capital standard for bank exposures to central counterparties, the standardised approach for measuring counterparty credit risk exposures, and capital requirements for banks' equity investments in funds

Appendix 6

Exemptions and exclusions from the application of the Banks Act 94 of 1990

Section 1(1)(cc): Exemptions by the Registrar of Banks with approval of the Minister of Finance

Exemption Notice	Government Gazette	Expiry
Mining houses	No. 16167 of 14 December 1994	Indefinite
Trade in securities and financial instruments	No. 16167 of 14 December 1994	Indefinite
Commercial paper	No. 16167 of 14 December 1994	Indefinite
Securitisation schemes	No. 30628 of 1 December 2008	Indefinite
Common bond	No. 37903 of 15 August 2014	Indefinite
International Finance Corporation (IFC)	No. 39411 of 13 November 2015	Indefinite

Section 1(1)(dd): Exemptions by the Minister of Finance

Exemption Notice	Government Gazette	Expiry
Participation bond schemes	No. 13003 of 31 January 1991	Indefinite
Unit trust schemes	No. 13003 of 31 January 1991	Indefinite
Ithala SOC Limited, a wholly owned subsidiary of Ithala Development Finance Corporation Limited	No. 41064 of 25 August 2017	30 September 2019

Section 1(ff): Exemptions by the Registrar of Banks

Exemption Notice	Government Gazette	Expiry
Designation of stockbrokers to pool funds	No. 15976 of 14 September 1994	Indefinite

Section 1(gg): Exemptions by the Registrar of Banks

Exemption Notice	Government Gazette	Expiry
Designation of JSE Limited members as persons authorised to accept money as mandatories and to deposit such money into banking accounts maintained by them	No. 19283 of 22 September 1998	Indefinite

Section 2(vii): Exclusions by the Minister of Finance

Exemption Notice	Government Gazette	Expiry
Post Office Savings Bank	No. 13744 of 24 January 1992	Indefinite
Industrial Development Corporation of South Africa	No. 16167 of 14 December 1993	Indefinite

Section 78(1)(d)(iii): Exemptions by the Registrar of Banks

Exemption Notice	Government Gazette	Expiry
Category of assets of a bank that may be held in the name of a person other than the bank concerned	No. 17949 of 2 May 1997	Indefinite

Appendix 7

Memorandums of understanding between the Bank Supervision Department of the South African Reserve Bank and foreign supervisors as at 31 December 2017

The purpose of a memorandum of understanding (MoU) is to provide a formal basis for a bilateral working relationship and cooperation between supervisors, including the sharing of information and investigative assistance.

It should be noted that any MoU entered into by BSD does not modify or supersede any laws or regulatory requirements in force in, or applying to, the Republic of South Africa. Accordingly, an MoU sets forth a statement of intent and does not create any enforceable rights.

MoU concluded between BSD and foreign supervisors as at 31 December 2017

Domicile of foreign regulator	Foreign banking supervisor	Effective from
1 Argentina	Superintendencia de Entidades Financieras y Cambiarias (Central Bank of Argentina)	18 July 2007
2 Australia	Australian Prudential Regulation Authority	4 July 2007
3 Botswana	Bank of Botswana	4 October 2016
4 Brazil	Banco Central Do Brasil	4 July 2012
5 China	China Banking Regulatory Commission	17 November 2010
6 Germany	Bundesanstalt für Finanzdienstleistungsaufsicht	13 August 2004
7 Ghana	Bank of Ghana	26 October 2011
8 Guernsey	Guernsey Financial Services Commission	10 July 2015
9 Hong Kong	Monetary Authority of Hong Kong	12 December 2006
10 India	Reserve Bank of India	21 October 2011
11 Ireland	Irish Financial Services Regulatory Authority	21 July 2003
12 Isle of Man	Financial Supervision Commission of the Isle of Man	13 August 2001
13 Jersey	Jersey Financial Services Commission	11 June 2010
14 Kenya	Central Bank of Kenya	1 July 2010
15 Lesotho	Central Bank of Lesotho	27 August 2010
16 Malawi	Reserve Bank of Malawi	20 August 2015
17 Mauritius	Bank of Mauritius	25 January 2005
18 Mozambique	Banco de Mozambique	24 August 2011
19 Namibia	Bank Supervision Department of the Bank of Namibia	11 September 2015
20 Netherlands	De Nederlandsche Bank	23 March 2010
21 Nigeria	Central Bank of Nigeria	20 March 2008
22 Republic of South Sudan	Bank of South Sudan	14 November 2011
23 Swaziland	Central Bank of Swaziland	15 April 2010
24 Taiwan	Financial Supervisory Commission of the Republic of China (Taiwan)	14 March 2012
25 Tanzania	Bank of Tanzania	15 June 2010
26 Uganda	Bank of Uganda	15 June 2010
27 United Arab Emirates	Dubai Financial Services Authority	8 August 2009
28 United Kingdom*	Financial Services Authority	21 July 2006
29 Zambia	Bank of Zambia	26 June 2017

* A letter of intent has been signed between the Bank Supervision Department of the South African Reserve Bank, and the Financial Services Authority and the Bank of England, rendering the terms of the current MoU applicable to the Prudential Regulation Authority and Financial Sector Conduct Authority as may be relevant.

Appendix 7

Memorandums of understanding between the Bank Supervision Department of the South African Reserve Bank and foreign supervisors as at 31 December 2017 (continued)

Southern African Development Community – Protocol on Finance and Investment

The 15 heads of state or government of the Southern African Development Community (SADC) have signed a Protocol on Finance and Investment (PFI). The PFI includes a section setting out the framework for cooperation and coordination in banking regulatory and supervisory matters. The 15 SADC countries are:

- 1 Angola
- 2 Botswana
- 3 Congo
- 4 Lesotho
- 5 Madagascar
- 6 Malawi
- 7 Mauritius
- 8 Mozambique
- 9 Namibia
- 10 Seychelles
- 11 South Africa
- 12 Swaziland
- 13 Tanzania
- 14 Zambia
- 15 Zimbabwe

Appendix 8

Summary of key matters communicated by the Basel Committee on Bank Supervision during 2017

In 2017, the BCBS issued various documents and further requirements that will, over the next few years, materially impact on the regulation and supervision of banks and banking groups. The following documents highlight the matters addressed:

- Frequently asked questions on market risk capital requirements
- Basel III framework: the net stable funding ratio: frequently asked questions
- Pillar 3 disclosure requirements: consolidated and enhanced framework
- Regulatory treatment of accounting provisions: interim approach and transitional arrangements
- Prudential treatment of problem assets: definitions of non-performing exposures and forbearance
- Basel III framework: the liquidity coverage ratio: frequently asked questions
- Range of practices in implementing the countercyclical capital buffer policy
- Implications of FinTech developments for banks and bank supervisors – consultative document
- Basel III framework definition of capital: frequently asked questions
- Implementation of the net stable funding ratio and treatment of derivative liabilities
- Identification and management of step-in risk
- Basel III framework: finalising post-crisis reforms

Frequently asked questions on market risk capital requirements

To promote a consistent global implementation of the minimum capital requirements for market risk issued by the BCBS in January 2016, the BCBS has agreed to periodically review frequently asked questions (FAQs) and publish answers along with any technical elaboration of the standards text and interpretative guidance that may be necessary.

The document published by the BCBS on 26 January 2017¹ sets out the FAQs on the revised market risk standard. The questions and answers include clarifications both to the standardised approach and the internal models-based approach.

Basel III framework: the net stable funding ratio: frequently asked questions

To promote a consistent global implementation of the Basel III net stable funding ratio (NSFR) requirements, the BCBS published FAQs and answers along with a technical elaboration of the Basel III NSFR rules text and interpretative guidance on 24 February 2017.²

Pillar 3 disclosure requirements: consolidated and enhanced framework

To promote market discipline through regulatory disclosure requirements, the BCBS published the consolidated and enhanced Pillar 3 disclosure framework on 29 March 2017.³

The enhancements contain three main elements:

- Consolidation of all the existing BCBS disclosure requirements into the Pillar 3 framework, covering the composition of capital, the leverage ratio, the liquidity ratios, the indicators for determining globally systemically important banks, the countercyclical capital buffer, interest rate risk in the banking book and remuneration.
- Introduction of a ‘dashboard’ of banks’ key prudential metrics which will provide users of Pillar 3 data with an overview of a bank’s prudential position and a new disclosure requirement for banks that records prudent valuation adjustments to provide users with a granular breakdown of its calculation.

¹ Available at <https://www.bis.org/bcbs/publ/d395.htm>

² Available at <https://www.bis.org/bcbs/publ/d396.htm>

³ Available at <https://www.bis.org/bcbs/publ/d400.htm>

- Updates to reflect ongoing reforms to the regulatory framework, such as the total loss-absorbing capacity regime for globally systemically important banks and the revised market risk framework published by the BCBS in January 2016.

Regulatory treatment of accounting provisions: interim approach and transitional arrangements

Due to the implementation of IFRS 9 with effect from 1 January 2018, the BCBS published details on 29 March 2017 regarding the interim regulatory treatment of accounting provisions as well as standards for jurisdictions to adopt transitional arrangements to smooth any potential significant negative impact on regulatory capital arising from the introduction of expected credit loss (ECL) accounting.⁴

Prudential treatment of problem assets: definitions of non-performing exposures and forbearance

To promote harmonisation in the measurement and application of two important measures of asset quality, namely non-performing exposures and forbearance, the BCBS published definitions and guidelines in respect of the prudential treatment of problem assets on 4 April 2017.⁵

Basel III framework: the liquidity coverage ratio: frequently asked questions

To promote a consistent global implementation of the Basel III liquidity coverage ratio (LCR) framework, the BCBS published FAQs and answers along with a technical elaboration of the Basel III LCR rules text and interpretative guidance on 8 June 2017.⁶

Range of practices in implementing the countercyclical capital buffer policy

The countercyclical capital buffer (CCyB) forms an integral part of the Basel III capital framework.

In 2010 the BCBS issued guidance for national authorities operating the CCyB as well as key requirements for CCyB policies. However, national authorities have considerable flexibility to design the particular details of their policies in a manner that best reflects specific national circumstances.

The document published by the BCBS on 22 June 2017⁷ provides details related to the various national CCyB policy frameworks and operational aspects, underlining the varying discretionary elements of jurisdictions' CCyB policy frameworks and practices.

Implications of FinTech developments for banks and bank supervisors: consultative document

Although FinTech is only the latest wave of innovation to affect the banking industry, the rapid adoption of enabling technologies and the emergence of new business models pose increasing challenges.

In this regard, on 31 August 2017 the BCBS published a consultative document on the implications of FinTech for the financial sector.⁸

Ten key observations and related recommendations have been identified for consideration by banks and bank supervisors:

- The overarching need to ensure safety and soundness and high compliance standards without inhibiting beneficial innovation in the banking sector.
- Key risks for banks related to FinTech developments, including strategic/profitability risks and operational, cyber and compliance risks.
- Implications for banks regarding the use of innovative enabling technologies.
- Implications for banks regarding the growing use of third parties, via outsourcing and/or partnerships.

⁴ Available at <https://www.bis.org/bcbs/publ/d401.htm>

⁵ Available at <https://www.bis.org/bcbs/publ/d403.htm>

⁶ Available at <https://www.bis.org/bcbs/publ/d406.htm>

⁷ Available at <https://www.bis.org/bcbs/publ/d407.htm>

⁸ Available at <https://www.bis.org/bcbs/publ/d415.htm>

- Cross-sectoral cooperation between supervisors and other relevant authorities.
- International cooperation between banking supervisors.
- Adaptation of the supervisory skill set.
- Potential opportunities for supervisors to use innovative technologies.
- Relevance of existing regulatory frameworks for new innovative business models.
- Key features of regulatory initiatives set up to facilitate FinTech innovation.

Basel III framework's definition of capital: frequently asked questions

To promote a consistent global implementation of the Basel III capital framework, the BCBS published FAQs and answers along with a technical elaboration of the relevant Basel III rules text and interpretative guidance on 19 September 2017.⁹

Implementation of the net stable funding ratio and treatment of derivative liabilities

The Basel III NSFR framework assigns a 20% 'required stable funding' factor to derivative liabilities.

On 6 October 2017, the BCBS confirmed that it has been agreed that, at national discretion, jurisdictions may lower the value of this factor, with a floor of 5%.¹⁰

Identification and management of step-in risk

To mitigate the systemic risks stemming from potential financial distress in shadow banking entities spilling over to banks, the BCBS published guidelines relating to the identification and management of step-in risk on 25 October 2017.¹¹

Basel III framework: finalising post-crisis reforms

The Basel III framework is a central element of the BCBS's response to the global financial crisis.

On 7 December 2017, the BCBS published revisions to the framework¹² to address various shortcomings of the pre-crisis regulatory framework. The revised framework provides a regulatory foundation for a resilient banking system that supports the real economy.

⁹ Available at <https://www.bis.org/bcbs/publ/d417.htm>

¹⁰ Available at <https://www.bis.org/bcbs/publ/d417a.htm>

¹¹ Available at <https://www.bis.org/bcbs/publ/d423.htm>

¹² Available at <https://www.bis.org/bcbs/publ/d424.htm>