



Ref.: 15/8/1/3

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 94 of 1990

South African domestic systemically important banks (D-SIBs) to submit consolidated information

Executive summary

This proposed directive serves to inform all banks, branches of foreign institutions, controlling companies and auditors of banks or controlling companies of further requirements applicable to South African D-SIBs. These further requirements relate to the submission of credit-related statutory BA returns, based on consolidated information as well as assurance requirements.

This proposed directive replaces Banks Act Directive 1/2021, dated 26 February 2021.

1. Introduction

- 1.1 Internationally, the overall scope of the Basel framework is applied to internationally active banks at every tier on a consolidated basis and, consequently, all information required for international reviews and analysis in respect of the South African banking sector relates to consolidated information. Therefore, the Prudential Authority (PA) requires South African D-SIBs to report credit-related information on a consolidated basis, at bank and controlling company level.
- 1.2 This proposed directive replaces Banks Act Directive 1/2021, dated 26 February 2021.

2. Proposed Directive

- 2.1 Based on the aforesaid information, in terms of the provisions of section 6(6) of the Banks Act 94 of 1990 and as further outlined in this proposed directive, D-SIBs are hereby directed to submit the credit-related statutory BA returns BA 200 and BA 210 biannually, based on consolidated information, at bank and controlling company level.
- 2.2 D-SIBs with year-ends other than June or December are required to submit additional statutory BA returns BA 200 and BA 210, based on consolidated information, at bank and controlling company level as at the D-SIB's year-end.

- 2.3 The following requirements apply with regard to the submission of the credit-related statutory BA returns:
 - 2.3.1 The statutory BA returns shall be submitted six-monthly¹, based on a calendar year (i.e., end-June and end-December data of each year) within 30 business days immediately following the period to which the return relates.
 - 2.3.2 Directives and interpretations for the completion of the statutory BA returns BA 200 and BA 210 are outlined in regulations 23 and 24 of the Regulations relating to Banks (the Regulations) respectively.
 - 2.3.3 The certification and rendition of these returns shall comply with the respective requirements specified in regulation 4 of the Regulations.
 - 2.3.4 In line with regulation 6 of the Regulations, the returns shall be submitted electronically and shall include the statutory BA returns BA 200 and BA 210 on a controlling company consolidated level and a bank consolidated level respectively.
- 2.4 Not all line items on the consolidated statutory BA returns BA 200 and BA 210 are mandatory. The following table outlines which line items are not mandatory in the submission of the consolidated statutory BA returns:

Statutory BA returns	Line items that are not mandatory
BA 200	86, 103 to 106, 201 to 206, 276, 293 to 320 and 325 to 331
BA 210	1 to 21, 43 to 117, 215 to 256, 285 to 340 and 438 to 452

3. Audit reports

- 3.1 The statutory BA returns BA 200 and BA 210 on a bank and controlling company consolidated level, shall be reviewed in line with the respective requirements specified in regulation 46(2)(b) of the Regulations.
- 3.2 Where the statutory BA returns BA 200 and BA 210 on a bank and controlling company consolidated level submitted in terms of this proposed directive coincide with the period ending as at the reporting D-SIB's year-end, the said statutory BA returns shall instead be audited, reviewed or concluded upon under a limited assurance framework in line with the respective requirements specified in regulation 46(6) of the Regulations.

¹ D-SIBs with year-ends other than June or December shall submit the additional statutory BA returns as indicated in paragraph 2.2 within 30 business days immediately following their year-ends.

4. Invitation for comment

- 4.1 All interested persons are hereby invited to submit their comments on the proposed Directive to: SARB-PA@resbank.co.za, for the attention of Mr L Mufamadi, by no later than 9 June 2023.
- 4.2 All comments received from banks and other interested persons may be published on the website of the PA unless the respondent specifically requests confidential treatment.

Fundi Tshazibana
Chief Executive Officer

Date: