

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

Completion of consolidated supervision returns in terms of regulation 36 (BA 600 form) and regulation 37 (BA 610 form in respect of offshore operations) of the Regulations relating to Banks respectively

Executive summary

The proposed amendments to the Regulations relating to Banks (Regulations) provide the Prudential Authority (PA) with enabling provisions to specify instructions or requirements to complete the BA 600 and BA 610 forms respectively.

The purpose of this proposed Directive is to (i) direct controlling companies and offshore operations of South African registered banks in respect of specified matters regarding the completion and submission of the BA 600 form in respect of consolidated results and the BA 610 form in respect of offshore operations for South African banks; and (ii) provide specific instructions and interpretations aimed at ensuring consistency in respect of the completion of the aforementioned returns.

1. Introduction

1.1 The purpose of the BA 600 form 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 Regulation 36(19) of the proposed amendments to the Regulations relating to Banks

(the proposed amended Regulations) sets out the instructions for the completion of the consolidated BA 600 return form.

- 1.3 The purpose of the BA 610 form is to obtain selected information in respect of, among other things, balance sheet, income statement, capital adequacy and risk-based capital requirements in respect of offshore operations for South African registered banks.
- 1.4 The proposed Directive includes proposed revisions to the BA 600 and BA 610 forms to ensure that the revised forms correctly capture the provisions of the proposed amended Regulations. Furthermore, regulation 36(19) of the proposed amended Regulations provides the PA with enabling provisions to specify instructions or requirements to complete the BA 600 form.
- 1.5 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 completion of the BA 610 form.
- 1.6 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 the BA 600 and BA 610 forms respectively on a quarterly basis.

2 Proposed Directive

- 2.1 In accordance with the provisions of section 6(6) of the Banks Act 94 of 1990 (Banks Act), banks and controlling companies are hereby directed as follows:
 - 2.1.1 Comply with the directives and interpretations specified in regulation 36 of the Regulations for the completion of the BA 600 form.
 - 2.1.2 Complete and submit the BA 600 form in accordance with the provisions of regulation 36(19) of the Regulations read with Annexure A of this proposed Directive.
 - 2.1.3 Complete and submit the BA 600 form in accordance with the instructions specified in regulation 36(19) of the Regulations read with the instructions specified in

Annexure B of this proposed Directive.

2.1.4 Submit the BA 600 form in accordance with the 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 the BA 610 form 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 the BA 610 form in respect of their offshore operations in accordance with the provisions of regulation 37(3) of the Regulations read with the instructions specified in Annexure B of this proposed Directive.

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, that is, from 1 July 2025 onwards.

4. Invitation for comments

4.1 Controlling companies and other interested parties are hereby invited to submit their comments in respect of the proposed Directive to SARB-PA@resbank.co.za and to PA-ITS-Capital@resbank.co.za for the attention of Mr Tebogo Ntseane by no later than 21 June 2024.

Fundi Tshazibana

Fundi Tshazibana

Chief Executive Officer

Date: 22 May 2024

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