

Saudi Arabian Monetary Agency**Banking Supervision Dept.**

5 April 2010

T-9-9/BCS/ 9879

From : Saudi Arabian Monetary Agency

To : All Banks

Attention : Managing Directors, Chief Executive Officers and General Managers

Subject : **Basel Committee Guidance: Report and Recommendations of the Cross-border Bank Resolution Group**

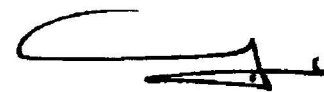
The Basel Committee on Banking Supervision has issued a Report on 18 March 2010 entitled "Report and Recommendations of the Cross-border Bank Resolution Group". The Report addresses the complex and multidimensional process that is required for an orderly resolution of Banking institution problems during a financial turmoil or crises. While the Report is largely aimed at the national authorities and makes recommendations on strengthening the national resolution power and their cross-border implementation; it also suggests that Banks, as well as key home authorities should develop practical and credible contingency plans to ensure access to relevant information in a crisis.

This document is more relevant to Saudi Banks with cross-border operations. Nevertheless, the Agency would like all Saudi Banks to study this report and in particular focus on Recommendation #6 which proposes that there should be a contingency plan, proportionate to the size and complexity of your institutions/group's structure and business, to preserve the firm as a going concern, promote resilience of key functions and facilitate rapid resolution if that becomes necessary. You may access the full document on the BIS website: (<http://www.bis.org>).

In due course, the Agency would provide guidance to banks for the implementation of this recommendation as well as on other bank specific matters in other recommendations of this Report.

For foreign banks' branches in Saudi Arabia, The Agency will at a point in time arrange to receive from their Parent Banks, the relevant contingency plans for their operations in Saudi Arabia. Also, SAMA will cover this subject in the home/host meetings with relevant supervisory authorities for matters such as supervisory cooperation and exchange of supervisory information relating to the bank resolution regimes.

If you need any further information in this regard, you may contact Mr. Fahd Al-Mufarrij at telephone # (01)466-2305 or Mr. Tariq Javed at telephone # (01)466-2532.



Dr. Abdulrahman Al-Hamidy
Vice Governor

End.: a/s