

Saudi Arabian Monetary Agency

Banking Supervision Dept.



From : Saudi Arabian Monetary Agency
To : All Banks
Attention : Managing Directors, Chief Executive Officers and General Managers
Subject : **SAMA's Final Guidance Documents Concerning Implementation of Basel III Pillar 3 component**

Earlier, SAMA has implemented BCBS Pillar 3 Disclosure requirements under both Basel II in May 2007 and Basel II.5 in October 2012 respectively. Now, with the implementation of Basel III Framework on Capital Reforms through its Circular # 15689 dated 1434/02/06 (Hijri), SAMA is also issuing these Pillar 3 requirements i) Guidance Notes and ii) Reporting Templates. This package includes quantitative and qualitative requirements to be implemented effective 30 June 2013 for the Standardized and IRB Approaches.

SAMA's Basel III Pillar 3 requirements are based on its circular # BCS 12184 dated 23 July 2012 concerning Basel III entitled "Basel Committee – Final Rules on Bank Disclosures of the composition of capital", which calls for an incremental approach where new additional Templates include Basel II.5 and Basel III for only Regulatory capital, while all other templates remain unchanged under Basel II. Consequently, SAMA Basel II Templates are now superseded by the Basel III Pillar 3 Templates. However, the Guidance Notes for Pillar 3 under Basel II and II.5 remain relevant and valid.

SAMA has delayed the implementation of Models approach for Market Risk in the context of Basel II.5 and Basel III as it has decided to wait until further progress is made on Trading Book issues currently under review by the BCBS. Consequently, all SAMA Basel III Pillar 3 disclosure Templates concerning Internal Models Approach can only be completed at the time SAMA implements the models approach for Market Risk.

The frequency of reporting is based on a quarterly, six monthly and annual basis contingent on the specific disclosures template as described in the attached package. As SAMA's Basel III Pillar 3 disclosures are effective 30 June 2013, the first set of Quarterly Disclosures will be for data as of 30 September 2013 due in SAMA not later than 30 days i.e. 30th October 2013. In the meantime, the Basel II disclosures will continue up to 30 June 2013.

تحويل

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