



Banking Supervision Dept.

From : Saudi Arabian Monetary Agency  
CC : H.E. Abdulaziz Al-Helaissi, Deputy Governor for Supervision  
To : All Banks  
Attention : Managing Directors, Chief Executive Officers and General Managers  
Subject : **Basel Committee on Banking Supervision Consultative Document entitled Revised good practice principles for supervisory colleges**

In the aftermath of the recent financial crisis, a series of key initiatives have been undertaken with regard to the reform of international financial regulation and supervision. In particular, supervisors have taken steps to enhance the supervision of global systemically important banks (G-SIBs). Effective supervisory colleges play a key role in such enhanced supervision. Supervisory colleges can enhance information-sharing between supervisors, help the development of a common understanding of risk in financial groups, promote a shared agenda for addressing risks and vulnerabilities, and provide a platform for communicating key supervisory messages among college members.

In general, colleges of supervisors are permanent, but flexible, structures for collaboration, cooperation, coordination and information-sharing among the authorities responsible for and involved in the supervision of the different components of cross-border banking groups. While bilateral and multilateral arrangements among supervisors of global banking groups have existed for decades, many of these arrangements were formalized as supervisory colleges only in the years leading up to the financial crisis, with this trend accelerating thereafter. Colleges are now an important component of effective supervisory oversight of an international banking group. The G20 has re-emphasised the significance of colleges in the wake of the financial crisis.

The Banks can access this BCBS document from BIS website: [www.bis.org](http://www.bis.org) where they are expected to review it and provide comments at the latest by 20 March 2014 by e-mail. Also should any bank need any clarifications, they should contact Dr. Alwaleed Alsheikh at [akalsheikh@sama.gov.sa](mailto:akalsheikh@sama.gov.sa) or Mr. Tariq Javed at [t\\_javed@sama.gov.sa](mailto:t_javed@sama.gov.sa) and Mr. Abbas Hassan at [ahassan@sama.org.sa](mailto:ahassan@sama.org.sa). In this respect, Banks' comments may be provided to the aforementioned parties with a CC to Mr. Almond Sedoon at [asidoen@sama.org.sa](mailto:asidoen@sama.org.sa)

Best regards,

**Alwaleed Alsheikh**  
Director of Banking Supervision