

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

١٤٣٠ شكان ٧

29 July 2009

٣٩٤٨٧/B.C.S ٧٦٨

From : Saudi Arabian Monetary Agency

To : ALL BANKS

Attention : Managing Directors, Chief Executive Officers and General Managers

Subject : **Supervisory Guidance for Assessing Banks' Financial Instrument Fair Value Practices**

The Basel Committee on Banking Supervision has issued the above named finalized Document, which provides supervisory expectations relevant to Financial Instrument Valuations. The document addresses the subjects of Governance and Controls, Risk management and Reporting for Valuation and Supervisory Assessment of Valuation Practices.

The purpose of SAMA in issuing this document at this time is to provide the Banks with further guidance to strengthen their valuation policies and processes in order to enhance both reliability and consistency. It should be noted that this Guidance does not intend to include additional accounting requirements beyond those already set by the Agency which includes International Accounting Standards.

This document maybe obtained from the BIS website: **www.bis.org** and if you need any further information you may contact Mr. Fahd Al-Mufarrij at Telephone # 466-2305 or Mr. Tariq Javed at Telephone # 466-2532.

ع.ج.



Dr. Abdulrahman Al-Hamidy
*Deputy Governor
for Technical Affairs*

١٨٧٧١