

Circular # 361000009335
Date: 1436/01/17 (H) 10
November 2014(G)

From : Saudi Arabian Monetary Agency

CC : Abdulaziz Alhelaissi, Deputy Governor for Supervision
: Osamah Shaker, Director General of Banking Control

To : All Banks

Attention : Managing Directors, Chief Executive Officers and General Managers

Subject : **SAMA's Revised Amended Liquidity Coverage Ratio Regulations and Guidance documents**

We refer to SAMA circular # 341000107020 dated 10 July 2013 concerning the implementation and guidance of the Amended Liquidity Coverage Ratio based on the BCBS Amendment of January 2013. SAMA in the recent past, has undertaken a comprehensive review of all its Basel III Regulations, Rules and Guidance documents including those related to liquidity against relevant Basel Standards and Guidance. This review has been carried out to ensure that all of SAMA's Regulations, Rules and Guidance documents concerning Basel III are compliant with the BCBS Basel III standards and to identify any gaps. Consequently, this review also included SAMA's Regulations, Rules, and Guidance documents concerning the Amended LCR of January 2013.

A revised package of the Amended Liquidity Coverage Ratio guidance documents has been prepared which addresses the aforementioned gaps. SAMA is now issuing this revised package in the attached comprising of the following documents.

1. General Guidance
2. Specific Guidance
3. Prudential Return
4. Frequently Asked Questions
5. National Discretion

In addition to the above, and in response to a query raised by the banks, SAMA wishes to clarify that banks are expected to benchmark their liquidity practices with the BCBS guidance document issued in September 2008 entitled "Principles for Sound Liquidity Risk Management and Supervision". This document supersedes all previous draft versions and is to be considered as a final document for implementation by the banks.

While this revised document is expected to provide further clarifications or elaborations, if you have any questions, you may contact the undersigned at +9661-466-2612 or Mr. Tariq Javed at +9661-466-2532.

Alwaleed Al-Sheikh
Director of Banking Supervision