



Circular No.: BCS 27885
Date: 12 November 2011

From : Saudi Arabian Monetary Agency
To : All Banks
Attention : Managing Directors, Chief Executive Officers and General Managers
Subject : **Basel Committee's Revised Document of June 2011 Entitled "Basel III: Global Framework for More Resilient Banks and Banking Systems"**

As you are aware, in December 2010, the Basel Committee on Banking Supervision issued its initial rules entitled "Basel III: Global Framework for More Resilient Banks and Banking System". This text presented the details of global regulatory standards on Banks' Capital Adequacy and Liquidity.

The Committee has now published its Revised Document of June 2011, which can be accessed from BIS website www.bis.org. The major changes in the Revised Document are covered in the attached BCBS Press Release and generally relate to further refinements to Credit Value Adjustments (CVA).

This document is of interest to all banks in Saudi Arabia that have currently implemented the Basel II Framework and are now preparing to move on to Basel III. Banks are expected to review these documents and start developing their plans for implementation of Basel III. Banks should study these carefully and become familiar with the rules text. Over the next few months, SAMA will be issuing specific guidance documents to banks on these subjects including SAMA's position in areas where national discretion is to be applied. SAMA will also issue revised or new prudential returns related to these topics.

If you have any questions related to these papers, you may refer to Mr. Fahd Al-Mufarrij at telephone number +966-1-466-2305, Mr. Tariq Javed at +966-1-466-2532, or any member of the SAMA's Basel III Team. You can access the paper from the BIS website address: (<http://www.bis.org>).

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