



Circular No.: BCS 24331
Date: 04/09/2012

From : Saudi Arabian Monetary Agency
To : All Banks
Attn : Chief Financial Officers (CFO's) and Chief Risk Officers CROs
Subject: **Basle Committee for Banking Supervision (BCBS): Basel III Definition of Capital Frequently Asked Questions**

As you are aware, the Agency has issued the following main documents relating to Basel III Reforms.

1. Basel III: A Global Regulatory Framework for More Resilient Banks and Banking System under Circular # BCS 1278 of 21 December 2010.
2. Basel III: A Global Regulatory Framework for More Resilient Banks and Banking System December 2010 (Revised June 2011) issued under SAMA Circular # BCS 27885 of 12 November 2011.

The attached is a recent BCBS document (July 2012) entitled "Basel III Counterparty Credit Risk – Frequently Asked Questions", and represents an update to "Frequently Asked Questions" relating to Basel III counterparty credit risk of November 2011 which was circulated by SAMA on 24 of November 2011. The above referred documents relate to Counterparty Credit risk rules under the Definition of Capital component of Basel III reforms. Consequently, these Frequently Asked Questions should be read in conjunction with SAMA Circulars # BCS 1278 and BCS 27885.

If you need further clarifications, please contact Dr. Alwaleed Alsheikh at e-mail: akalsheikh@sama.gov.sa or Mr. Tariq Javed at e-mail: tjaved@sama.gov.sa or Mr. Abbas Hassan at e-mail: ahassan@sama.org.sa. You can also access this document from BIS Website address (www.bis.org).

Best Regards,

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