



Circular No.: BCS 28414

Date: 20 November 2011

From : Saudi Arabian Monetary Agency

To : All Banks

Attention: Managing Directors, Chief Executive Officers and General Managers

Subject : **Basel Committee on Banking Supervision Paper entitled "Revision to Basel II Market Risk Framework" – Updated as of 31 December, 2010**

The Agency refers to its circular number BCS 559 of 26 December 2009 with regard to a Basel Committee on Banking Supervision (BCBS) paper entitled "July 2009 – Basel II Market Risk Framework". In February 2011, the BCBS has issued an updated document as of 31 December 2010 that relates to this subject.

The Agency recommends that all Banks currently engaged in implementing Basel II in Saudi Arabia should ensure that their relevant staff involved in the implementation of Basel II project are fully aware of this paper and should take appropriate actions to benefit from these standards and guidance. Bank staff in other areas such as Risk Management, Financial Controls, and Internal Audits should also be familiar with this paper. In light of this paper, the Agency over the next few months will where appropriate update its guidance documents following which banks will be expected to implement the changes. These documents should be accessed from the Bank for International Settlement website address: (<http://www.bis.org>).

If you need any further information on this subject, please call Mr. Fahd Al-Mufarrij at telephone number (01)466-2305 or Mr. Tariq Javed at (01)466-2532.

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