



Circular No.: BCS 28412

Date: 20 November 2011

From : Saudi Arabian Monetary Agency

To : All Banks

Attention : Managing Directors, Chief Executive Officers and General Managers

Subject : **Basel Committee Papers of Relevance to Saudi Banks**

During 2011, the Basel Committee on Banking Supervision has published two documents related to operational risk management. In this regard, Bank Management can specifically benefit from these papers by incorporating the relevant principles and guidance information in their operational risk management and control policies and procedures.

SAMA would like Banks to be fully aware of the following Basel Committee Papers issued during 2011.

1. June 2011 – Operational Risk Supervisory Guidelines for Advanced Risk Measurement Approach
2. June 2011 – Principle for Sound Management of Operational Risk

We suggest that Banks should access these papers from Bank for International Settlements website: (<http://www.bis.org>). The Banks should distribute these papers to relevant managers in Risk Management, Compliance and Internal Audit functions to keep them abreast of the current developments and practices.

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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Vice Governor