

Jurisdiction: Saudi Arabia

# 2014 IMN Survey of National Progress in the Implementation of G20/FSB Recommendations

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No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>I. Refining the regulatory perimeter</b>					
1 (1)	Review of the boundaries of the regulatory framework including strengthening of oversight of shadow banking <sup>1</sup>	We will each review and adapt the boundaries of the regulatory framework to keep pace with developments in the financial system and promote good practices and consistent approaches at an international level. (London)	Jurisdictions should indicate the steps taken to expand the domestic regulatory framework to previously unregulated entities, for example, non-bank financial institutions (e.g. finance companies, mortgage insurance companies, credit hedge funds) and conduits/SIVs etc.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>	<b>Planned actions (if any):</b> 1. Finalize the licensing process for existing non-bank finance companies. 2. On-going supervision of finance companies.  <b>Expected commencement date:</b> 8th of Nov 2014 (the end of the grace period).  <b>Web-links to relevant documents:</b> <a href="http://www.sama.gov.sa/sites/samaen/Finance/Pages/Laws.aspx">http://www.sama.gov.sa/sites/samaen/Finance/Pages/Laws.aspx</a>
(1)		We agree to strengthen the regulation and oversight of the shadow banking system. <sup>2</sup> (Cannes)	Jurisdictions should indicate policy measures to strengthen the regulation and oversight of the shadow banking system. See, for reference, the recommendations discussed in section 2 of the October 2011 FSB report: <a href="#">Shadow Banking: Strengthening Oversight and Regulation.</a>	<input checked="" type="checkbox"/> Implementation ongoing or completed : <b>Issue is being addressed through :</b> <input checked="" type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <b>Status of progress :</b> <input checked="" type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: The Real Estate Finance Law, the Finance Lease Law, and the Finance Companies Control Law, along with the Implementing Regulations of those three laws have been already issued. The Finance Companies	

<sup>1</sup> Some authorities or market participants prefer to use other terms such as “market-based financing” instead of “shadow banking”. The use of the term “shadow banking” is not intended to cast a pejorative tone on this system of credit intermediation. However, the FSB is using the term “shadow banking” as this is the most commonly employed and, in particular, has been used in the earlier G20 communications.

<sup>2</sup> This recommendation will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

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				<p>Control Law provided for a grace period for full compliance. The grace period ends on 8 Nov 2014.</p> <p>Reform effective (completed) as of:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b> The Finance Laws entrust SAMA with the responsibilities of licensing, regulating, and supervising non-bank finance companies as well as regulating and supervising the real estate finance and financial lease activities carried out by licensed banks and non-bank finance companies.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.sama.gov.sa/sites/samaen/Finance/Pages/Laws.aspx">http://www.sama.gov.sa/sites/samaen/Finance/Pages/Laws.aspx</a></p>	

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<b>II. Hedge funds</b>					
2 (2)	Registration, appropriate disclosures and oversight of hedge funds	<p>We also firmly recommitted to work in an internationally consistent and non-discriminatory manner to strengthen regulation and supervision on hedge funds. (Seoul)</p> <p>Hedge funds or their managers will be registered and will be required to disclose appropriate information on an ongoing basis to supervisors or regulators, including on their leverage, necessary for assessment of the systemic risks they pose individually or collectively. Where appropriate registration should be subject to a minimum size. They will be subject to oversight to ensure that they have adequate risk management. (London)</p>	<p>Jurisdictions should state whether Hedge Funds(HFs) are domiciled locally and, if available, indicate the size of the industry in terms of Assets Under Management (AUM) and number of HFs. Jurisdictions should indicate the progress made in implementing the high level principles contained in IOSCO’s <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a>.</p> <p>In particular, jurisdictions should specify whether:</p> <ul style="list-style-type: none"> <li>- HFs and/or HF managers are subject to mandatory registration</li> <li>- Registered HF managers are subject to appropriate ongoing requirements regarding: <ul style="list-style-type: none"> <li>• Organisational and operational standards;</li> <li>• Conflicts of interest and other conduct of business rules;</li> <li>• Disclosure to investors; and</li> <li>• Prudential regulation.</li> </ul> </li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Primary / Secondary legislation</li> <li><input checked="" type="checkbox"/> Regulation / Guidelines</li> <li><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p>Investment Funds Regulations and Listing Rules</p> <p><b>Status of progress :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Draft in preparation, expected publication by:</li> <li><input type="checkbox"/> Draft published as of:</li> <li><input type="checkbox"/> Final rule or legislation approved and will come into force on:</li> <li><input checked="" type="checkbox"/> Reform effective (completed) as of: Listing Rules (2004) Investment Funds Regulations (2006)</li> </ul> <p><b>Short description of the content of the legislation/ regulation/guideline:</b> All investment funds activities are regulated under Chapter six of the Capital Market</p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p>Law (CML) and the CMA Investment Funds Regulations including hedge funds to ensure that their activities in the markets do not pose risks to smooth functioning of these markets. More disclosure requirements have been proposed in the Draft Revised Investment Funds Regulations. We do not currently have any hedge funds established in the Kingdom</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p> <p><a href="http://www.cma.org.sa/En/AboutCMA/CMALaw/Pages/default.aspx">http://www.cma.org.sa/En/AboutCMA/CMALaw/Pages/default.aspx</a></p> <p><a href="http://cma.org.sa/En/Pages/Implementing_Regulations.aspx">http://cma.org.sa/En/Pages/Implementing_Regulations.aspx</a></p> <p><a href="http://cma.org.sa/En/News/Pages/CMA_N_1289.aspx">http://cma.org.sa/En/News/Pages/CMA_N_1289.aspx</a></p>	

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3 (3)	Establishment of international information sharing framework	We ask the FSB to develop mechanisms for cooperation and information sharing between relevant authorities in order to ensure effective oversight is maintained when a fund is located in a different jurisdiction from the manager. We will, cooperating through the FSB, develop measures that implement these principles by the end of 2009. (London)	<p>Jurisdictions should indicate the progress made in implementing the high level principles in IOSCO’s <a href="#">Report on Hedge Fund Oversight (Jun 2009)</a> on sharing information to facilitate the oversight of globally active fund managers.</p> <p>In addition, jurisdictions should state whether they are:</p> <ul style="list-style-type: none"> <li>- Signatory to the IOSCO MMoU</li> <li>- Signatory to bilateral agreements for supervisory cooperation that cover hedge funds and are aligned to the 2010 IOSCO <a href="#">Principles Regarding Cross-border Supervisory Cooperation</a>.</li> </ul> <p>In particular, jurisdictions should indicate those jurisdictions where an MoU is in place that provides for oversight when a hedge fund is located in one of these jurisdictions and manager is located elsewhere.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input checked="" type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> The CMA is a member of IOSCO, and is part of the IOSCO Multilateral MoU concerning the Consultation and cooperation and the Exchange of Information (IOSCO MMoU).</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Primary / Secondary legislation</li> <li><input type="checkbox"/> Regulation / Guidelines</li> <li><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</li> </ul> <p><b>Status of progress :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Draft in preparation, expected publication by:</li> <li><input type="checkbox"/> Draft published as of:</li> <li><input type="checkbox"/> Final rule or legislation approved and will come into force on:</li> <li><input checked="" type="checkbox"/> Reform effective (completed) as of:</li> </ul> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last</b></p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				year's survey: Web-links to relevant documents:	

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<p>4 (4)</p> <p>(4)</p>	<p>Enhancing counterparty risk management</p>	<p>Supervisors should require that institutions which have hedge funds as their counterparties have effective risk management, including mechanisms to monitor the funds’ leverage and set limits for single counterparty exposures. (London)</p> <p>Supervisors will strengthen their existing guidance on the management of exposures to leveraged counterparties. (Rec. II.17,FSF 2008)</p>	<p>Jurisdictions should indicate specific policy measures taken for enhancing counterparty risk management and strengthening their existing guidance on the management of exposure to leveraged counterparties.</p> <p>In particular, jurisdictions should indicate whether they have implemented the Basel III rules for credit exposures to highly leveraged counterparties (para 112 of <a href="#">Basel III (Jun 2011)</a> – see also <a href="#">FAQ no 1b.4 on Basel III counterparty credit risk, Dec 2012</a>), and principle 2.iii of <a href="#">IOSCO Report on Hedge Fund Oversight (Jun 2009)</a>. Jurisdictions should also indicate the steps they are taking to implement the new standards on equity exposures (<a href="#">Capital requirements for banks’ equity investments in funds, Dec 2013</a>) by 1 January 2017.</p> <p>For further reference, see also the following documents :</p> <ul style="list-style-type: none"> <li>• BCBS <a href="#">Sound Practices for Banks’ Interactions with Highly Leveraged Institutions (Jan 1999)</a></li> <li>• BCBS <a href="#">Banks’ Interactions with Highly Leveraged Institutions (Jan 1999)</a></li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Periodic submission of financial information by person authorised by the CMA to conduct securities businesses (APs) with net capital computation per Prudential Rules(PRs). APs are also subject to inspection visit on a periodic basis.</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: The Prudential Rules (PRs) incorporating Basel’s standards on capital adequacy has been issued on</p>	<p><b>Planned actions (if any):</b> On-going.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p>December 30, 2012.</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b> With regard to counterparty Credit Risk Management, CMA monitors and regulates AP's in the capital market through the implementation of the Prudential Rules (PRs) which incorporates Basel's standards on capital adequacy. With regard to counterparty Credit Risk Management, SAMA has taken a number of steps through the issuance of regulations covering the Basel Standards. Also, SAMA has recently issued a comprehensive document concerning guidance on credit risk management based on international best practices. Other measures include the implementation of Basle Committees Capital Reforms including Basel III which incorporates setting of capital requirements for counterparty credit risk and its supervisory review through the ICAAP process. Saudi Banks exposure to leveraged counterparties including Hedge Funds is minimal, however, SAMA is closely monitoring such exposures. Also in October 2012, SAMA issued the Basel interim framework in its document entitled "Capital Requirements for Bank</p>	

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				<p>Exposures to Central Counterparties”. Subsequently in July 2013, a Consultative document regarding capital treatment of Banks was issued. This was finalized in May 2014 and is effective for implementation in 2017.</p> <p><b>Highlight main developments since last year’s survey:</b> Compliance to Pillar I of the Prudential Rules(PRs) has been effective since the issuance of the Prudential Rules(PRs), and APs are expected to comply with Pillar II (ICAAP) and Pillar III (Disclosure) of the Prudential Rules(PRs) beginning 2014.</p> <p><b>SAMA has issued D-SIB framework for full implementation in 2016.</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://cma.org.sa/En/Pages/Implementing_Regulations.aspx">http://cma.org.sa/En/Pages/Implementing_Regulations.aspx</a></p>	

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<b>III. Securitisation</b>					
5 (5)	Improving the risk management of securitisation	<p>During 2010, supervisors and regulators will:</p> <ul style="list-style-type: none"> <li>implement IOSCO’s proposals to strengthen practices in securitisation markets. (FSB 2009)</li> </ul> <p>The BCBS and authorities should take forward work on improving incentives for risk management of securitisation, including considering due diligence and quantitative retention requirements by 2010. (London)</p> <p>Securitization sponsors or originators should retain a part of the risk of the underlying assets, thus encouraging them to act prudently. (Pittsburgh)</p>	<p>Jurisdictions should indicate the progress made in implementing the recommendations contained in:</p> <ul style="list-style-type: none"> <li>IOSCO’s <i>Unregulated Financial Markets and Products (Sep 2009)</i>, including justification for any exemptions to the IOSCO recommendations; and</li> <li>BCBS’s Basel 2.5 standards on exposures to securitisations (Jul 2009), <a href="http://www.bis.org/publ/bcbs157.pdf">http://www.bis.org/publ/bcbs157.pdf</a> and <a href="http://www.bis.org/publ/bcbs158.pdf">http://www.bis.org/publ/bcbs158.pdf</a>.</li> </ul> <p><i>Jurisdictions may also indicate progress in implementing the recommendations of the IOSCO’s Report on Global Developments in Securitisation Regulation (Nov 2012).</i><sup>3</sup></p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: Prudential Rules(PRs) were issued on December 30, 2012</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any):</b> On-going related to BCBS developments.</p> <p><b>Expected commencement date:</b> During 2010</p> <p><b>Web-links to relevant documents:</b></p>

<sup>3</sup> Jurisdictions should not provide responses on IOSCO recommendations concerning the alignment incentives associated with securitisation (including risk retention requirements) since these will be covered by an IOSCO peer review in 2014.

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				<p>Clarifications on sound risk management processes concerning structured products such as securitization and resecuritization were provided through a SAMA circular in July 2009 and is based on the BCBS document entitled “Enhancement to the Basel II Framework” of July 2009. Risk management of securitisation is addressed through the Prudential Rules(PRs) concerning the implementation of Basel II.5 and III in October 2012 and December 2012. These documents implement the relevant credit risk and market risk capital requirements for securitizations and resecuritized exposures both for the Standardized and IRB Approaches through prudential return and guidance documents. The Prudential Rules(PRs), inter alia, regulate the capital adequacy requirements in accordance with the Basel principles. The market intermediaries are required to apply the Standardised Approach based on Basel framework in treating their securitisation and resecuritisation exposures.</p> <p><b>Highlight main developments since last year’s survey:</b> The CMA has embarked on a strategy to develop and draft the “Special Purpose Entity (SPE)”</p>	

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				<p>regulatory framework, which will facilitate, enhance and provide a regulatory framework for the issuance of the new securitised products.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://cma.org.sa/En/Documents/Final%20Draft%20Prudential%20Rules%20(English).pdf">http://cma.org.sa/En/Documents/Final%20Draft%20Prudential%20Rules%20(English).pdf</a></p>	

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6 (6)	Strengthening of regulatory and capital framework for monolines	Insurance supervisors should strengthen the regulatory and capital framework for monoline insurers in relation to structured credit. (Rec II.8 ,FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for strengthening the regulatory and capital framework for monolines.</p> <p>See, for reference, the following principles issued by IAIS:</p> <ul style="list-style-type: none"> <li>• <a href="#">ICP 13</a> – Reinsurance and Other Forms of Risk Transfer;</li> <li>• <a href="#">ICP 15</a> – Investments; and</li> <li>• <a href="#">ICP 17</a> - Capital Adequacy.</li> </ul> <p>Jurisdictions may also refer to:</p> <ul style="list-style-type: none"> <li>• IAIS <a href="#">Guidance paper on enterprise risk management for capital adequacy and solvency purposes (Oct 2008)</a>.</li> <li>• Joint Forum’s consultative document on <a href="#">Mortgage insurance: market structure, underwriting cycle and policy implications (Feb 2013)</a>.</li> </ul>	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p>Reform effective (completed) as of:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last year’s survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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7 (7)	Strengthening of supervisory requirements or best practices for investment in structured products	Regulators of institutional investors should strengthen the requirements or best practices for firms' processes for investment in structured products. (Rec II.18 ,FSF 2008)	<p>Jurisdictions should indicate the due diligence policies, procedures and practices applicable for investment managers when investing in structured finance instruments and other policy measures taken for strengthening best practices for investment in structured finance product.</p> <p>Jurisdictions may reference IOSCO's report on <a href="#">Good Practices in Relation to Investment Managers' Due Diligence When Investing in Structured Finance Instruments (Jul 2009)</a>.</p> <p>Jurisdictions may also refer to the Joint Forum report on <a href="#">Credit Risk Transfer-Developments from 2005-2007 (Jul 2008)</a>.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If " Not applicable " or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Periodic submission of financial information by Authorised Person (APs) with net capital computation per Prudential Rules(PRs). APs are also subject to inspection visit on a periodic basis</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 1st January 2013</p> <p><b>Short description of the content of the</b></p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any):</b> On-going.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

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				<p><b>legislation/ regulation/guideline:</b> The Prudential Rules(PRs) include the requirements to apply the Standardised Approach in treating their securitisation and re-securitisation exposures. The Prudential Rules(PRs) are drafted based on the Basel framework. SAMA has issued regulations on 21 October 2012 and 19 December 2012 related to BCBS Basel II.5 and Basel III (Pillar 1, Pillar 2 and Pillar 3 components) respectively for Banks to implement effective 1st January 2013. The Banks follow strong supervisory requirement or best practices for investment in structured products including risk management policies in accordance with rules established by SAMA. Further with regard to effective risk management policies concerning investment in structured product, SAMA issued the BCBS document of July 2009 entitled “Enhancement to the Basel II Framework”.</p> <p><b>Highlight main developments since last year’s survey:</b> Compliance to Pillar I of the Prudential Rules(PRs) has been effective since its issuance, and APs are expected to comply with Pillar II (ICAAP) and Pillar III (Disclosure) of the Prudential Rules(PRs) beginning 2014.</p>	

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				<p>SAMA has issued D-SIB framework for full implementation in 2016.</p> <p>Web-links to relevant documents:  <a href="http://cma.org.sa/En/Pages/Implementing_Regulations.aspx">http://cma.org.sa/En/Pages/Implementing_Regulations.aspx</a></p>	

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8 (8)	Enhanced disclosure of securitised products	Securities market regulators should work with market participants to expand information on securitised products and their underlying assets. (Rec. III.10-III.13, FSF 2008)	<p>Jurisdictions should indicate the policy measures taken for enhancing disclosure of securitised products.</p> <p>See, for reference, IOSCO’s <a href="#">Report on Principles for Ongoing Disclosure for Asset-Backed Securities (Nov 2012)</a> and IOSCO’s <a href="#">Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities (Apr 2010)</a>.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>CMA conducts a number of supervisory visits on listed companies. Also, the CMA is continuously taking regulatory and other steps to disseminate information to investors to enhance their market knowledge and to apply full transparency. In addition, the CMA has issued the Instructions and Procedures Related to Listed Companies with Accumulated Losses reaching %50 or more of its Capital, which has been effective on since July 1, 2014. Also, CMA has converted all the paper forms submitted by listed companies to electronic forms in order</p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>to enhance disclosure and speed and ease the process of submitting the forms.</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2012</p> <p><b>Short description of the content of the legislation/ regulation/guideline: •</b>            Listing Rules • Announcements            Instructions • Disclosure Forms            1.2.3.5.6.7 &amp;8 • Instructions and Procedures Related to Listed Companies with Accumulated Losses reaching %50 or more of its capital.</p> <p><b>Highlight main developments since last year’s survey:</b> CMA has issued the Instructions and Procedures Related to Listed Companies with Accumulated Losses reaching %50 or more of its Capital. In addition, CMA has converted all the paper forms submitted by listed companies to electronic forms in order to enhance disclosure and speed and ease the process of submitting the forms.</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><b>Web-links to relevant documents:</b>  <a href="http://cma.org.sa/ar/FormsSite/Pages/Disclosure.aspx">http://cma.org.sa/ar/FormsSite/Pages/Disclosure.aspx</a>  <a href="http://cma.org.sa/en/Pages/Implementing_Regulations.aspx">http://cma.org.sa/en/Pages/Implementing_Regulations.aspx</a>  <a href="http://cma.org.sa/en/News/Pages/CMA_N_1354.aspx">http://cma.org.sa/en/News/Pages/CMA_N_1354.aspx</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>IV. Enhancing supervision</b>					
9 (9)	Consistent, consolidated supervision and regulation of SIFIs	All firms whose failure could pose a risk to financial stability must be subject to consistent, consolidated supervision and regulation with high standards. (Pittsburgh)	<p>Jurisdictions should indicate the policy measures taken for implementing consistent, consolidated supervision and regulation of SIFIs.<sup>4</sup></p> <p>See, for reference, the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> <li>• <a href="#">Framework for G-SIBs (Nov 2011)</a></li> <li>• <a href="#">Framework for D-SIBs (Oct 2012)</a></li> <li>• <a href="#">BCP 12 (Sep 2012)</a></li> </ul> <p>IAIS:</p> <ul style="list-style-type: none"> <li>• <a href="#">Global Systemically Important Insurers: Policy Measures (Jul 2013)</a></li> <li>• <a href="#">ICP 23– Group wide supervision</a></li> </ul> <p>FSB:</p> <ul style="list-style-type: none"> <li>• <a href="#">Framework for addressing SIFIs (Nov 2011)</a></li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>SAMA regulates Banks and Insurance companies on a consolidated basis. These are subject to consistent supervision across the entire firm including their subsidiaries. Investment companies are regulated by CMA. SAMA has entered into a Memorandum of Cooperation with Capital Market Authority in February 2012 to achieve a high degree of coordination and strengthen oversight of entities subject to this control. There</p>	<p><b>Planned actions (if any):</b> On-going.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

<sup>4</sup> The scope of the follow-up to this recommendation will be revised once the monitoring framework on policy measures for G-SIFIs, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>are no domestically incorporated G-SIFs in Saudi Arabia, however branches of G-SIFs are licensed and operating with SAMA acting as the host supervisory authority. SAMA has issued the D-SIB framework to Banks for full implementation in 2016.</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>10 (10)</p> <p>(10)</p>	<p>Establishing supervisory colleges and conducting risk assessments</p>	<p>To establish the remaining supervisory colleges for significant cross-border firms by June 2009. (London)</p> <p>We agreed to conduct rigorous risk assessment on these firms [G-SIFIs] through international supervisory colleges. (Seoul)</p>	<p>Reporting in this area should be undertaken solely by home jurisdictions of significant cross-border firms. Please indicate whether supervisory colleges for all significant cross-border firms (both banks and insurance companies) have been established and whether the supervisory colleges for G-SIFIs are conducting rigorous risk assessments.</p> <p>Principle 13 of BCBS <u>Core Principles for Effective Banking Supervision</u> and <u>Good practice principles on supervisory colleges (Oct 2010)</u> may be used as a guide for supervisor to indicate the implementation progress. For further reference, see the following documents:</p> <p>BCBS:</p> <ul style="list-style-type: none"> <li>• <u>Core Principles for Effective Banking Supervision (Sep 2012)</u></li> </ul> <p>IAIS :</p> <ul style="list-style-type: none"> <li>• <u>ICP 25 and Guidance 25.1.1 – 25.1.6 on establishment of supervisory colleges</u></li> <li>• <u>Guidance 25.6.20 and 25.8.16 on risk assessments by supervisory colleges</u></li> </ul> <p>IOSCO:</p> <ul style="list-style-type: none"> <li>• <u>Principles Regarding Cross-Border</u></li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>There are no domestically incorporated G-SIFIs in Saudi Arabia, however branches of G-SIFIs are licensed and operating with SAMA as the host supervisory authority. SAMA is participating in some existing and will participate in any new supervisory colleges established by the home authorities of foreign banks (G-SIFIs) operating in the Kingdom, where SAMA is the host supervisory Authority. SAMA carries out Risk Assessments on G-SIBs branches in Saudi Arabia.</p> <p><b>Status of progress :</b></p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any):</b> On-going.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
			<p><i>Supervisory Cooperation (May 2010)</i></p>	<p> <input type="checkbox"/> Draft in preparation, expected publication by:  <input type="checkbox"/> Draft published as of:  <input type="checkbox"/> Final rule or legislation approved and will come into force on:  <input type="checkbox"/> Reform effective (completed) as of:  <b>Short description of the content of the legislation/ regulation/guideline:</b>  <b>Highlight main developments since last year's survey:</b>  <b>Web-links to relevant documents:</b> </p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>11 (11)</p> <p>(11)</p>	<p>Supervisory exchange of information and coordination</p>	<p>To quicken supervisory responsiveness to developments that have a common effect across a number of institutions, supervisory exchange of information and coordination in the development of best practice benchmarks should be improved at both national and international levels. (Rec V.7 , FSF 2008)</p> <p>Enhance the effectiveness of core supervisory colleges. (FSB 2012)</p>	<p>Jurisdictions should include any feedback received from recent FSAPs/ROSC assessments on the <a href="#">September 2012</a> BCP 3 (Cooperation and collaboration) and BCP 14 (Home-host relationships). Jurisdictions should also indicate any steps taken since the last assessment in this area, particularly in response to relevant FSAP/ROSC recommendations.</p> <p>Jurisdictions should describe any regulatory, supervisory or legislative changes that will contribute to the sharing of supervisory information (e.g. within supervisory colleges or via bilateral or multilateral MoUs).</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>SAMA has entered into a Memorandum of Cooperation with Capital Market Authority(CMA) in February 2012 to achieve a high degree of coordination between the two and to strengthen oversight of entities subject to their control. Furthermore, SAMA currently has home / host supervisory relationship with many foreign central banks / supervisory authorities. It has been extending supervisory cooperation and exchanging supervisory information with them as and when required. There are a number of instances where SAMA has shared</p>	<p><b>Planned actions (if any):</b> On-going.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>supervisory information or extended supervisory cooperation to other supervisors. SAMA has also carried out Supervisory Review Visits to many countries and similarly many other supervisors have visited Saudi Arabia for supervisory purposes. Furthermore, SAMA is also a member of relevant supervisory colleges. As such, there are no impediments that hinder the appropriate exchange of supervisory information under the relevant laws.</p> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
12 (12)	Strengthening resources and effective supervision	We agreed that supervisors should have strong and unambiguous mandates, sufficient independence to act, appropriate resources, and a full suite of tools and powers to proactively identify and address risks, including regular stress testing and early intervention. (Seoul)	No information on this recommendation will be collected in the current IMN survey since a peer review is taking place in this area during 2014.	The 2011 FSAP stated that the Banking Control Law gives very broad powers to SAMA which can take supervisory actions where a bank adopts a policy which might affect its solvency or liquidity. The 2011 FSAP also noted that SAMA had sufficient amount of Supervisory staff resources to conduct a thorough Supervisory Program of Saudi Banks. SAMA carries out an annual review of resources needed to conduct its supervisory work and no constraints of any type were noted. The FSAP went on to state that SAMA has sufficient quality and quantity of resources to carry out its supervisory mandate. It also has the power to acquire additional temporary resources for highly specialized areas from the market and to use these to supplement its own resources. In its on-site and off-site supervision work, SAMA ensures that the banks have the capacity to understand and manage risks associated with innovation in terms of products and services as well as risk management systems. Banks are continuously challenged by SAMA on their ability to manage technology and innovation risks.	
(12)		Supervisors should see that they have the requisite resources and expertise to oversee the risks associated with financial innovation and to ensure that firms they supervise have the capacity to understand and manage the risks. (FSF 2008)			
(12)		Supervisory authorities should continually re-assess their resource needs; for example, interacting with and assessing Boards require particular skills, experience and adequate level of seniority. (Rec. 3, FSB 2012)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>V. Building and implementing macroprudential frameworks and tools</b>					
13 (13)	Establishing regulatory framework for macro-prudential oversight	Amend our regulatory systems to ensure authorities are able to identify and take account of macro-prudential risks across the financial system including in the case of regulated banks, shadow banks <sup>5</sup> and private pools of capital to limit the build up of systemic risk. (London)	Please describe major changes in the institutional arrangements for macroprudential policy that have taken place in the past two years, including changes in: i) mandates and objectives; ii) powers and instruments; iii) transparency and accountability arrangements; iv) composition and independence of the decision-making body; and v) mechanisms for domestic policy coordination and consistency.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment  <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i>  <input checked="" type="checkbox"/> Implementation ongoing or completed :  <b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:  Over the past several years, SAMA has implemented several measures and indicators for Macro prudential risks. SAMA is continuing to review these for further refinements as relevant. SAMA has entered into a Memorandum of Cooperation with Capital Market Authority(CMA) in February 2012 to achieve a high degree of coordination between the two to strengthen oversight	<b>Planned actions (if any):</b> Finalize the Macroprudential Framework.  <b>Expected commencement date:</b> 2015  <b>Web-links to relevant documents:</b>
(13)		Ensure that national regulators possess the powers for gathering relevant information on all material financial institutions, markets and instruments in order to assess the potential for failure or severe stress to contribute to systemic risk. This will be done in close coordination at international level in order to achieve as much consistency as possible across jurisdictions. (London)	Please indicate whether an assessment has been conducted with respect to the powers to collect and share relevant information among different authorities – where this applies – on financial institutions, markets and instruments to assess the potential for systemic risk. Please indicate whether the assessment has indicated any gaps in the powers to collect information, and whether any follow-up actions have been taken.		

<sup>5</sup> The recommendation as applicable to shadow banks will be retained until the monitoring framework for shadow banking, which is one of the designated priority areas under the CFIM, is established.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>of entities subject to their control. Furthermore, SAMA currently has home / host supervisory relationship with many foreign central banks / supervisory authorities. Also, Saudi Arabia has enacted on 27/08/12 new laws to cover mortgage, leasing, finance companies which are going to strengthen supervision over such companies. The Capital Market Authority is tasked with the regulation of Investment Funds, Private bonds of Capital, etc. SAMA has powers under the Banking Control Law for gathering relevant information. Article 15 of the Banking Control Law requires banks to provide SAMA with a monthly consolidated return. Furthermore, Article 17 of the said Law empowers SAMA to require any bank to supply any information it deems necessary within such time and in such manner as maybe specified by it. In exercise of these powers, SAMA has introduced an Electronic Returns Management System(ERMS). The ERMS requires reports from banks on their domestic, foreign (both branches and subsidiaries) and consolidated operations. These reports are collected weekly, monthly,</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>quarterly, semi-annually and annually depending on the nature of data to be submitted. Thus, SAMA has necessary powers to collect whatever information/data it requires. SAMA already prepares quarterly Financial Soundness Indicators(FSI) for use in its monitoring of Systemic Financial Stability and also submits them to IMF. In 2013, SAMA has established a Financial Stability Unit (FSU) that is tasked to collect Macroprudential information for supervision. The FSU is concerned with Systemic Stability and also has the responsibility to develop the Financial Stability Report. The FSU has developed a Macroprudential information Dashboard that will be an important tool in its work.</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last</b></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				year's survey: Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>14 (14)</p> <p>(14)</p>	<p>Enhancing system-wide monitoring and the use of macro-prudential instruments</p>	<p>Authorities should use quantitative indicators and/or constraints on leverage and margins as macro-prudential tools for supervisory purposes. Authorities should use quantitative indicators of leverage as guides for policy, both at the institution-specific and at the macro-prudential (system-wide) level... (Rec. 3.1, FSF 2009)</p> <p>We are developing macro-prudential policy frameworks and tools to limit the build-up of risks in the financial sector, building on the ongoing work of the FSB-BIS-IMF on this subject. (Cannes)</p> <p>Authorities should monitor substantial changes in asset prices and their implications for the macro economy and the financial system. (Washington)</p>	<p>Please describe at a high level (including by making reference to financial stability or other public reports, where available) the types of systems, methodologies and processes that have been put in place to identify macroprudential risks, including the analysis of risk transmission channels. Please indicate the use of macroprudential tools in the past two years, including the objective for their use and the process used to select, calibrate, and apply them.</p> <p>See, for reference, the CGFS document on <a href="#">Operationalising the selection and application of macroprudential instruments (Dec 2012)</a>.</p> <p>Jurisdictions can also refer to the FSB-IMF-BIS progress report to the G20 on <a href="#">Macroprudential policy tools and frameworks (Oct 2011)</a>, and the IMF staff papers on <a href="#">Macroprudential policy, an organizing framework (Mar 2011)</a> and on <a href="#">Key Aspects of Macroprudential policy (Jun 2013)</a>.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>The Banking Control Law already provides for simple to understand quantitative leverage ratio for capital. SAMA also uses other simple ratios such as loans to deposit ratio in this regard. These ratios continue to be applied along with other risk sensitive ratios from the Basel Committee. In 2011, SAMA has introduced a new leverage ratio as proposed under the Basel III requirements.</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p>	<p><b>Planned actions (if any):</b> SAMA has implemented these in the Banking system in Saudi Arabia in 2011 and will continue to monitor this ratio until 2015 when the BCBS will finalize it.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Reform effective (completed) as of: <b>Short description of the content of the legislation/ regulation/guideline:</b> <b>Highlight main developments since last year's survey:</b> <b>Web-links to relevant documents:</b>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
15 (15)	Improved cooperation between supervisors and central banks	Supervisors and central banks should improve cooperation and the exchange of information including in the assessment of financial stability risks. The exchange of information should be rapid during periods of market strain. (Rec. V.8 , FSF 2008)	Please describe the institutional framework through which information sharing between supervisors and the central bank takes place, e.g. through internal or inter-agency committee or bilateral MoUs. Please also describe any initiative to remove identified obstacles to enhance cooperation and information sharing.	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : <b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <b>Status of progress :</b> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: February 2012 <b>Short description of the content of the legislation/ regulation/guideline:</b> SAMA has entered into a Memorandum of Co-operation with Capital Market Authority(CMA) in February 2012 to achieve a high degree of coordination between them and strengthen oversight of entities subject to their control.	<b>Planned actions (if any):</b> On-going.  <b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Furthermore, SAMA currently has home / host supervisory relationship with many foreign central banks / supervisory authorities. It has been extending supervisory cooperation and exchanging supervisory information with them as and when required. There are a number of instances where SAMA has shared supervisory information or extended supervisory cooperation to other supervisors. SAMA has also carried out Supervisory Review Visits to many countries and similarly many other supervisors have visited Saudi Arabia for supervisory purposes. Furthermore, SAMA is also a member of relevant supervisory colleges. As such, there are no impediments that hinder the exchange of appropriate supervisory information under the relevant laws.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.sama.gov.sa">www.sama.gov.sa</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VI. Improving oversight of credit rating agencies (CRAs)</b>					
16	Enhancing regulation and supervision of CRAs	All CRAs whose ratings are used for regulatory purposes should be subject to a regulatory oversight regime that includes registration. The regulatory oversight regime should be established by end 2009 and should be consistent with the IOSCO Code of Conduct Fundamentals. (London)	Jurisdictions should indicate the policy measures undertaken for enhancing regulation and supervision of CRAs including registration, oversight and sharing of information between national authorities. They should also indicate their consistency with the following IOSCO document:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment  <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed :  <b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input checked="" type="checkbox"/> Regulation / Guidelines <input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:  The draft CRA Regulations was published for market consultation in December 2012. The comments received are currently being reviewed by the CMA.  <b>Status of progress :</b> <input checked="" type="checkbox"/> Draft in preparation, expected publication by: 2014 <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Reform effective (completed) as of:	<b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b>  <b>Planned actions (if any):</b>  <b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>
(16)		National authorities will enforce compliance and require changes to a rating agency’s practices and procedures for managing conflicts of interest and assuring the transparency and quality of the rating process.	Jurisdictions may also refer to the following IOSCO documents:		
		CRAs should differentiate ratings for structured products and provide full disclosure of their ratings track record and the information and assumptions that underpin the ratings process.	<ul style="list-style-type: none"> <li>• <a href="#">Code of Conduct Fundamentals for Credit Rating Agencies (May 2008)</a></li> </ul>		
		The oversight framework should be consistent across jurisdictions with appropriate sharing of information between national authorities, including through IOSCO. (London)	<ul style="list-style-type: none"> <li>• Principle 22 of <a href="#">Principles and Objectives of Securities Regulation (Jun 2010)</a> which calls for registration and oversight programs for CRAs</li> <li>• <a href="#">Statement of Principles Regarding the Activities of Credit Rating Agencies (Sep 2003)</a></li> <li>• <a href="#">Final Report on Supervisory Colleges for Credit Rating Agencies (Jul 2013)</a></li> </ul>		
(16)		Regulators should work together towards appropriate, globally compatible solutions (to conflicting compliance obligations for CRAs) as early as possible in 2010. (FSB 2009)			
(New)		We encourage further steps to enhance transparency and competition among credit rating agencies. (St Petersburg)			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Regulations regulate the conduct of rating activities in the Kingdom, and the monitoring thereof, and specifies the procedures and conditions for obtaining an authorisation, which reflect the international best practice and standards aiming at achieving the desired objectives. The CRAs Regulations are drafted in accordance with international best practices and comply with IOSCO Principles including the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies, and have adequate regulatory provisions for supervision of the prospective CRAs</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://cma.org.sa/En/News/Pages/CMA_N_1244.aspx">http://cma.org.sa/En/News/Pages/CMA_N_1244.aspx</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
17 (17)	Reducing the reliance on ratings	<p>We also endorsed the FSB’s principles on reducing reliance on external credit ratings. Standard setters, market participants, supervisors and central banks should not rely mechanistically on external credit ratings. (Seoul)</p> <p>Authorities should check that the roles that they have assigned to ratings in regulations and supervisory rules are consistent with the objectives of having investors make independent judgment of risks and perform their own due diligence, and that they do not induce uncritical reliance on credit ratings as a substitute for that independent evaluation. (Rec IV. 8, FSF 2008)</p> <p>We reaffirm our commitment to reduce authorities’ and financial institutions’ reliance on external credit ratings, and call on standard setters, market participants, supervisors and central banks to implement the agreed FSB principles and end practices that rely mechanistically on these ratings. (Cannes)</p> <p>We call for accelerated progress by national authorities and standard setting bodies in ending the mechanistic reliance on credit ratings and encourage steps that</p>	No information on this recommendation will be collected in the current IMN survey since the report of the second stage of the thematic peer review has been published recently [insert link whenever published].		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
(New)		<p>would enhance transparency of and competition among credit rating agencies. (Los Cabos)</p> <p>We call on national authorities and standard setting bodies to accelerate progress in reducing reliance on credit rating agencies, in accordance with the FSB roadmap. (St Petersburg)</p>			

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VII. Enhancing and aligning accounting standards</b>					
18 (18)	Consistent application of high-quality accounting standards	Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards. (Washington)	<p>Jurisdictions should indicate the accounting standards that they follow and whether (and on what basis) they are deemed to be equivalent to IFRSs as published by the IASB or are otherwise of a high and internationally acceptable quality, and provide accurate and relevant information on financial performance. They should also explain the system they have for enforcement of consistent application of those standards.</p> <p>Jurisdictions may want to refer to their jurisdictional profile prepared by the IFRS Foundation, which can be accessed at: <a href="http://www.ifrs.org/Use-around-the-world/Pages/Jurisdiction-profiles.aspx">http://www.ifrs.org/Use-around-the-world/Pages/Jurisdiction-profiles.aspx</a>.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input checked="" type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> Since 1992 IAS (International Accounting Standards) and IFRS (International Financial Reporting Standards) have been implemented in Saudi Arabia. SAMA is responsible for oversight of Banks, CMA for listed Companies and Saudi Organization of Certified Public Accountants (SOCPA) for other companies. SAMA, CMA and SOCPA cooperate and coordinate initiatives in close collaboration with the industry. Saudi Arabia relies on the developments of the Accounting Standards by the IASC and has adopted IFRS as and when issued.</p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p>	<p><b>Planned actions (if any):</b> on going</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><b>Status of progress :</b></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Draft in preparation, expected publication by:</li> <li><input type="checkbox"/> Draft published as of:</li> <li><input type="checkbox"/> Final rule or legislation approved and will come into force on:</li> <li><input checked="" type="checkbox"/> Reform effective (completed) as of: 2013</li> </ul> <p><b>Short description of the content of the legislation/ regulation/guideline:</b> The consistent application of accounting standards are stated in PRs (Article 74), LRs(Article 11), IFRs (Article 36). Please also refer to weblink, for jurisdictional profile of KSA for IFRS application. <a href="http://www.ifrs.org/Use-around-the-world/Documents/Jurisdiction-profiles/Saudi-Arabia-IFRS-Profile.pdf">http://www.ifrs.org/Use-around-the-world/Documents/Jurisdiction-profiles/Saudi-Arabia-IFRS-Profile.pdf</a> CMA’s jurisdiction over authorised persons, listed companies, listing entities, investment fund, mandates all of these entities to consistently adhere to accounting standards issued by the Saudi Organisation of Certified Public Accountants (SOCPA).</p> <p><b>Highlight main developments since last year’s survey:</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.ifrs.org/Use-around-the-">http://www.ifrs.org/Use-around-the-</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				world/Documents/Jurisdiction-profiles/Saudi-Arabia-IFRS-Profile.pdf	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>19 (19)</p> <p>(19)</p>	<p>Appropriate application of Fair Value Accounting</p>	<p>Accounting standard setters and prudential supervisors should examine the use of valuation reserves or adjustments for fair valued financial instruments when data or modelling needed to support their valuation is weak. (Rec. 3.4, FSF 2009)</p> <p>Accounting standard setters and prudential supervisors should examine possible changes to relevant standards to dampen adverse dynamics potentially associated with fair value accounting. Possible ways to reduce this potential impact include the following: (1) Enhancing the accounting model so that the use of fair value accounting is carefully examined for financial instruments of credit intermediaries; (ii) Transfers between financial asset categories; (iii) Simplifying hedge accounting requirements. (Rec 3.5, FSF 2009)</p>	<p>Jurisdictions should indicate the policy measures taken for appropriate application of fair value accounting.</p> <p>See, for reference, the following BCBS documents:</p> <ul style="list-style-type: none"> <li>• <u>Basel 2.5 standards on prudent valuation (Jul 2009)</u></li> <li>• <u>Supervisory guidance for assessing banks' financial instrument fair value practices (Apr 2009)</u></li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2013, Use of valuation reserves or adjustment of fair value has been dealt in accordance with requirements of IAS and IFRS. Saudi Arabia is committed to follow the international standards where applicable. There is cooperation between supervisors and standard setters to ensure prudent monitoring of all the activities carried out by the entities which are subject to</p>	<p><b>If this recommendation has not yet been fully implemented, please provide reasons for delayed implementation:</b></p> <p><b>Planned actions (if any):</b> on-going</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>supervision of respective authorities.</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>VIII. Enhancing risk management</b>					
20 (20)	Enhancing guidance to strengthen banks' risk management practices, including on liquidity and foreign currency funding risks	Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to re-examine their internal controls and implement strengthened policies for sound risk management. (Washington)	Jurisdictions should indicate the policy measures taken to enhance guidance to strengthen banks' risk management practices. In particular, please indicate the status of implementation of the following standards:	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If "Not applicable" or "Applicable but no action envisaged ..." has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed :	<b>Planned actions (if any):</b> On-going related to Basel Committee.  <b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b>
(20)		National supervisors should closely check banks' implementation of the updated guidance on the management and supervision of liquidity as part of their regular supervision. If banks' implementation of the guidance is inadequate, supervisors will take more prescriptive action to improve practices. (Rec. II.10, FSF 2008)	<ul style="list-style-type: none"> <li>• BCBS <u>Basel III: International framework for liquidity risk measurement, standards and monitoring (Dec 2010)</u></li> <li>• BCBS <u>Principles for sound stress testing practices and supervision (May 2009)</u></li> </ul>	<b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <b>Status of progress :</b> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input type="checkbox"/> Reform effective (completed) as of:	
(20)		Regulators and supervisors in emerging markets <sup>6</sup> will enhance their supervision of banks' operation in foreign currency funding markets. (FSB 2009)	Jurisdictions may also refer to FSB's <u>thematic peer review report on risk governance (Feb 2013)</u> and BCBS <u>Peer review of supervisory authorities' implementation of stress testing principles (Apr 2012)</u>	<b>Short description of the content of the legislation/ regulation/guideline:</b> SAMA has continued to issue regulations to strengthen banks risk management	
(20)		We commit to conduct robust, transparent stress tests as needed. (Pittsburgh)			

<sup>6</sup> Only the emerging market jurisdictions that are members of the FSB may respond to this recommendation.

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>practices in line with international best practices. This has encouraged banks to strengthen and review their internal controls with regard to various financial risks which includes credit, liquidity, foreign currency, etc. and implement policies for sound risk management. The most recent regulations issued include the following on dates indicated:</p> <ul style="list-style-type: none"> <li>• Principles for the supervision of financial conglomerates in September 2012</li> <li>• Principles for effective risk data aggregation and risk reporting in February 2013</li> <li>• Basel Liquidity Coverage Ratio (LCR) in March 2013</li> <li>• Principles for the sound management of operational risk in November 2011</li> <li>• Principles for sound stress testing practices and supervision in August 2009</li> </ul> <p>In its regular supervisory process, SAMA continuously checks the implementation of such regulation. In 2013 and 2014, SAMA has issued the following regulations concerning BCBS standards related to various financial risks. These are listed hereunder:</p> <p>Circular Title Circular # and Issued Date 2014 Capital Requirements for bank exposures to central counterparties of April 2014 351000095018 Dated 1435/07/22(H)</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>2014/05/21(G) Standardized Approach for Measuring Counterparty Credit Risk Exposures 351000095021 Dated 1435/07/22(H) 2014/05/21(G) Frequently Asked Questions on Basel III's January 2013 Liquidity Coverage Ratio framework 351000095017 Dated 1435/07/22(H) 2014/05/21(G) Liquidity Coverage Ratio Disclosures Standards 35100005869 Dated 1435/05/08(H) 09/03/1(G) Progress in adopting the principles for Effective Risk data aggregation and risk reporting. 351000052427 Dated 1435/04/24(H) 24/02/14(G) 2013 SAMA's Prudential Returns Concerning Amended LCR based on BCBS Amendments of January 2013 107020 Dated 1434/09/02(H) 10/07/2013(G) Monitoring Tools for Liquidity Management of April 2013 85566 Dated 1434/07/10(H) 20/05/13(G) BCBS Press Release of 15 February 2013 concerning its final guidance for Managing Risks associated with the settlement of foreign exchange transactions 56407 Dated 1434/05/04(H) 16/03/13(G) Principles for Effective Risk Data Aggregation and Risk Reporting 37687 Dated 1434/04/15(H) 25/02/13(G)</p> <p><b>Highlight main developments since last</b></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				year's survey: Web-links to relevant documents:	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
21 (21)	Efforts to deal with impaired assets and raise additional capital	Our efforts to deal with impaired assets and to encourage the raising of additional capital must continue, where needed. (Pittsburgh)	Jurisdictions should indicate steps taken to reduce impaired assets and encourage additional capital raising. For example, jurisdictions could include here the amount of new equity raised by banks operating in their jurisdictions during 2013. Jurisdictions may also refer to the relevant IMF Financial Soundness Indicators at <a href="http://fsi.imf.org/">http://fsi.imf.org/</a> .	<input type="checkbox"/> Not applicable <input type="checkbox"/> Applicable but no action envisaged at the moment <i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i> <input checked="" type="checkbox"/> Implementation ongoing or completed : <b>Issue is being addressed through :</b> <input type="checkbox"/> Primary / Secondary legislation <input type="checkbox"/> Regulation / Guidelines <input type="checkbox"/> Other actions (such as supervisory actions), please specify: <b>Status of progress :</b> <input type="checkbox"/> Draft in preparation, expected publication by: <input type="checkbox"/> Draft published as of: <input type="checkbox"/> Final rule or legislation approved and will come into force on: <input checked="" type="checkbox"/> Reform effective (completed) as of: 2012 <b>Short description of the content of the legislation/ regulation/guideline:</b> Saudi Saudi Banking system had no major asset impairment issues arising from the global financial crisis. As a result no special measures were needed. SAMA has provided Banks specific guidance and direction to maintain strong capital and	<b>Planned actions (if any):</b> On-going.  <b>Expected commencement date:</b>  <b>Web-links to relevant documents:</b> <a href="http://www.sama.gov.sa">www.sama.gov.sa</a>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>liquidity levels and for adequacy of their provisioning. Over the years, Banks have been required to use countercyclical practices for strengthening the levels of their capital and provisions. During 2013/14, Saudi Banks have continued to increase their Tier-1 and Tier-2 Capital through retention of profits and specific long-term debt issues that qualified as Tier-2 Capital, and in 2013/14, approximately SR 13 billion were raised.</p> <p>In 2013/14, a number of Banks raised their Tier-2 capital to take advantage of the market. Also, the quality of assets in the Saudi Banking system is high. As at 31 December 2013 with NPLs at less than 2.0% of total loans and the NPL Coverage Ratio was 167%. <b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b> www.sama.gov.sa</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>22 (22)</p> <p>(New)</p>	<p>Enhanced risk disclosures by financial institutions</p>	<p>Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. (Washington)</p> <p>We encourage further efforts by the public and private sector to enhance financial institutions' disclosures of the risks they face, including the ongoing work of the Enhanced Disclosure Task Force. (St. Petersburg)</p>	<p>Jurisdictions should indicate the status of implementation of the disclosures requirements of IFRSs (in particular IFRS7 and 13) or equivalent. Jurisdictions may also use as reference the recommendations of the October 2012 report by the Enhanced Disclosure Task Force on <a href="#">Enhancing the Risk Disclosures of Banks</a> and <a href="#">Implementation Progress Report by the EDTF (Aug 2013)</a>.</p>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 1st January 2013</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b> Saudi Banks, Insurance companies and other Financial Institutions are subject to International Financial Reporting Standards and IFRS 7 has already been fully implemented in the financial sector in Saudi Arabia and IFRS 13 is being</p>	<p><b>Planned actions (if any):</b> Saudi Arabia will continue to implement relevant international disclosure requirements issued by the IFRS, Basel Committee, IOSCO and IAIS in the financial sector in Saudi Arabia.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>implemented effective January 2013. In addition, Banks are subject to and/are fully compliant with the Basel II, II.5 and III disclosure requirements.</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>IX. Strengthening deposit insurance</b>					
23 (23)	Strengthening of national deposit insurance arrangements	National deposit insurance arrangements should be reviewed against the agreed international principles, and authorities should strengthen arrangements where needed. (Rec. VI.9, FSF 2008)	<p>Jurisdictions should describe any revisions made to national deposit insurance system, including steps taken to address the following recommendations of the FSB’s February 2012 <a href="#">thematic peer review report on deposit insurance systems</a>:</p> <ul style="list-style-type: none"> <li>• Adoption of an explicit deposit insurance system (for those who do not have one)</li> <li>• Full implementation of the <a href="#">Core Principles for Effective Deposit Insurance Systems</a> jointly issued by BCBS and IADI in June 2009 (by addressing the weaknesses and gaps identified in peer review)</li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p>Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p>Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b> Under its Charter (1957), Saudi Arabian Monetary Agency (SAMA) has a specific mandate to "regulate" commercial banks as may be found appropriate. Depositor Protection is one of SAMA's objectives under its mandate. The 1966 Banking</p>	<p><b>Planned actions (if any):</b> Draft proposal will be sent for consultation in 2nd half of 2014.</p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>Control Law has explicit provisions that have enabled SAMA to establish a Depositor Protection Framework (DPF) that is considered as an alternative arrangement to a Deposit Insurance Scheme but shares many features similar to such schemes in other countries. The key provisions of the Banking Control Law that underpin the Depositor Protection Framework include the following: (i) Banks are required to maintain with the Agency at all times a statutory deposit of a sum not less than a specified percentage of deposit liabilities (the limit can be varied with the approval of the Minister of Finance). Currently, the ratios are 7% on demand and 4% on time deposits. (ii) Banks are required to maintain a liquid reserve of up to 20% of deposit liabilities in specified liquid assets. (iii) Banks are to transfer not less than 25% of their annual profit to a legal reserve until it equals their paid-up capital. (iv) Banks are to cap their deposit liabilities to fifteen times their paid-up capital and reserves. All features listed above are aimed at creating a strong Banking system that would ensure comprehensive protection of depositors. Over the years, the DPF has been used by the Agency to provide for depositor protection and to maintain and promote</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>financial system stability. Currently, SAMA is considering a Deposit Insurance Scheme.</p> <p><b>Highlight main developments since last year's survey:</b> SAMA has conducted a study on a Deposit Insurance Scheme and is currently discussing it with various stakeholders.</p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.sama.gov.sa">www.sama.gov.sa</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>X. Safeguarding the integrity and efficiency of financial markets</b>					
24 (24)	Enhancing market integrity and efficiency	We must ensure that markets serve efficient allocation of investments and savings in our economies and do not pose risks to financial stability. To this end, we commit to implement initial recommendations by IOSCO on market integrity and efficiency, including measures to address the risks posed by high frequency trading and dark liquidity, and call for further work by mid-2012. (Cannes)	<p>Jurisdictions should indicate whether high frequency trading and dark pools exist in their national markets.</p> <p>Jurisdictions should indicate the progress made in implementing the recommendation in the following IOSCO reports in their regulatory framework:</p> <ul style="list-style-type: none"> <li>• <a href="#">Report on Regulatory Issues Raised by the Impact of Technological Changes on Market Integrity and Efficiency (Oct 2011)</a>; and</li> <li>• <a href="#">Report on Principles for Dark Liquidity (May 2011)</a>.</li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p><input checked="" type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p>Articles Five and Six of the Capital Market Law (CML) stipulate that the CMA seeks to develop the procedures that would reduce the risks related to securities transactions and to monitor securities trading to protect investors from unfair or unsound practices, involving fraud, deceit or manipulation. Moreover, Articles Forty Nine , Fifty, Fifty Five, Fifty Six, Fifty Seven, Sixty and Sixty One of the CML further set out the practices and actions that constitute a violation of the provisions of the CML. As such, the CMA monitors the trading of securities. The</p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p>CMA continues to strengthen its supervisory and surveillance performance by intensifying close monitoring of all trading transactions to ensure compliance of market participants with the CML and its Implementing Regulations. The process of trading surveillance is carried out as follows: 1. The electronic surveillance system (SMARTS) generates alerts on any practices or trades that are suspected of violating the CML and its Implementing Regulations. 2. Intensive scanning is conducted on all daily trades and deals by analyzing market data and reviewing executed orders and transactions. 3. Reports are then produced on any suspected violation of the CML and its Implementing Regulations and forwarded to the concerned division/department for further investigation and necessary action</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 2004</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><b>Short description of the content of the legislation/ regulation/guideline:</b> Market Conduct Regulations</p> <p><b>Highlight main developments since last year's survey:</b></p> <p><b>Web-links to relevant documents:</b>  <a href="http://www.cma.org.sa/En/AboutCMA/CMALaw/Pages/default.aspx">http://www.cma.org.sa/En/AboutCMA/CMALaw/Pages/default.aspx</a>  <a href="http://cma.org.sa/En/Documents/Market%20Conduct%20Regulation-26-8-009.pdf">http://cma.org.sa/En/Documents/Market%20Conduct%20Regulation-26-8-009.pdf</a></p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<p>25 (25)</p> <p>(New)</p>	<p>Regulation and supervision of commodity markets</p>	<p>We need to ensure enhanced market transparency, both on cash and financial commodity markets, including OTC, and achieve appropriate regulation and supervision of participants in these markets. Market regulators and authorities should be granted effective intervention powers to address disorderly markets and prevent market abuses. In particular, market regulators should have, and use formal position management powers, including the power to set ex-ante position limits, particularly in the delivery month where appropriate, among other powers of intervention. We call on IOSCO to report on the implementation of its recommendations by the end of 2012. (Cannes)</p> <p>We also call on Finance ministers to monitor on a regular basis the proper implementation of IOSCO’s principles for the regulation and supervision on commodity derivatives markets and encourage broader publishing and unrestricted access to aggregated open interest data. (St. Petersburg)</p>	<p>Jurisdictions should indicate whether commodity markets of any type exist in their national markets.</p> <p>Jurisdictions should indicate the policy measures taken to implement the principles found in IOSCO’s report on <a href="#">Principles for the Regulation and Supervision of Commodity Derivatives Markets (Sep 2011)</a>.</p> <p>Jurisdictions, in responding to this recommendation, may also make use of the responses contained in the <a href="#">report</a> published by the IOSCO’s Committee on Commodity Futures Markets based on a survey conducted amongst its members in April 2012 on regulation in commodity derivatives market.</p>	<p><input checked="" type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input type="checkbox"/> Primary / Secondary legislation</p> <p><input type="checkbox"/> Regulation / Guidelines</p> <p><input type="checkbox"/> Other actions (such as supervisory actions), please specify:</p> <p><b>Status of progress :</b></p> <p><input type="checkbox"/> Draft in preparation, expected publication by:</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input type="checkbox"/> Final rule or legislation approved and will come into force on:</p> <p><input type="checkbox"/> Reform effective (completed) as of:</p> <p><b>Short description of the content of the legislation/ regulation/guideline:</b></p> <p><b>Highlight main developments since last year’s survey:</b></p> <p><b>Web-links to relevant documents:</b></p>	<p><b>Planned actions (if any):</b></p> <p><b>Expected commencement date:</b></p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
26 (New)	Reform of financial benchmarks	We support the establishment of the FSB's Official Sector Steering Group to coordinate work on the necessary reforms of financial benchmarks. We endorse IOSCO's Principles for Financial Benchmarks and look forward to reform as necessary of the benchmarks used internationally in the banking industry and financial markets, consistent with the IOSCO Principles. (St. Petersburg)	Collection of information on this recommendation will be deferred to the 2015 IMN survey given the ongoing policy work in this area, the reviews of interest rate and foreign exchange benchmarks during 2014, and the recent publication of IOSCO's Principles for Financial Benchmarks.		

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
<b>XI. Enhancing financial consumer protection</b>					
27 (27)	Enhancing financial consumer protection	We agree that integration of financial consumer protection policies into regulatory and supervisory frameworks contributes to strengthening financial stability, endorse the FSB report on consumer finance protection and the high level principles on financial consumer protection prepared by the OECD together with the FSB. We will pursue the full application of these principles in our jurisdictions. (Cannes)	<p>Jurisdictions should describe progress toward implementation of the OECD’s <a href="#">G-20 high-level principles on financial consumer protection (Oct 2011)</a>.</p> <p>Jurisdictions may also refer to OECD’s update <a href="#">report</a> including the <a href="#">Annex to the report on effective approaches to support the implementation of the High-level Principles</a> based around the following three priority principles:</p> <ul style="list-style-type: none"> <li>• <i>Disclosure and transparency</i></li> <li>• <i>Responsible business conduct of financial services providers and their authorised agents</i></li> <li>• <i>Complaints handling and redress</i></li> </ul>	<p><input type="checkbox"/> Not applicable</p> <p><input type="checkbox"/> Applicable but no action envisaged at the moment</p> <p><i>If “ Not applicable “ or “Applicable but no action envisaged ...” has been selected, please provide a brief justification:</i></p> <p><input checked="" type="checkbox"/> Implementation ongoing or completed :</p> <p><b>Issue is being addressed through :</b></p> <p><input checked="" type="checkbox"/> Primary / Secondary legislation</p> <p><input checked="" type="checkbox"/> Regulation / Guidelines</p> <p>Other actions (such as supervisory actions), please specify:</p> <p>Off-site and on-site monitoring</p> <p><b>Status of progress :</b></p> <p><input checked="" type="checkbox"/> Draft in preparation, expected publication by: June 2014 (Insurance)</p> <p><input type="checkbox"/> Draft published as of:</p> <p><input checked="" type="checkbox"/> Final rule or legislation approved and will come into force on: 1st September 2014 (Insurance)</p> <p><input checked="" type="checkbox"/> Reform effective (completed) as of: 1st September 2013 (Banking) - CMA-The provision for investor protection is a core objective, and the Capital Market Law and implementing regulation (APR) have explicit provisions, regarding complaints, Committee to resolve securities dispute.</p>	<p><b>Planned actions (if any):</b> Social media awareness campaign</p> <p><b>Expected commencement date:</b> June 2014</p> <p><b>Web-links to relevant documents:</b></p>

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><b>Short description of the content of the legislation/ regulation/guideline:</b>  Consumer Protection Principles, including ‘general principles’, ‘consumer rights and responsibilities’ and specific consumer commitments by article CMA The Capital Market Law, prescribes the formation of a Committee for Resolution of Securities Disputes, among many other related provisions for protecting of consumer, investor rights. These are stated in several article of the Capital Market Law (Article 23, 25, etc), stated in Article 10(e) of the Corporate Governance Regulations and Article 63 of the Authorised Persons Regulations. The Authority has also instituted an active programme for consumer awareness and education in financial literacy. These programmes are active, campaigns for which are consistent and periodically undertaken.</p> <p><b>Highlight main developments since last year’s survey:</b> 1. Banking Consumer Protection Principles effective 2. Retail Banking Professional Certificate introduced to accredit banking employees at basic competency level. 3. Enhanced credit card disclosures with new credit card information section on website, includes links to issuers’ fees and charges</p>	

No	Description	G20/FSB Recommendations	Remarks	Progress to date	Next steps
				<p><b>Web-links to relevant documents:</b>  <a href="http://www.sama.gov.sa/sites/samaen/ConsumerProtection/Pages/ConsumerProtectionPolicyDocs.aspx">http://www.sama.gov.sa/sites/samaen/ConsumerProtection/Pages/ConsumerProtectionPolicyDocs.aspx</a></p>	

**XII. Source of recommendations:**

[St Petersburg: The G20 Leaders' Declaration \(5-6 September 2013\)](#)

[Los Cabos: The G20 Leaders' Declaration \(18-19 June 2012\)](#)

[Cannes: The Cannes Summit Final Declaration \(3-4 November 2011\)](#)

[Seoul: The Seoul Summit Document \(11-12 November 2010\)](#)

[Toronto: The G-20 Toronto Summit Declaration \(26-27 June 2010\)](#)

[Pittsburgh: Leaders' Statement at the Pittsburgh Summit \(25 September 2009\)](#)

[London: The London Summit Declaration on Strengthening the Financial System \(2 April 2009\)](#)

[Washington: The Washington Summit Action Plan to Implement Principles for Reform \(15 November 2008\)](#)

[FSF 2008: The FSF Report on Enhancing Market and Institutional Resilience \(7 April 2008\)](#)

[FSF 2009: The FSF Report on Addressing Procyclicality in the Financial System \(2 April 2009\)](#)

[FSB 2009: The FSB Report on Improving Financial Regulation \(25 September 2009\)](#)

[FSB 2012: The FSB Report on Increasing the Intensity and Effectiveness of SIFI Supervision \(1 November 2012\)](#)

**XIII. List of Abbreviations used:**