

BANK OF BOTSWANA

CIRCULAR TO BANKS: NO. 1/2016

ISSUE DATE: March 7, 2016

SUBJECT: IMPLEMENTATION OF PILLAR 3 DISCLOSURE REQUIREMENTS

1. **Purpose**

1.1 *The purpose of this Circular is to provide additional clarification on the implementation of Pillar 3 Disclosure Requirements, that came into effect on January 1, 2016, as part of the Directive on the Revised International Convergence of Capital Measurement and Capital Standards for Botswana (Basel II).*

1.2 *This additional guidance relates specifically to the frequency of disclosure and it builds onto the Basel II Directive and related guidelines' Pillar 3 Disclosure Requirements.*

2. **Authority**

2.1 *This Circular is issued by the Bank of Botswana (Bank) pursuant to its authority set forth in Sections 13, 18 and 48 of the Banking Act (CAP. 46:04).*

3. **Frequency of Disclosure**

3.1 *The Basel II Guidelines are hereby amended by insertion of the following additions to paragraph 12.10:*

(i) *A bank's Pillar 3 report should be published concurrently with its financial report for the corresponding period. However, with regards to quarterly regulatory capital disclosures, and/or any other interim Pillar 3 disclosures (such as material changes of information on risk exposures or other items prone to rapid change), such disclosures should be published within five weeks after the end of the relevant quarter or interim period;*

(ii) *The quarterly and interim reporting referred to in (i) above, should correspond to the Bank's statutory returns reporting period, which runs from January to December.*

3.2 *This amendment explains the application of paragraph 6.2 of the Basel II Directive.*

4. **Enquiries**

4.1 *Any further clarification sought with regard to the interpretation of this Circular should be addressed to the Director, Banking Supervision Department, Bank of Botswana, Private Bag 154, GABORONE.*



Lesedi S Senatla

DIRECTOR

BANKING SUPERVISION DEPARTMENT