



TURKS AND CAICOS ISLANDS FINANCIAL SERVICES COMMISSION

Regulating with Honesty, Integrity and Transparency

03 March 2023

REGULATORY ADVISORY NO. 4 of 2023

NOTICE OF CHANGES TO GUIDELINE ON CREDIT RISK ASSESSMENT, CLASSIFICATION AND PROVISIONING

The Commission hereby issues this notice in respect of modifications to the Guideline on Credit Risk Assessment, Classification and Provisioning issued in September 2023. The modifications are expected to provide greater clarity to licensees in relation to the treatment of provisions.

The specific modifications to the Guideline are as follows:

- i) Amendment to section 10.9 to indicate that General Provisions may be treated as a capital item provided it does not violate the accounting standards and subject to the Basel Accord¹.
- ii) Amendments to Schedules I and II
- iii) Inclusion of Schedule III – Accounting Standards Review of Investments and Debt Securities
- iv) Inclusion of Schedule IV – Accounting Standards Review of Other Credit Risk Facilities
- v) Inclusion of Schedule V – Calculation of General Provisions

Please be guided accordingly.

Nigel Streete
Managing Director

¹ Hence, there would be no need for general provision to be reflected on the liquidity analysis return, or to be netted from assets.

