



# 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 Accord<sup>1</sup>.
- 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.

Niguel Streete  
**Managing Director**

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

