

The Corporation for Deposit Insurance’s guidelines on the implementation of banks’ public awareness obligations

Version control

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| 1.0 | 14 December 2023 | Draft guidelines on the implementation of bank’s public awareness obligations. | |
| 2.0 | 19 February 2024 | Final guidelines on the implementation of banks’ public awareness obligations. | Updated with the comments received from banks. |
| 3.0 | 12 June 2024 | Final guidelines on the implementation of banks’ public awareness obligations. | Included the interpretation of the term ‘product’ as referred to in regulation 25(3) of the Regulations |

1. Introduction

Banks' public awareness requirements have been included in the Deposit Insurance Regulations of 2024 (Regulations), effective from 1 April 2024.

The Regulations oblige banks to make true, correct and complete representations with respect to depositor protection when communicating about depositor protection. This requires that banks make use of the training and/or training materials provided by the Corporation for Deposit Insurance (CODI) to train their customer-facing staff to provide deposit protection information to depositors in a manner that is consistent, standardised and accurate. In this regard, CODI will guide and assist banks with their public awareness efforts by providing them with training and/or training materials for their customer-facing staff to ensure that information sharing across banks is consistent, standardised and accurate.

Banks must also provide depositors with deposit protection materials approved by CODI.

To ensure consistent communication to depositors, CODI will provide banks with deposit insurance information for distribution to their depositors.

The purpose of this document is to provide banks with guidelines on the minimum requirements for the implementation of CODI's public awareness obligations, effective from 1 April 2024. These guidelines must be read together with the Regulations and CODI's corporate identity manual (CODI CI manual).

Throughout this document, the requirements as per the Regulations will be stated and followed by the guidelines from CODI.

2. Legislative requirements and CODI's guidelines on the implementation of banks' public awareness obligations

Regulation 25(1): A bank must make information about depositor protection readily available and visible to depositors.

- 2.1 CODI has developed standardised deposit insurance information in the form of a brochure, which it made available to banks for distribution to their depositors from 1 April 2024, in accordance with regulation 24 of the Regulations. The brochure will initially be available in English in both printed and digital formats.
- 2.2 Banks are discouraged from making photocopies of the printed brochures provided by CODI. In circumstances where a bank requires additional printed brochures, it must print the additional brochures in colour copy only.
- 2.3 If a bank prints the brochures itself, it must print them in colour. Banks cannot make any changes to the language, font size, style and colour of the brochures, but they can add their own branding to the brochures if they do their own printing.
- 2.4 CODI will provide digital brochures to all banks.
- 2.5 Banks must make the brochure readily available and visible to depositors in at least their branches and places of business or one digital platform, such as their website, social media platforms, automated teller machine (ATM) screens, branch screens and/or banking applications, based on the communication channels preferred by their customers.
- 2.6 CODI has made available a hyperlink directing banks and depositors to its website. If a bank cannot display CODI's brochure on its website, social media platforms or any other digital platform, it must make the hyperlink, which has been provided by CODI, readily available and visible on its social media platforms and other digital platforms. Banks must inform depositors that the hyperlink will direct them to CODI's webpage where they can access depositor protection information.

- 2.7 Banks may display CODI's poster on their branch screens, together with other content. Banks which display CODI's poster on their branch screens do not have to keep physical brochures in their branches or places of business.
- 2.8 CODI may conduct 'mystery shopping' on banks' digital and/or physical platforms to check if the deposit insurance materials are readily available and visible to depositors.

Regulation 25(2): When informing a depositor about depositor protection and in advertising materials, a bank must:

- (a) make true, correct and complete representations with respect to:**
- (i) what constitutes a qualifying depositor;**
 - (ii) whether a product qualifies for depositor protection;**
 - (iii) the limit of cover applicable to depositor protection as specified in these [R]egulations; and**
 - (iv) its membership to the Corporation;**
- (b) only use standardised material approved by the Corporation.**

- 2.9 Banks must use the information provided by CODI to inform depositors about depositor protection, and they must ensure that their customer-facing staff undergo deposit insurance training annually to be able to give depositors accurate information.
- 2.10 Where a depositor requires information on CODI and/or deposit insurance beyond the scope of the materials provided by CODI, or which the bank's staff are unable to answer with sufficient certainty, the bank is to refer the depositor to CODI.
- 2.11 Banks' customer-facing staff may direct depositors to [CODI's webpage](#) or, alternatively, banks can instruct depositors to contact CODI at CODI@resbank.co.za. CODI's contact details will also be available on CODI's collateral.
- 2.12 CODI will make available to banks the following types of membership signs in the form of a logo:

- a printed membership sign; and
- a digital membership sign in an open file format.

2.13 No modifications can be made to the printed membership signs provided by CODI, and no reproduction is allowed.

2.14 CODI will provide the digital membership signs to banks. Modifications can only be made to their overall size, provided that the proportions and colours of the membership representation, as provided by CODI, are maintained, and the font size and print are clearly legible.

2.15 Banks must display the sign on their selected digital or physical platforms from 1 April 2024, in line with the requirements of CODI's CI manual.

2.16 Banks may refer to CODI's CI manual for further details on the use and modification of the membership sign.

2.17 CODI will not provide banks with a standard tagline for all television, radio or digital adverts. However, in terms of the Regulations, banks may only communicate the following information in an advertisement:

- what constitutes a qualifying depositor;
- whether a product qualifies for depositor protection;
- the limit of cover applicable to depositor protection as specified in the Regulations; and
- their membership to CODI.

2.18 In terms of the Regulations, deposit insurance disclosure is not a requirement for marketing and advertising materials. However, when a bank chooses to include a deposit insurance disclosure on its marketing and advertising materials, it may only make statements relating to:

- the fact that CODI provides protection to qualifying depositors if their bank fails;
- what constitutes a qualifying depositor;
- whether a product qualifies for depositor protection;
- the limit of cover applicable to depositor protection as specified in the Regulations; and
- the bank's membership to CODI.

2.19 Banks may not display CODI's membership sign in an advertisement of a product that does not qualify for deposit insurance.

Regulation 25(3): A bank must state in the terms and conditions of a product whether the depositor and product qualifies for depositor protection.

2.20 Regulation 25(3) of the Regulations is silent regarding whether the terms and conditions of a product that was previously provided to a depositor should be amended to specify whether the depositor and product qualify for depositor protection. Regulation 25(3) only applies to the terms and conditions contained in newly concluded agreements with depositors.

2.21 Examples of newly concluded products include the following:

- the opening or renewal of deposit accounts by a bank's existing depositors; and
- the opening of deposit accounts by new customers.

2.22 CODI has, under regulation 38(3) of the Regulations, exempted all banks¹ from regulation 25(3) of the Regulations, which requires banks to state in the terms and conditions of a product whether the depositor and product qualifies for depositor protection.

2.23 CODI has granted the exemption to banks for a period of six months, commencing on 1 April 2024 until 30 September 2024. The exemption aims to grant banks an additional period of six months to comply with the requirements of regulation 25(3)

¹ As defined in the Financial Sector Regulation Act 9 of 2017.

of the Regulations. As such, from 1 October 2024, all newly concluded agreements must state in the terms and conditions of a product whether the depositor and product qualify for depositor protection in line with regulation 25(3).

2.24 CODI has issued communication to banks (via a letter) clarifying the meaning of the term 'product', as referred to in regulation 25(3) of the Regulations.

2.25 CODI interprets the term 'product' as referred to in regulation 25(3) of the Regulations as limited to qualifying products held by qualifying depositors and depositors that do not qualify for deposit insurance coverage in terms of the definition of qualifying deposit in the Financial Sector Regulation Act 9 of 2017 (FSR Act).

2.26 Banks may use the following wording to update the terms and conditions of a product:

- Covered deposits:

"If held by a qualifying depositor, this product is a qualifying deposit covered by the Corporation for Deposit Insurance up to the limit of cover specified in the Deposit Insurance Regulations made in terms of the Financial Sector Regulation Act 9 of 2017."

- Qualifying deposits held by depositors that do not qualify for deposit insurance coverage in terms of the definition of a qualifying deposit in the FSR Act:

"This product is not covered by the Corporation for Deposit Insurance."

Regulation 25(4): A bank must ensure that its customer-facing staff undergo depositor protection training annually using the training or training materials made available by the Corporation in accordance with regulation 24(c).

2.27 Banks must ensure that their customer-facing staff undergo depositor protection training annually to be able to give depositors accurate information about CODI.

- 2.28 CODI developed and distributed the initial training materials or the details of the training sessions to banks by the end of March 2024. However, the requirement for annual deposit insurance training for customer-facing staff became applicable on 1 April 2024. Initially, CODI will provide virtual training sessions and/or recorded training sessions with supporting PDF materials to banks, starting in February 2024.
- 2.29 Banks must conduct annual refresher training sessions for their customer-facing staff using the training materials, including the recorded training sessions, provided by CODI.
- 2.30 In future, CODI can consider other formats for the annual training to banks' customer-facing staff that may integrate better with banks' training programmes and platforms.
- 2.31 Banks must conduct assessments of the customer-facing staff members' knowledge of deposit insurance, including CODI's coverage rules as well as the limit of cover for covered deposits. CODI may, from time to time, request a summary of the outcome of the assessments. These assessments must be conducted by 31 March of each year.
- 2.32 Newly registered banks may request CODI to conduct the initial training sessions for their customer-facing staff.

3. Monitoring banks' compliance with the deposit insurance public awareness requirements

Banks must use the Regulations, the CODI CI manual and these guidelines to assess their compliance with the deposit insurance public awareness requirements. This assessment must be done by 31 March of each year and submitted to CODI upon request. Based on the results of the assessment and on the implementation experience, CODI may review and develop further public awareness guidelines for banks.