



Release of the Prudential Authority's *Regulatory Strategy and Memorandums of Understanding*

The Prudential Authority (PA) is pleased to announce the release of its *Regulatory Strategy* for the period 2018–2021, in accordance with the provisions of section 47 of the Financial Sector Regulation Act 9 of 2017 (FSR Act). This *Regulatory Strategy* provides information regarding the PA's approach to regulation and supervision, the principles that will guide its regulatory and supervisory decisions, the PA's key priorities over the next three years, and the key outcomes that the PA intends to achieve in order to realise its objectives.

The Prudential Committee of the PA, which is Chaired by the Governor of the South African Reserve Bank (SARB) and comprises the Chief Executive Officer of the PA (who is also a Deputy Governor of the SARB) and the other two Deputy Governors of the SARB, is required to adopt a regulatory strategy to give general guidance to the PA in the achievement of its objectives and the performance of its regulatory and supervisory functions.

The Prudential Committee will review the regulatory strategy annually and may amend the strategy accordingly. The committee shall endeavour to communicate any amendments timeously and in an open and transparent manner to assist with the transition of the financial sector regulatory landscape into the Twin Peaks architecture.

As required by the FSR Act, the PA has concluded memorandums of understanding (MoUs) with the Financial Sector Conduct Authority, National Credit Regulator, Financial Intelligence Centre and the SARB, and will also be publishing these MoUs. Effective cooperation, coordination and collaboration between the different regulators and the SARB is crucial for the optimum functioning of the Twin Peaks regulatory framework to ensure effective alignment and efficiencies in the regulatory and supervisory approaches.

The *Regulatory Strategy* and the MoUs can be accessed at:

<http://www.resbank.co.za/PrudentialAuthority/FinancialSectorRegulation/Pages/Financial-Sector-Regulation-Act.aspx>

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