



South African Reserve Bank

Invitation to comment on the discussion paper titled ‘Group structure reporting requirements for resolution planning’

The [Financial Sector Laws Amendment Bill \(FSLAB\)](#) was tabled in Parliament in mid-August 2020. The promulgation of the FSLAB will strengthen the ability of the South African Reserve Bank (SARB) to manage the orderly resolution or winding down of a failing financial institution. The amendments will ensure that critical functions are maintained in the event of a designated institution (DI) failure, thereby limiting disruptions in the financial system and the impact on the economy.

The SARB will publish a series of discussion papers, with the focus on the key aspects that will affect and facilitate the implementation of the resolution framework. These discussion papers will be converted into secondary legislation, after the promulgation of the FSLAB. The policy proposals in the discussion papers will take into account applicable international standards as well as country-specific characteristics.

Section 166E of the FSLAB, once promulgated, will place an obligation on the SARB to develop resolution plans for all DIs, irrespective of their probability of failure. All entities in a financial conglomerate are DIs for the purposes of resolution planning, unless they are excluded by the Governor.

The objective of [this discussion paper](#) is to set out criteria to identify resolution groups, that is, which entities in a financial conglomerate should be treated as part of a DI, and which entities could be excluded by the Governor without affecting the ability of the SARB to conduct an orderly resolution. These criteria will also inform DI’s future reporting requirements on their group structures, for resolution planning purposes.

Contact details and deadline for comments

Comments on this discussion paper should be addressed to:

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Please state your affiliation or whether you are commenting in your personal capacity.

Please also note that a summary of the comments received may be published, unless respondents explicitly request otherwise.

The closing date for comments is 30 November 2020.