



South African Reserve Bank

**05 October 2020**

**Invitation to comment on the proposed methodology to determine which insurers are systemically important within the South African context**

In terms of section 29 of the Financial Sector Regulation Act 9 of 2017 (FSR Act), the Governor of the South African Reserve Bank (SARB) may, by written notice to a financial institution, designate the institution as a systemically important financial institution (SIFI).

The FSR Act prescribes the formal process that must be followed prior to such a designation, and the development and publication of the discussion document titled '[A methodology to determine which insurers are systemically important within the South African context](#)' is an initial step towards meeting these requirements.

The document sets out the indicators, sub-indicators and possible judgement considerations that should be taken into account when determining the systemic significance of both life and non-life insurers, prior to designating an insurer as a SIFI.

Designation as a SIFI in terms of the FSR Act is a legally prescribed process of which the outcome is published, and which provides the SARB with additional powers and responsibilities to protect financial stability.

**Contact details and deadline for comments**

Comments on this discussion document should be addressed to:

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Please indicate 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 4 December 2020.