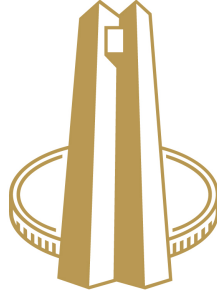


Project for the establishment of the Corporation for Deposit Insurance

April 2021



SOUTH AFRICAN RESERVE BANK



A purposeful journey

From The CEO's Desk

Welcome to the first **CoDI Newsletter** in which we would like to share progress on the establishment of a deposit insurance scheme for South Africa, the only G-20 country without explicit deposit insurance. The main objectives of the scheme will be to protect depositors, promote awareness thereof and contribute to financial stability. The promulgation of the Financial Sector Laws Amendment Bill (FSLAB) has taken a big step forward with the tabling of the Bill in Parliament and its introduction to the Standing Committee on Finance (SCOF) in March 2021. CoDI has published several discussion papers on which the banking sector and other stakeholders commented. These discussion papers will form the basis of secondary legislation. The establishment of governance structures, staffing of CoDI and the planning for the development of a technology solution are in advanced stages. The journey to date and focus areas going forward are shared elsewhere in this Newsletter. Please provide us with your comments and send us any questions you might have. Look out for this Newsletter in which we will share developments and progress on this very exciting project.

Meet the CoDI management team



Hendrik Nel
Interim CEO



Sabihah Mohamed
Policy Manager



Pregasen Moodley
Operations Manager



Stefan Wolvaardt
Programme Manager

The CoDI Journey To Date

- ✓ 2014: Decision made to implement a deposit insurance scheme and initial proposals made
- ✓ 2016: Development of the Resolution Bill (became the FSLAB)
- ✓ 2017: Publication: *Designing a deposit insurance scheme for South Africa - a discussion paper*
- ✓ 2018: Project for the establishment of the Corporation for Deposit Insurance (CoDI) commenced
- ✓ 2018: Publication of the *FSLAB* for comment
- ✓ 2020: Publication of the *Coverage and reporting rules discussion paper*
- ✓ 2020: Publication of the discussion paper: *The deposit insurance funding model and the implications for banks*
- ✓ 2021: Publication of the *Data definition and reporting requirements discussion paper*
- ✓ 2021: Establishment of CoDI as a separate department of the South African Reserve Bank (SARB)
- ✓ 2021: Introduction of the FSLAB to the Standing Committee on Finance (SCOF) in Parliament
- ✓ 2021: Publication of the Expression of Interest to identify vendors to develop CoDI's core system

The Three Focus Areas Of The CoDI Project

CoDI

Establishment of CoDI as a company

- * Establishment of the governance framework, including interim CEO and shadow board
- * Management agreement between the SARB and CoDI

IT systems for data collection & payout

- * Definition of business requirements
- * Systems development & integration

Legislative framework

- * Promulgation of the Financial Sector Laws Amendment Bill
- * Promulgation of the secondary legislation

Meet The Newest CoDI Team Member



Alicia Potgieter joined the CoDI Policy Division on 12 April 2021. Before joining the CoDI team, Alicia was a legal consultant in the Prudential Authority's Legal Support Division in the Policy, Statistics and Industry Support Department.

Welcome Alicia!

Next Steps For The CoDI Project

In the following months the CoDI project will do the following:

- ➔ Establish the shadow board to involve external decision-makers to facilitate key decisions and policy finalisation
- ➔ Publish a discussion paper focusing on the use of the deposit insurance fund for the reimbursement of covered depositors
- ➔ Work with banks on the completion of a deposit insurance survey
- ➔ Publication of a request for proposals to appoint a vendor to assist with the development of CoDI's core system
- ➔ Participate with National Treasury in presentations to SCOF on the FSLAB

Please give us feedback!

Please let us know if you found this newsletter useful or if there is anything you would like us to cover in future editions!

Any questions on the overall CoDI project or any of its focus areas can be sent to CoDI@resbank.co.za



Thank you for supporting the CoDI Project!