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SOUTH AFRICAN RESERVE BANK



A purposeful journey

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Financial Stability Department

Invitation to comment on a discussion document on the proposed requirements for funding in resolution

The South African Reserve Bank (SARB) has published, for public comment, a discussion document titled 'proposed requirements for funding in resolution'. The discussion document expands on the proposals set out in the 2019 discussion paper published by the SARB under the title 'Ending too big to fail: South Africa's intended approach to bank resolution'.

This discussion document outlines: (i) proposed requirements for designated institutions to estimate, assess and develop *ex ante* funding arrangements to finance their liquidity needs and preserve the critical functions in a resolution; and (ii) proposed arrangements to be put in place by the SARB as a participant in the financial safety net. The policy proposals in the discussion document take into account applicable international standards, as well as country-specific characteristics, and are aimed at improving the resolvability of designated institutions.

The SARB will publish a series of discussion papers, focusing on the key aspects that will affect and facilitate the implementation of a resolution framework in South Africa. These discussion documents will be adapted into a regulatory instrument upon conclusion of the consultative process and after promulgation of the [Financial Sector Laws Amendment Bill \(FSLAB\)](#). The FSLAB was tabled in Parliament during August 2020. The promulgation of the FSLAB will establish the SARB as a resolution authority and empower it to manage the orderly resolution or winding down of a failed or failing designated institution.

Contact details and deadline for comments

Comments on the discussion paper should be addressed to:

Head: Financial Stability Department

South African Reserve Bank

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Tel.: +27 12 313 3601

Email: FST-RPD@resbank.co.za

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 **3 May 2021**.