



SOUTH AFRICAN RESERVE BANK

## **MEDIA STATEMENT**

3 April 2023

### **Deposit insurance body established as Finance Minister Enoch Godongwana publishes commencement schedule as part of the implementation of the Financial Sector Laws Amendment Act.**

The South African Reserve Bank has established South Africa's first deposit insurance body, the Corporation for Deposit Insurance (CODI), to protect bank depositors and bring further confidence to a resilient financial sector.

The Corporation for Deposit Insurance (CODI) became a legal entity as of 24 March 2023, as set out in the commencement schedule published by Finance Minister Enoch Godongwana. The commencement schedule outlined the dates at which the resolution and deposit insurance provisions in the Financial Sector Laws Amendment Act 23 of 2021 (FSLAA) come into operation. The FSLAA was signed into law by President Cyril Ramaphosa in 2022.

CODI's primary responsibilities are establishing, maintaining and administering a deposit insurance fund to protect the banks' covered depositors and inform the depositors of its benefits and limitations should a bank be placed into resolution.

CODI is developing secondary legislation which specifies the cover limit for depositors. The secondary legislation will be passed through a Parliamentary process and published by National Treasury in 2023. The legislation is required for CODI to become operational in 2024 and provide the necessary protection for depositors.

While CODI is a statutory body and a subsidiary of the SARB, it has an independent board which will manage and oversee its affairs. CODI has been collaborating with South African financial institutions and other stakeholders, including the World Bank, to ensure a smooth implementation of the deposit insurance scheme.

CODI is part of the Twin Peaks regulatory reforms following the 2008/09 global financial crisis. Its establishment supports the SARB's mandate of protecting and enhancing financial stability by monitoring the financial environment and mitigating systemic risks that might disrupt the financial system.

Please see the download link for video and audio files, in English and Afrikaans which explains the establishment of CODI: <https://we.tl/t-eSaBmxEcPI>

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