



Ref.: 15/8/1/5

SOUTH AFRICAN RESERVE BANK
Prudential Authority

Notice of invitation for comments:
Draft Prudential Standards for financial conglomerates

The Prudential Authority (PA) in accordance with section 98 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act) has published draft Prudential Standards for financial conglomerates together with accompanying documents as required under the FSR Act. In addition, the PA published a comment matrix on comments received during informal industry consultation, draft reporting templates and a draft determination in terms of auditor application forms.

In this regard, the following documents have been published:

1. Prudential Standard FC02 – Intragroup transaction and exposure requirements for financial conglomerates;
2. Prudential Standard FC03 – Auditor requirement for financial conglomerates and draft determination for auditor applications – (attached to FC03);
3. Prudential Standard FC04– Governance and risk management requirements for financial conglomerates;
4. Prudential Standard FC05 – Risk concentration requirements for financial conglomerates;
5. Statement of need, intended operation and expected impact (Statement);
6. Draft reporting templates;
7. Comment matrix from the informal industry consultation; and
8. Submission template.

At this point, the PA will not be issuing a capital standard for financial conglomerates as it will field test technical capital specifications with the holding company of a financial conglomerate prior to making a capital standard.

In accordance with section 98(1)(a)(iv) of FSR Act, the PA invites submissions in relation to the draft Prudential Standards, draft determination, reporting templates and Statement.

Submissions must be made in writing using the attached submission template. The submission template must be e-mailed to **PA-FinConglomerates@resbank.co.za** for the attention of Mr Grant Bushney.

The deadline for submissions is **26 November 2020**.

Issued by the Prudential Authority

Date: 14 October 2020