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**DRAFT FOR PUBLIC CONSULTATION**

**Questionnaire**

**Assessment of the expected impact of the draft Prudential Standards on Financial Soundness for Co-operative Financial Institutions (CFIs) and Co-operative Banks**

The Prudential Authority (PA) is proposing draft standards which outline requirements for financial soundness requirements for Co-operative Financial Institutions (CFIs) and Co-operative Banks. As part of the process for making Standards in terms of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), the PA is also expected to publish a statement of the expected impact of the standard under consideration. Against this background, the information is being gathered in order to ascertain the expected impact of the financial soundness requirements on the sector.

The responses to the questionnaire will be anonymised and used to assess the expected impact of the proposed requirements. The Standards aim to address matters related to the financial soundness, governance, registration and operational requirements, and risk management requirements for CFIs and Co-operative banks.

This Questionnaire is related to:

* **Prudential Standard – Financial Soundness requirements for Co‑operative Financial Institutions (CFIs) and Co-operative Banks**

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| **Information on responding institution** | |
| **Name of institution** |  |
| **Name and position of respondent** |  |
| **Type of institution** |  |
| **Size of institution**  please state total assets or other indicator(s) that describe the size of your institution, total assets, or other indicators (please specify) |  |
| **Please state the main supervisor(s) of activities at your institution under financial sector legislation** |  |

**PART 1: GENERAL QUESTIONS**

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| * 1. **What procedures are in place to assist management and the Supervisory or Audit Committee to identify, monitor and manage the risks that arise out of activities of the CFI or Co-operative bank that may have an impact on the financial soundness of the institution?** |
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| * 1. **How frequently are the policies and procedures to review financial indicators reviewed and updated by the Supervisory and Audit Committee?** |
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| * 1. **How does the CFI or Co-operative Bank currently assess the effectiveness of the financial soundness indicators in place?** |
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**PART 2: CURRENT AND EXPECTED CHANGES IN OVERALL COSTS**

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| * 1. **How will the proposed standards impact on your organisation or operations in terms of costs? What do you see as the main drivers of costs or risks to the organisation?** |
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| * 1. **Overall, what are the anticipated additional costs (e.g. staffing, systems, processes, contracts etc.) to implementing the requirements in your organisation? What particular aspects of the proposed framework will increase either costs or risks to the operations of the business?** |
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| * 1. **Do you anticipate that the costs of compliance with the requirements will have an impact on the institution’s ability to comply with other prudential or conduct requirements imposed on the CFI or Co-operative bank? If so, how will the costs or risks identified above be managed or minimised?** |
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| * 1. **Do you consider impact of the additional costs to your organisation to be high, medium or low? Please give reasons** |
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| * 1. **To what extent will the costs impact the depositors and members of the institution? How will the costs or risks to depositors be managed or minimised?** |
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| * 1. **What other challenges do you foresee in relation to compliance with the standards?** |
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**PART 3: EXPECTED BENEFITS**

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| * 1. **What do you see as the main benefits of the proposed requirements for your organisation and operations?** |
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| * 1. **Do you consider the impact of the additional benefits to your organisation to be high, medium or low? Please provide reasons** |
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| * 1. **Are there any additional matters of compliance with the proposed standard that you wish to bring to the attention of the PA?** |
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