



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Questionnaire

Assessment of the expected impact of the draft prudential standard on Governance and risk management requirements for Mutual Banks

The Prudential Authority (PA) is proposing requirements for governance and risk management for mutual banks. As part of the process for making standard 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 corporate governance requirements on the sector.

The responses to the questionnaire will be anonymised and used to assess the expected impact of the proposed requirements. The standard aims to address matters related to the roles, responsibilities, fitness and propriety and appointment of the members of the board of directors, and is intended to set out minimum requirements to be complied with by mutual banks and matters related to the business, including (but not limited to):

- The role of the board of directors in the governance framework
- Fitness and propriety of key persons; and
- Risk management.

Information must please be provided for the period ending **September 2020**.

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	
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PART 1: GENERAL QUESTIONS

1.1 What other types of activities or functions does your institution undertake?

1.2 Is your institution in a position to quantify the significance of the impact of the standard? If not, please clarify

1.3 What are the procedures and controls to help the board of directors and management identify, measure, monitor and manage the risks that arise out of the core business lines?

1.4 What risk management systems are used by the mutual bank to identify, monitor and manage risks arising out of its core activities?

1.5 How frequently are the risk management policies and procedures reviewed and updated by the board?

1.6 How does the mutual bank assess the effectiveness of the policies and related procedures for assessing the risks associated with its primary business activities?

PART 2: CURRENT AND EXPECTED CHANGES IN OVERALL COSTS

2.1 How will the proposed standard impact on your organisation or operations in terms of costs? What do you see as the main costs or risks to the organisation?

2.2 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?

2.3 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 mutual bank? If so, how will the costs or risks identified above be managed or minimised?

2.4 Do you consider impact of the additional costs to your organisation to be high, medium or low? Please give reasons

2.5 To what extent will the costs impact the depositors? How will the costs or risks to depositors be managed or minimised?

2.6 What other challenges do you foresee in relation to compliance with the standard?

PART 3: EXPECTED BENEFITS

3.1 What do you see as the main benefits of the requirements for your organisation and operations?

3.2 Do you consider impact of the additional benefits to your organisation to be high, medium or low? Please provide reasons

3.3 Are there any other matters regarding benefits of compliance with the proposed standard that you wish like to bring to the attention of the PA?