

Financial Sector Regulation Act, 2017

Notice of invitation to submit comments on the Discussion Document on the PA Government Bond Curve Review

The Prudential Standard FSI 2.2, which was published in 2018, requires insurers to use the PA Government Bond Curve as the risk-free interest rate term structure to discount cash-flows for the purposes of valuing technical provisions.

The Prudential Authority today publishes a Discussion Document on the review undertaken by the PA on both the constituent data set and the construction methodology underlying the PA Government Bond Curve. Alternative curve construction methodologies were considered in the review. The Discussion Document aims to invite comments from industry stakeholders on the review undertaken and the recommendations presented therein.

The PA hereby releases for public consultation

1. The discussion document on the PA Government Bond Curve Review;
2. A comment template.

The comments and responses should be submitted to the Prudential Authority at the following e-mail address: PA-Standards@resbank.co.za for the attention of Ms Vuyile Luyaba on or before 23 November 2021.