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SOUTH AFRICAN RESERVE BANK
Prudential Authority

Notice of invitation to comment on the proposed guidance notice and the draft prudential standard on liquidity risk management for insurers

The Prudential Authority hereby invite submissions on the draft Prudential Standard on Liquidity Risk Management for Insurers, Guidance Notice on Liquidity Risk Management for Insurers and Statement of the need for, expected impact, and intended operation of the proposed framework for liquidity risk management for Insurers.

The draft Prudential Standard on Liquidity Risk Management for Insurers sets out practices and guidelines aimed at assisting insurers in complying with the requirements of GOI 3 (Risk Management and Internal Controls for Insurers) and GOI 3.1 (Own Risk Solvency Assessment (ORSA) for Insurers.) as these standards apply to liquidity risk management for insurers. The Standard aims to illustrate approaches that should be considered in treating and managing an insurer's liquidity risk.

The Guidance Notice sets out practices and guidelines aimed at assisting insurers in complying with the requirements of the draft Prudential Standard on Liquidity Risk (intended to replace FSI 6 Liquidity Risk Management). The Guidance Notice aims to illustrate approaches that should be considered in identifying, measuring and managing an insurer's liquidity risk. Some elements of the Guidance Notice may not be relevant to all insurers in terms of the application of practices or guidelines, while other aspects may need to be varied based on an insurer's circumstances and characteristics.

All comments on the draft Prudential Standard and Guidance Notice must be submitted in writing, using the submission template available on the PA website :to the Prudential Authority at: PA-Standards@resbank.co.za for the attention of Mr Pierre Mananga, on or before 31 July 2024.