

DRAFT FOR CONSULTATION

Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) read with Prudential Standard RA03: Flac Instrument Requirements for Designated Institutions

Determination of the prescribed minimum denomination for Flac instrument issuances

On 1 January 2026, the following Prudential Standard will become applicable to the relevant designated institutions:

- (a) RA03: Flac Instrument Requirements for Designated Institutions (Prudential Standard RA03).

In terms of paragraph 8.2(l) of Prudential Standard RA03, the Prudential Authority (PA) included an enabling provision under the Flac instruments qualifying criteria to determine the prescribed minimum denomination from time to time.

The PA hereby determines the prescribed minimum denomination for Flac instrument issuances to be R1 000 000.00 (one million rand). The prescribed minimum denomination amount of R1 000 000.00 was supported by all the affected designated institutions in a survey that was undertaken by the Resolution Authority between 5 and 27 June 2025.

The effective date for this determination is 1 January 2026.

Fundi Tshazibana
Chief Executive Officer

Date: