

JOINT INFORMATION REQUEST 1 OF 2021

FINANCIAL SECTOR REGULATION ACT, 2017 (ACT NO. 9 of 2017)

REQUEST FOR INFORMATION RELATED TO JOINT STANDARD 2 OF 2020:MARGIN REQUIREMENTS FOR NON-CENTRALLY CLEARED OVER THE COUNTER DERIVATIVE TRANSACTIONS

1. PURPOSE

The purpose of this Joint Information Request is to obtain information from all providers, as defined in Joint Standard 2 of 2020 (Joint Standard), to ensure that the Financial Sector Conduct Authority (FSCA) and the Prudential Authority (PA) (hereafter jointly referred to as the Authorities) have relevant information to ensure the effective implementation and supervision of the Joint Standard.

2. BACKGROUND

- 2.1 On 2 June 2020, the Authorities published the final Joint Standard and undertook to assess and evaluate the effect of the Joint Standard on a continuous basis.
- 2.2 The Joint Standard outlines a phased-in approach for the exchange of initial margin by providers when transacting with counterparties, that also meet the conditions related to the aggregate gross notional amount of over the counter (OTC) derivative transactions set out in the Joint Standard.
- 2.3 As part of the Authorities' regulatory and supervisory responsibilities, certain information in respect of the providers is required to ensure the effective implementation of the Joint Standard and to support appropriate supervision and oversight regarding the specific requirements stipulated in the Joint Standard.
- 2.4 As such, the Authorities require the information set out in this Joint Information Request from providers to meet their undertaking to continuously assess and evaluate the effect of the Joint Standard on affected financial institutions.

3. REQUEST FOR INFORMATION

- 3.1 The Authorities hereby, in terms of section 131 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act) read with the Joint Standard, request the information set out in **Annexure A: General Implementation Requirements Questionnaire** to be submitted to the Authorities.

- 3.2 All providers as defined in the Joint Standard must complete Annexure A to this Joint Information Request. The responses to Annexure A must be submitted to the Authorities via email at queries.otc@fsca.co.za and marginrequirements@resbank.co.za by no later than 1 December 2021.

4. FAILURE TO COMPLY WITH THE JOINT INFORMATION REQUEST

- 4.1 In terms of section 267(1) of the FSR Act, a supervised entity that fails to comply with the requirements contained in a notice under section 131(1) commits an offence and is liable on conviction to a fine not exceeding R1 000.00 for each day during which the offence continues.
- 4.2 A failure to provide the specified information by or within the timeframe specified constitutes an offence under section 267 of the FSR Act.

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5. ENQUIRIES

For further information regarding this Joint Information Request and the contents of Annexure A, please contact the Authorities via email at queries.otc@fsca.co.za and marginrequirements@resbank.co.za.



UNATHI KAMLANA
COMMISSIONER
FINANCIAL SECTOR CONDUCT AUTHORITY



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KUBEN NAIDOO
CHIEF EXECUTIVE OFFICER
PRUDENTIAL AUTHORITY

DATE: 13.08.2021