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SOUTH AFRICAN RESERVE BANK
Prudential Authority

Prudential Communication 3 of 2022

Financial Sector Regulation Act No. 9 of 2017

Publication of Draft Prudential Standard: FC01 – Capital requirements for financial conglomerates for field testing purposes

The Prudential Authority (PA) today published the Draft Prudential Standard: FC01 – Capital requirements for financial conglomerates (Draft Capital Standard), the accompanying regulatory reporting return (Return) and the comment matrix from the last consultation conducted in July 2021.

The Draft Capital Standard, the Return and comment matrix are accessible on the South African Reserve Bank's website.

The Draft Capital Standard and Return will be field tested with designated financial conglomerates and volunteers with effect from 1 February 2022. Volunteers are companies that are not designated financial conglomerates, but that wish to participate in the field testing. It is envisaged that the field testing will be conducted over a minimum period of two (2) years, whereafter the formal consultation of the Draft Capital Standard will commence.

The PA will use the field testing as an opportunity to gather information on the impact of the Draft Capital Standard on financial conglomerates. Such results will be used to amend or refine the Draft Capital Standard as required, so that the Draft Capital Standard used for formal consultation is appropriate and relevant for financial conglomerates in the South African industry. The information from the field testing will also be used to formulate the 'Statement of need for intended operation and expected impact' that will be published when the Draft Capital Standard is released for consultation in terms of the provisions of section 98 of the Financial Sector Regulation Act No. 9 of 2017.

The Return must be completed for the reporting periods:

- December 2021 - Submission due: End of May 2022; and
- June 2022 - Submission due: End of November 2022.

The aforementioned submission dates are provisional and may be subject to change. The submission dates for 2023 will be communicated to the holding companies of financial conglomerates and volunteers during the latter half of 2022.

The Return must be submitted to PA-FinConglomerates@resbank.co.za for the attention of Ms Kalai Naidoo and Mr Jooste Steynberg.

A handwritten signature in black ink, appearing to read 'Kuben Naidoo'.

Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 2022-01-28