

Financial Sector Regulation Act, 2017

Joint Communication 3 of 2020

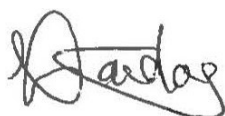
Proposed implementation dates of specific regulatory frameworks as a result of the coronavirus disease (COVID-19) pandemic

The Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA) (jointly referred to as the Authorities) today publish this Joint Communication which sets out the Authorities' proposed implementation dates in respect of specific joint regulatory frameworks as a result of the impact of COVID-19.

The spread of COVID-19 is having an increasingly significant impact on global economic activity and has placed the local economy under immense strain. The Authorities have already announced a number of regulatory and supervisory interventions to mitigate the impact of COVID-19. In addition, the Authorities hereby propose the implementation dates for specific regulatory frameworks as set out in Annexure A below.

The Authorities are mindful that the implementation of the upcoming regulatory frameworks during this period will place further strain on the resources and financial and operational capacity of financial institutions. The Authorities therefore consider it important to communicate the implementation dates for the specific regulatory frameworks to the industry in order to provide certainty and allow financial institutions to prepare for the implementation of the specific joint frameworks.

Requests for further information about the joint communication or the proposed implementation dates as set out below may be submitted via email to PA-Standards@resbank.co.za for the attention of Ms Lyle Horsley and FSCA.RFDStandards@fsca.co.za for the attention of Mr E Du Toit.



Kuben Naidoo
Deputy Governor and CEO:
Prudential Authority

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Abel Sithole
Commissioner:
Financial Sector Conduct Authority

Date: 29 April 2020

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Annexure A

Based on the aforesaid, the Authorities intend to implement the specific frameworks set out below as follows:

Regulatory Reform	Original implementation date	Revised implementation date
Joint Standard: Margin Requirements for non-centrally cleared OTC derivative transactions	1 October 2020	On a date to be determined by the Authorities. The standard will be made, i.e. published during May 2020. ¹
Joint Standard: Significant Owners (fitness and propriety and related matters)	1 October 2020	1 November 2020
Joint Standard: CCP Application Form	On date of publication	On date of publication ²
Joint Standard: Recovery Plans for Market Infrastructures (in development) ³	On date of publication with 6 month transitional period	On date of publication with 6 month transitional period

¹ The Authorities will continue to engage relevant stakeholders on the implementation of the Margin Requirements. At this stage, the Authorities envisage that the Margin Requirements will come into effect during the first quarter of 2021 in order to align with the proposed implementation dates of the reforms to the capital requirements for banks, including the standardised approach for measuring counterparty credit risk exposures.

² The Authorities are finalising the responses to comments on the Draft Joint Standard. The Authorities intend to finalise this Standard in Q4 2020. The Authorities are mindful that the necessary requirements to be licensed as a central counterparty must be prescribed as the transitional arrangements in section 110(6) of the Financial Markets Act, 2012 state that a clearing house performing the functions of a central counterparty must comply with any requirements imposed by regulations or standards, and must as of 1 January 2022, be licensed as both an independent clearing house and a central counterparty.

³ The Authorities expect to publish the draft Joint Standard on Recovery Plans for Market Infrastructures by Q3 2020 for the first round of public consultation.