FSCA

Financial Sector
Conduct Authority

SOUTH AFRICAN RESERVE BANK
Prudential Authority

JOINT NOTICE X OF 2026

Draft for consultation

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

DETERMINATION OF REGULATORY REPORTING REQUIREMENTS FOR THE QUANTITATIVE PORTFOLIO MARGIN MODEL IN TERMS OF MARGIN REQUIREMENTS FOR NON-CENTRALLY CLEARED OVER THE COUNTER DERIVATIVE TRANSACTIONS

The Financial Sector Conduct Authority and the Prudential Authority, in terms of paragraphs 6A(1) and (2), read with paragraph 4.6(a) of *Joint Standard 2 of 2020: Margin requirements for non-centrally cleared over the counter derivative transactions* (as amended) (Joint Standard), hereby determine the information related to the requirements in the Joint Standard as well as the form, manner, content and frequency of regulatory reporting, as set out in the Schedule.

Unathi Kamlana
Commissioner:
FINANCIAL SECTOR CONDUCT AUTHORITY

DATE:

Fundi Tshazibana
Chief Executive Officer
PRUDENTIAL AUTHORITY

DATE:

SCHEDULE

DETERMINATION OF REGULATORY REPORTING REQUIREMENTS FOR THE QUANTITATIVE PORTFOLIO MARGIN MODEL IN TERMS OF MARGIN REQUIREMENTS FOR NON-CENTRALLY CLEARED OVER THE COUNTER DERIVATIVE TRANSACTIONS

1. Definitions

In this Notice, 'the Act' means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) and 'Joint Standard' means *Joint Standard 2 of 2020: Margin requirements for non-centrally cleared over the counter derivative transactions* (as amended)[1], and any word or expression to which a meaning has been assigned in the Joint Standard bears the meaning so assigned to it and unless the context indicates otherwise; and-

'**Umoja portal'** means the secure website portal for electronic submission available on the Prudential Authority's website.

2. Determination of information related to the requirements in the Joint Standard and the content, including the format of initial margin regulatory reporting under a quantitative portfolio margin model

2.1 The Authorities hereby determine, in accordance with paragraphs 6A(1) and (2) read with paragraph 4.6(a) of the Joint Standard, the regulatory report to be submitted to the Authorities by a licensed over the counter (OTC) derivative provider that is approved for the use of a quantitative portfolio margin model (QPMM) for the computation of initial margin, in respect of a non-centrally cleared OTC derivative transaction with a counterparty or a foreign counterparty.

2.2 The regulatory reporting metrics is set out in Appendix A of this Notice.

3. Form, manner and frequency of submission

3.1 The data must be submitted at a counterparty netting-set level, as specified in accordance with the applicable legal agreement(s).

3.2 A person referred to in paragraph 2.1 must submit the completed regulatory report in the manner set out in paragraph 3.3 through the Prudential Authority's Umoja portal on a **daily T+1 basis by no later than 16:00** South African time. In the case of public holidays, T+1 will mean the first business day immediately following the relevant public holiday.

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[1] https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential- authority/pa-public-awareness/Communication/2023/Joint-Communication-1-of-2023- Amendments-to-Joint-Standard-2-of-2020 and https://www.fsca.co.za/_api/cr3ad_regulatoryframes(2c25dac8-33f2-f011-8406-7c1e5277e2b1)/cr3ad_document/$value

3.3 Further, a person referred to in paragraph 2.1 must submit the completed regulatory report through the Prudential Authority's Umoja portal using one of the following transmission protocols:

(a) Excel upload;
(b) in-portal submission; or
(c) machine-to-machine submission using the Umoja portal's application programming interface.

3.4 For the use of methods referred to in subparagraphs 3.3 (a)[2] and (b)[3] above, the regulatory report is available on the Umoja portal. For the use of the method referred to in subparagraph 3.3 (c) above, the relevant specifications may be found on the Umoja portal webpage[4] in accordance with the metrics set out in Appendix A.

4. Short title and commencement

4.1 This Notice is called *'Determination of regulatory reporting for the QPMM, 2026'* and takes effect on [effective date].

2 The Microsoft Excel version of the QPMM regulatory report will be available on the Umoja portal webpage once the final version is formulated considering the comments received during the consultation process.

3 The QPMM regulatory report will be available on the Umoja portal once the final version is formulated considering the comments received during the consultation process.

4 The XML schema for the QPMM regulatory report will be available on the Umoja portal webpage once the final version is formulated considering the comments received during the consultation process.

Appendix A

		Column No.	Field	Field data type
Portfolio information	General information	1	Portfolio ID	String
		2	Netting set ID	String
		3	Counterparty name	Sting
		4	Counterparty ID Type	Enumeration
		5	Counterparty ID	String
	Margin operations	6	Margin call	Enumeration
		7	Disputes	Enumeration
	Backtesting*	8	Backtesting exceptions (Category)	Enumeration
		9	Backtesting count	Integer
		10	Backtesting methodology	String
		11	Backtesting exception reason	String
Margin exposure	Initial margin exposure	12	Gross notional exposure (R'000)	Integer
		13	Calculated initial margin for the reporting institution (standardised schedule approach) (R'000)	Integer
		14	Calculated initial margin for the counterparty (standardised schedule approach) (R'000)	Integer
		15	Calculated initial margin for the reporting institution (R'000)	Integer
		16	Calculated initial margin for the counterparty (R'000)	Integer
		17	Central securities depository/Central Securities Depository Participant name	String
		18	Custodian name	String
	Valuation adjustment	19	Margin valuation adjustment (R'000)	Integer
		20	Collateral valuation adjustment (R'000)	Integer
	Collateral posted – initial margin	21	Type	Enumeration
		22	Specify (if type selected equals Cash)	Enumeration
		23	Amount (R'000)	Integer
		24	Applicable haircut (%)	Percentage
	Collateral received - initial margin	25	Type	Enumeration
		26	Specify (if type selected equals Cash)	Enumeration
		27	Amount (R'000)	Integer
		28	Applicable haircut (%)	Percentage
	Non-regulatory margin	29	Independent amount (R'000)	Integer
Sensitivities	Risk sensitivities	30	Product class	Enumeration
		31	Risk class	Enumeration
		32	Risk type	String
		33	Risk driver (or Qualifier**)	String
		34	Risk group/correlation group (or Bucket**)	String
		35	Risk correlation group (or Label1**)	String
		36	Risk underlying (or Label2**)	String
	Add-ons	37	Add-on type	String
		38	Add on description	String
		39	Add-on amount	Integer
	Amounts	40	Sensitivity value	Integer
		41	Amount currency units	Enumeration
General		42	Comments	String

* While detailed backtesting results must be submitted on a quarterly basis, in line with the prescriptions set out in the approvals for the use of the QPMM specifically granted to ODPs, the return contains a simplified indicator set for noting any backtesting breaches on a given day for supervisory purposes.

** Please note that alternative names referenced in parenthesis refers to the same naming convention used by International Swaps and Derivatives Association Standard Initial Margin Model with respect to the common risk interchange format file.