FSCA
Financial Sector
Conduct Authority

SOUTH AFRICAN RESERVE BANK
Prudential Authority

FSCA-PA JOINT COMMUNICATION 4 OF 2026

Draft for consultation: Joint Notice − 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. Purpose

1.1 The purpose of this communication is to inform stakeholders that the Financial Sector Conduct Authority (FSCA) and the Prudential Authority (PA), hereafter referred to as the Authorities, published for public comment on their respective websites a draft Joint Notice – Determination of regulatory reporting requirements for the quantitative portfolio margin model in terms of *Joint Standard 2 of 2020 − Margin requirements for non-centrally cleared over-the-counter derivative transactions* (as amended)[1] (Joint Standard).

2. Background

2.1 On 30 June 2023, the Authorities published Joint Communication 2 of 2023: Margin requirements for non-centrally cleared over the counter derivative transactions – Model Application Suite[2], for over the counter (OTC) derivative providers (ODP) intending to apply for approval to use the Quantitative Portfolio Margin Model (QPMM) and/or the Risk-sensitive Quantitative Model-based Haircut Approach (RQMHA) for the computation of initial margin requirements and collateral haircuts, respectively.

2.2 The Authorities published Joint Notice 2 of 2024 − Determination of Regulatory Reporting in terms of the Joint Standard[3], effective from 1 April 2025. These reporting requirements apply to an ODP entering into a non-centrally cleared OTC derivative transaction with a counterparty or a foreign counterparty and to a financial institution that is a counterparty. While initial margin data is collected through the regulatory return

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

2 https://www.resbank.co.za/content/dam/sarb/publications/prudential-authority/pa-public-awareness/covid-19-response/2023/Joint%20Communication%202%20of%202023-Margin%20Requirements%20Model%20Application%20Suite.pdf and https://www.fsca.co.za/_api/cr3ad_regulatoryframes(c4e600b9-33f2-f011-8406-000d3a64f616)/cr3ad_document/$value

3 https://www.resbank.co.za/content/dam/sarb/publications/prudential-authority/pa-public-awareness/covid-19-response/2024/Joint%20Notice%202%20of%202024_Determination%20of%20regulatory%20reporting%20in%20terms%20of%20Joint%20Standard%202%20of%202020.pdf and https://www.fsca.co.za/_api/cr3ad_noticedocumentses(51859ccf-899c-f111-b8db-7ced8d40940a)/cr3ad_document/$value

contained in Joint Notice 2 of 2024, it is not sufficiently granular for the purposes of supervisory analysis of ODPs approved to use a QPMM.

2.3 In this regard, the Authorities have developed a proposed regulatory reporting return for ODPs approved to use a QPMM, which will be determined through a Joint Notice. Counterparties to an ODP are not required to comply with the regulatory reporting requirements proposed in terms of this draft Joint Notice.

3. Invitation to comment

3.1 All interested persons are hereby invited to submit comments on the draft Joint Notice (Annexure A), by using the attached comments template (Annexure B).

3.2 Comments must be submitted via email to the Authorities at FSCA.RFDStandards@fsca.co.za, queries.otc@fsca.co.za, PA-Standards@resbank.co.za and marginrequirements@resbank.co.za, no later than **12 October 2026**.

3.3 After considering the comments received from the consultation process, the Authorities will issue the final determination as a Joint Notice and publish it on their respective websites.

3.4 Any enquiries related to this Joint Communication or the draft Joint Notice may be submitted to the aforementioned email addresses.

Unathi Kamlana
Commissioner

FINANCIAL SECTOR CONDUCT AUTHORITY

DATE: 31/08/2026

Fundi Tshazibana

Fundi Tshazibana
Chief Executive Officer

PRUDENTIAL AUTHORITY

DATE: 31/08/2026