FSCA

Financial Sector
Conduct Authority

SOUTH AFRICAN RESERVE BANK
Prudential Authority

Joint Standard 1 of 2026: Minimum Requirements for the Recovery Plans of Market Infrastructures

Consultation Report

April 2026

1. Purpose

1.1 Section 104 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act) requires that with each regulatory instrument, the maker must publish a consultation report which must include:

(a) a general account of the issues raised in the submissions made during the consultation; and
(b) a response to the issues raised in the submissions.

1.2 The purpose of this document is to set out, as required in terms of section 104 of the FSR Act, a report on the consultation process undertaken in respect of the draft Joint Standard 1 of 2026 – Minimum Requirements for the Recovery Plans of Market Infrastructures (hereinafter referred to as the Joint Standard).

2. Summary of the consultation process and general account of issues raised

2.1 On 4 June 2024, the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA) (hereinafter referred to as the Authorities) published for public consultation, a draft notice for the Joint Standard. Section 98(2) of the FSR Act requires that the comment period must be at least six weeks, and comments were, therefore, due on or before 18 July 2024. The following documents were published as part of the consultation process:

(a) a draft Joint Standard - Minimum requirements for the recovery plans of market infrastructures;
(b) a draft Joint Guidance Notice – Recommended recovery tools for market infrastructures;
(c) the Statement of need, expected impact, and intended operation of the Joint Standard;
(d) a questionnaire on the need, expected impact and intended operation of the Joint Standard; and
(e) Comments template.

2.2 The Authorities received 36 comments from 6 respondents. All comments received as part of the public consultation process were considered and are set out in Section B, C, D and E below, together with the Authorities' response to the comments received. Following the public consultation process, relevant changes were made to the draft Joint Standard and draft Guidance Notice.

2.3 Detailed responses in this regard are set out below.

3. General account of the issues raised in the submissions made during the consultation

3.1 The main issues raised during the public consultation were as follows:

No	Main issue	Response of the Authorities
1.	Most of the commentators requested an extension for compliance with the Joint Standard. The Joint Standard requires market infrastructures (MIs) to comply with this Joint Standard and submit a copy of the recovery plan within 6 months from the date of publication of the Joint Standard. Commentators sought an extension of 12 - 18 months.	The Authorities generally accept that a recovery plan is a living document and that is not intended to remain static. The Authorities agree to allow for a transition period for compliance of 12 months after the date of publication of the Joint Standard.
2.	One of the commentators enquired about the extent and mechanisms of the communication of the recovery plan.	In terms of the requirements of the Joint Standard, it is the obligation of the market infrastructures to, as part of its recovery plan, develop a communication and disclosure plan outlining how it intends to communicate within and outside the institution in the event of a recovery. As such, the market infrastructure would determine the scope of its own communication strategy within the recovery plan. The required communications and notifications to the Authorities remain as provided for within various provisions of the draft Joint Standard.
3.	Two commentators requested clarity on the definition of 'participant', including, 'market participant' as well as 'direct' and 'indirect' participant.	The Authorities noted the need for clarity on the definition of participant. In essence, *market participants* is meant to include both direct and indirect participants. *Indirect participants*: An entity/individual that does not have direct access to the market infrastructure's services and is ordinarily not directly bound by the rules of the market infrastructure, but whose transactions are cleared, settled, or recorded by the market infrastructure through a direct participant. An

		indirect participant has a bilateral agreement with a direct participant. *Direct participants:* means clearing members, authorised users and central securities depository participants of a market infrastructure. The definitions in the Joint Standard has been amended to incorporate the abovementioned definitions in order to provide the required clarity.
4.	There were comments received on the Guidance Notice; some comments were complimentary of the tools proposed within the Guidance Notice. One commentator suggested that the tools should also apply to banks. One commentator suggested that "mandatory contract tear-up" be added as a recovery tool on the Guidance Notice.	The Authorities noted the comments and reiterated that the Joint Standard as well as the Guidance Notice applies to market infrastructures. Section 141(2) of the FSR Act provides that Guidance notices are for information purposes and are not binding. Additionally, the tools provided for in the Guidance Notice are meant to provide guidance on the application of Joint Standard – as the Joint Standard prescribes minimum requirements and therefore is not intended to constitute an exhaustive list. A market infrastructure may design additional tools to include in its recovery plan of which the market infrastructure is further responsible for the adequate consultation and communication with its stakeholders as well as for the enforceability of all relevant requirements encompassed in the recovery plan.

3. Table of Contents

Section A: List of Commentators 6

Section B: Public comments received on the draft Joint Standard and responses from the Authorities 7

Section C: Public comments received on the Draft Guidance Notice and responses from the Authorities 27

Section D: Comments on the statement of need and responses from the Authorities 29

Section E: General Comments and responses from the Authorities 30

Section A: List of Commentators

List of commentators		
No.	**Name of organisation**	**Acronym**
1.	Absa Bank Limited	Absa
2.	Bank of Taiwan (South African branch)	BOT
3.	Capitec Bank Limited	Capitec
4.	Discovery Bank Limited	Discovery
5.	JSE Clear Limited	JSE Clear
6.	JSE Limited	JSE Ltd

Section B: Public comments received on the draft Joint Standard and responses from the Authorities

No.	Commentator	Paragraph of the Joint Standard	Comment	Authorities' response
1.	**Capitec**	Par 2 – Definitions and interpretation of the "controlling body"	Consider referencing the release date of the effective Financial Markets Act (FMA) i.e. Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA). The definition of the controlling body in the FMA is not clear.	The Authorities note the comment. Proposal not accepted. See the preamble to the definitons section in Paragraph 1 of the Joint Standard that provides as follows: "**the Act**" means the Financial Markets Act, 2012 (Act No. 19 of 2012), and any word or expression to which a meaning has been assigned in the Act bears the meaning so assigned to it, and unless the context otherwise indicates-…" This is common and accepted legislative drafting practice and as such, reference to the FMA as suggested is not necessary Regarding the meaning of controlling body as contemplated in the FMA not being clear, the term need not be defined as the normal grammatical meaning of the term would apply – i.e. meaning the body in control of the organisation.

				The Authorities' view is that sections 65 and 66 of the FMA, are clear on the duties of a controlling body as well as on the conditions for the appointment of members of a controlling body.
2.	**JSE Clear**	Par 2 - Definitions and interpretation "participant"	The use of the term *"participants"* is confusing as the term is narrowly defined in the FMA as *"…a person authorised by a licensed central securities depository to perform custody and administration services or settlement services or both, in terms of the depository rules, and includes an external participant, where appropriate*" (i.e. a CSD participant or CSDP). The term *"participants"* is used inconsistently in the draft Joint Standard. It is unclear whether the term *"market participants"* is intended to have a general meaning or a different meaning to the defined term *"participants".* In the South African capital markets, 'market participant' is a general term for any person or	The comment as well as the suggestion is noted. The Authority proposes the following definitions: ***Market participants**: includes both direct and indirect participants.* ***Indirect participants**: An entity/individual that does not have direct access to the market infrastructure's services and is ordinarily not directly bound by the rules of the market infrastructure, but whose transactions are cleared, settled, or recorded by the market infrastructure through a direct participant. An indirect participant has a bilateral agreement with a direct participant.* ***Direct participants**: means clearing members, authorised users and central*

			entity that accesses or uses a market infrastructure e.g., investors, banks, financial service providers etc. In addition, we assume that the intended meaning of *"direct participants"* is the same as *"participants"* as defined in this Joint Standard, but we are unsure of the meaning of *"indirect participant"*. For the sake of clarity, we recommend that these terms be clarified or defined and used consistently throughout the draft Joint Standard.	*securities depository participants of a market infrastructure.* As a result of these amendments, the term 'participant' will fall away[1].
3.	**JSE Ltd.**	Par 2 - Definitions and interpretation "participant"	The use of the term *"participants"* is confusing as the term is narrowly defined in the FMA as *"…a person authorised by a licensed central securities depository to perform custody and administration services or settlement services or both, in terms of the depository rules, and includes an external participant, where appropriate*" (i.e. a CSD participant or CSDP). The term *"participants"* is used inconsistently in the draft Joint	Noted. Please see response to comments under number 02 above regarding the proposed amendment for the term " *participants", to provide clarity as it relates to direct and indirect participants*.

[1] Please note that the definitions for "market participants, indirect participants and direct participants" are inserted only for the purpose of this Joint Standard and are broadly in line with the Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO) standards.

			Standard. It is unclear whether the term *"market participants"* is intended to have a general meaning or a different meaning to the defined term *"participants".* In the South African capital markets, 'market participant' is a general term for any person or entity that accesses or uses a market infrastructure e.g., investors, banks, financial service providers etc. In addition, we assume that the intended meaning of *"direct participants"* is the same as *"participants"* as defined in this Joint Standard, but we are unsure of the meaning of *"indirect participant"*. For the sake of clarity, we recommend that these terms be clarified or defined and used consistently throughout the draft Joint Standard.	
4.	**Capitec**	Par 4.6 – A market infrastructure must assess and ensure the legal enforceability of its recovery plan	It is unclear if legal enforceability relates to the recovery tools, only where more than 1 legislative authority is present, or the entire Recovery Planning process and document?	The legal enforceability as provided for in Par 4.6 relates to the market infrastructures' recovery plan, which may contain tools selected as per the discretion of the market infrastructure. However, for the purposes of Par 4.6, it is the responsibility of the market infrastructure to ensure and assess the actual "*legal enforceability*" of its own recovery plan –

				which includes all aspects of the recovery plan.
5.	**JSE Clear**	Par - 5.6	To ensure clarity, we recommend that the sentence construction of this paragraph be amended as follows: The interest of stakeholders referred to in paragraph 5.5 must at least include those who would bear losses of liquidity shortfalls **[, linked market infrastructures,]** or uncovered losses, and should include the interests of linked market infrastructures and direct or indirect participants. In addition, we refer to our comment on the definition of *"participants"* and submit that the terms *"direct participants"* and "*indirect participants"* are unclear and undefined.	Proposal accepted, but with a different drafting Paragraph 5.6 is amended as follows: *"The interest of stakeholders referred to in paragraph 5.5 must at least include those who would bear losses of liquidity shortfalls, or uncovered losses, and should include the impact on linked market infrastructures, and direct or indirect participants."* The Authorities have inserted new the definitions for 'market participants'. 'direct participants' and 'indirect participants'. Please see revised Par 5.6 of the Joint Standard.
6.	**JSE Ltd**	Par - 5.6	To ensure clarity, we recommend that the sentence construction of this paragraph be amended as follows: The interest of stakeholders referred to in paragraph 5.5 must at least include those who would bear losses of liquidity shortfalls **[, linked market infrastructures,]** or uncovered	Please see response to comments under number 05 above. Please also see revised Par 5.6

			losses, and should include the interests of linked market infrastructures and direct or indirect participants. In addition, we refer to our comment on the definition of *"participants"* and submit that the terms *"direct participants"* and "*indirect participants"* are unclear and undefined.	
7.	**Capitec**	Par 5.7 - A market infrastructure's external auditor(s), or an independent third party as agreed to by the Authorities, must, on request by the Authorities, provide assurance to the market infrastructure and the Authorities that the recovery plan complies with the requirements specified in this Joint Standard or any relevant part thereof.	Consumers of the Market Infrastructure (MI) services, i.e. Financial Institutions, etc., would also be an interested party in the financial (as well as operational) resilience of MI. There may be value in explicitly stating that these plans should be made available to the industry as well as regulators.	The Authorities note the request. The Authorities further note that it would ultimately be at the discretion of the market infrastructure to inform its customers and/or financial institutions of the requisite compliance and to determine the form of that communication. It should, however, be noted that a market infrastructure's recovery plan may contain materially sensitive information which a market infrastructure may not wish to be made available to the wider public. Further according to Par 5.5 "*A market infrastructure must ensure that the interests of all relevant stakeholders who are likely to be affected by its recovery plan are considered in the development, implementation and review of the recovery plan".* The Authorities believe

				that the requirement set out at Par 5.5 above is sufficient for this request.
8.	**JSE Clear**	Par - 5.7	We recognise the need for the Authorities to obtain, on request, independent assurance that a market infrastructure's recovery plan complies with the requirements of the Joint Standard. However, we are concerned that the cost of an external auditor or specialist independent third party may be high. We submit that assurance provided by a market infrastructure's internal audit function could meet the Authorities' objective in this regard, and we respectfully request that the Authorities consider including assurance provided by the market infrastructure's internal audit function in this paragraph.	The comment is noted however the Authorities do not agree to an amendment. The internal auditors are required to provide assurance on recovery plans as part of normal governance processes, therefore Authorities will reserve the right to request an independent assessment of the recovery plan depending on the adequacy of the submitted plan, the nature, size, interconnectedness and complexity of the market infrastructure as well as due consideration for the costs to be incurred by the market infrastructure in the event of such a request. This aligns to similar approaches in other sectors.
9.	**JSE Ltd**	Par - 5.7	We recognise the need for the Authorities to obtain, on request, independent assurance that a market infrastructure's recovery plan complies with the requirements of the Joint Standard. However, we are concerned that the cost of an external auditor or specialist independent third party may be high. We submit that assurance provided by a market infrastructure's internal audit function	Please see response to comments under number 07 above.

			could meet the Authorities' objective in this regard, and we respectfully request that the Authorities consider including assurance provided by the market infrastructure's internal audit function in this paragraph.	
10.	**Capitec**	Par 7.3 - Submit a copy of its recovery plan to the Authorities	Is there a specific reference date (i.e. financial year-end date of an institution) for the annual assessment by a bank, or will this date be agreed bilaterally between the controlling body and the PA? Is the 1-month submission deadline after this agreed date?	Par 16.2 requires a market infrastructure to "*submit a copy of [its] recovery plan within 12 months from the date of publication of the Joint Standard*". The Joint Standard does not require or specify any references to a "financial year-end" or any other specific reference date. Additionally, Par 7.3 sets out two clear and sequential requirements, first which is that the market infrastructure "*must notify the Authorities of the adoption of the recovery plan by the controlling body"* and thereafter the market infrastructure must "*submit a copy of its recovery plan to the Authorities within one (1) month of the adoption".* Par 7.2 does not make any provisions for bilaterally agreed up notification or submission dates between a market infrastructure and the Authorities, all timeframes provided for and required by the Joint Standard are those that must be adhered to by the MI. Therefore, the first recovery plan developed pursuant to the Joint Standard

				must be submitted within 12 months of the date of publication of the Joint Standard. The second and subsequent iteration of the recovery plan must be submitted within 1 month of adoption. Please also see Par 15.5 of the Joint Standard.
11.	**Capitec**	Par 8.3(e) - the market infrastructure participants' capability to transfer positions to the alternative providers; and	This requirement would be impacted by the level of monopoly of the MI. How will this requirement be impacted where an MI holds a monopoly in the Financial Market on the services offered? I.e. concentration risk related to certain MI.	According to Par 8.3 (b) it is incumbent on the market infrastructure to consider the "*the size of a market infrastructure's market share in (i) its primary jurisdiction and (ii) all the jurisdictions within which it operates"* in determining the degree of criticality of its critical functions and thereafter provide for such in its recovery plan.
12.	**Capitec**	Par 8.4 - Uncovered losses or liquidity shortfalls relating to the provision of non-critical or ancillary services	Clarity may be required regarding a potential quantitative or qualitative criterion to be applied to determine how non-critical services can threaten the viability of the market infrastructure itself.	Par 8.4 specifies that "*If a market infrastructure provides services ancillary to its critical functions, it must determine whether the recovery plan needs to…(b) consider the possibility that uncovered losses or liquidity shortfalls relating to the provision of non-critical or ancillary services may threaten the viability of the market infrastructure itself".* Thereby, it is incumbent on the market infrastructure to assess and determine if those ancillary functions are critical in nature, and thereafter account for that in

				accordance with the requirements set out in Par 8.4 (a) and (b) of the Joint Standard.
13.	**Capitec**	Par 8.5 - A market infrastructure must develop criteria for the identification of its critical functions and critical staff, required in terms of paragraph 8.1, which criteria must be approved by the controlling body.	Should this paragraph not explicitly also reference Par 8.3?	The comment is noted. Par 8.3 is already implied as factors that must be considered in identifying critical functions and critical staff for a market infrastructure's recovery plan. The requirement to identify critical functions and critical staff for the purposes of the recovery plan is placed in Par 8.1 of the Joint Standard.
14.	**Capitec**	Par 9 in general	How will communication to financial industry and markets in general work, should MI initiate/ trigger their recovery plan on the back of triggered indicators/ event? Similar question about communication of any decision not to trigger recovery plans if an event occurs.	In terms of Par 14 of the Joint Standard, "*A market infrastructure must, as part of its recovery plan, develop a communication and disclosure plan outlining how it intends to communicate within and outside the institution in the event of a recovery" (our emphasis).* Further Par 14.2 provides that the communication plan envisaged in Par 14 above must include at least*: "details on required external communication, in particular to the Authorities, relevant stakeholders, counterparties, market participants, other market infrastructures, investors, and the public in general, as appropriate"* Thereby, it is required for the market infrastructure to develop an internal-communication strategy as part of

				its recovery plan, in line with that MI's business operations. The Joint Standard does not place a requirement on a market infrastructure in the instance where it does not deem an event to necessitate the implementation of a recovery plan. This does not preclude a market infrastructure from communicating with its stakeholders generally.
15.	**Capitec**	Par 9.7(b) - must notify the Authorities of the decision as soon as is practicable and explain management's assessment and reasoning for not activating the recovery plan.	"…as soon as is practicable…" A more concrete timeline and trigger event for notification should be set in the standard.	Not agreed. "*As soon as practicable*" is an acceptable term for legal drafting that means something must be done as soon as it is both possible and practical, taking into account all the facts and circumstances of the case. The provision is intended to empower a market infrastructure to fulfil the legal duty with due consideration of the circumstances. It aligns to the move to more outcomes focused legislation that is based on principles and rules, where appropriate, and which is not overly prescriptive / rules based. The Authorities believe that the grammatical meaning of the term practicable is sufficiently clear to ensure that the market infrastructure know

				that it must, as soon as possible inform the Authorities of this decision.
16.	**JSE Clear**	Par - 9.8	We are supportive of the Authorities determining, by notice, a set of recovery indicators and stress scenarios for inclusion in a market infrastructure's recovery plan. We have assumed that the Authorities would consult market infrastructures and other relevant stakeholders before the notice becomes effective. If our assumption is incorrect, we strongly urge the Authorities to provide an opportunity for market infrastructures and affected stakeholders to comment on proposed recovery indicators and stress scenarios.	The Authorities note the comment. The Authorities will consult prior to the final publication of a joint notice setting out any set of recovery indicators and stress scenarios for inclusion in a market infrastructures recovery plan, in line with principles of fair administrative action.
17.	**JSE Ltd**	Par - 9.8	We are supportive of the Authorities determining, by notice, a set of recovery indicators and stress scenarios for inclusion in a market infrastructure's recovery plan. We have assumed that the Authorities would consult market infrastructures and other relevant stakeholders before the notice becomes effective. If our assumption is incorrect, we strongly urge the Authorities to provide an opportunity for market	Please see response to comments under number 14 above.

			infrastructures and affected stakeholders to comment on proposed recovery indicators and stress scenarios.	
18.	**Capitec**	Par 10 in general	This paragraph contains good guidance on the development of stress scenarios that can be useful to banks as well.	The comment is noted.
19.	**Capitec**	Par 11 &12 in general	Some good guidance on recovery strategies that may be useful for banks as well.	The comment is noted.
20.	**JSE Clear**	Par - 11.2(f)(i) and (ii)	We refer to our comment on the definition of *"participants"* and submit that the terms *"direct participants"* and *"indirect participants"* are unclear and undefined.	Noted. Please see response to comments under number 02 above regarding the proposed amendment for the term " *participants", to provide clarity as it relates to direct and indirect participants*.
21.	**JSE Ltd**	Par - 11.2(f)(i) and (ii)	We refer to our comment on the definition of *"participants"* and submit that the terms *"direct participants"* and *"indirect participants"* are unclear and undefined.	Please see response to comments under number 19 above.
22.	**JSE Clear**	Par - 11.2(g)(i)	We refer to our comment on the definition of *"participants"* and submit that the terms *"direct participants"*	Noted. Please see response to comments under number 20 above regarding the proposed amendment for the term "

			and *"indirect participants"* are unclear and undefined.	*participants", to provide clarity as it relates to direct and indirect participants*.
23.	**JSE Ltd**	Par - 11.2(g)(i)	We refer to our comment on the definition of *"participants"* and submit that the terms *"direct participants"* and *"indirect participants"* are unclear and undefined.	Please see response to comments under number 21 above.
24.	**Capitec**	Par 13.1 – The linked market infrastructures must coordinate the relevant aspects of their recovery plans	It is not clear if linked market infrastructure reference entities within a group or to where an entity has a linked exposure to another institution outside of the group?	Par 13.1 in general refers links with other market infrastructures, this would include a market infrastructure within a group and market infrastructures outside of a group. Par 13.2 extends the scope to links with designated systemically important financial institutions[2], regardless of whether these are market infrastructures or not. As such these would apply to designated systemically important financial institutions within a group as well as those outside of a group. The definition for linked market infrastructures also indicates that an infrastructure can be deemed to be linked '*where there is an interoperability*

[2] As designated in terms of Section 29 of the FSR Act.

				dependency between market infrastructures' – which can be determined by the market infrastructure on a factual basis.
25.	**Capitec**	Par 13.2 - Where a market infrastructure intends to establish a link with a designated systemically important financial institution as per section 29 of the Act, the market infrastructure must notify the Authorities before establishing such a link and before such links are to be terminated.	This also provides guidance banks can use in their own planning, by understanding interconnectedness and interdependencies with regards to their Financial, as well as Operational, Resilience.	The comment is noted.
26.	**JSE Clear**	Par - 14.2	We refer to our comment on the definition of *"participants"* and submit that it is unclear whether the term *"market participants"* is intended to mean *"participants"* as defined in this Joint Standard or is intended to have a general meaning of all market users, i.e. market infrastructure participants and their customers.	Noted. Please see response to comments under number 20 above regarding the proposed amendment for the term *"participants, to provide clarity as it relates to direct and indirect participants"*.

27.	**JSE Ltd**	Par - 14.2	We refer to our comment on the definition of *"participants"* and submit that it is unclear whether the term *"market participants"* is intended to mean *"participants"* as defined in this Joint Standard or is intended to have a general meaning of all market users, i.e. market infrastructure participants and their customers.	Please see response to comments under number 25 above.
28.	**Capitec**	Par 14.2(b) – details on required external communication, in particular to the Authorities, relevant stakeholders, counterparties, market participants, other market infrastructures, investors, and the public in general, as appropriate; and	Should Financial Institutions not be explicitly mentioned in the list of external stakeholders to be communicated with?	The Joint Standard does not limit a market infrastructure with respect to its list of stakeholders. A market infrastructure may list financial institutions to the extent that it is relevant and appropriate for the communication strategy of that market infrastructure. Financial Institutions with an interest in the recovery of the market infrastructure would fall within the meaning of "relevant stakeholders''. Additionally, Par 14.2 (b) does specifically refer to "*counterparties, market participants, other market infrastructures*" which can include other financial institutions.
29.	**Capitec**	Par 15.3 - To help ensure that the recovery plan can be	Would this testing include consumers of services, e.g. financial industry?	Where a market infrastructure deems that "consumers of services" are material to [the] *" market infrastructure's planning, rules, procedures, or functions*" it could

		implemented effectively, a market infrastructure must regularly test and review its recovery plan by carrying out periodic simulation and scenario exercises.		well include consumers / the financial industry as it deems appropriate. The market infrastructure is not precluded from adding "consumers of services" as part of the scenarios that will be tested and reviewed for the purposes of its recovery plan.
30.	**Capitec**	Par 15.4 - Periodic simulation and scenario exercises referred to in paragraph 15.3 must be undertaken at least annually, and following any changes to the market infrastructure's planning, rules, procedures, or functions that may have a material impact on its recovery plan and where the circumstances referred to in	Same as above with regards to simulation and scenario exercises.	Please see response to comment 12. Where a market infrastructure deems that "consumers of services" is a scenario that falls within the circumstances envisaged in Par 15.2 (a) – (d), the market infrastructure may incorporate that scenario as part of the annual testing for the purposes of updating its recovery plan.

		paragraph 15.2 have occurred.		
31.	**Absa**	Par 15.4	The section provides that period simulation and scenario exercises must be undertaken at least annually. Please confirm if stress testing/reverse stress testing qualifies for this requirement or whether a formal simulation exercise required.	The paragraph is intended to apply to the testing of the market infrastructure's recovery plan as stated on Par 15.3 of the Joint Standard. Accordingly, the market infrastructure must regularly test and review its recovery plan by carrying out periodic simulation and scenario exercises. The market infrastructure must therefore carry out periodic simulation and scenario exercises, but the Authorities are not prescriptive that these must be done annually done. Thereby, the market infrastructure may review its recovery plan "*on an annual basis or in the event of any changes to the market infrastructure's planning, rules, procedures, or functions that may have a material impact on its recovery plan"*. The Authorities are not overly prescriptive on the frequency of the simulation and scenario testing.
32.	**Capitec**	Par 15.5 - A market infrastructure must notify the Authorities within one (1) month of any changes adopted to its	Should it be included that MI should inform the Financial Industry/ consumers of their services that changes in their recovery plans have been made?	Par 15.5 expressly limits the requirement, by requiring a market infrastructure to notify the Authorities of any "*changes adopted to its recovery plan by the controlling body*".

		recovery plan by the controlling body and submit a copy of its updated recovery plan to the Authorities for review.		The overarching purpose is for the Authorities to review those changes to the recovery plan that have been adopted by the MI. This requirement does not preclude a market infrastructure from communicating with its stakeholders generally.
33.	**Absa**	Par 16.2	The section provides that market infrastructures must comply with the Joint Standard and submit a copy of the recovery plan within 6 months from the date of publication. We suggest that a 6 month period is not sufficient and therefore suggest that this be extended to at least 12 months.	The comment and suggestion is noted. The Authorities have considered the extension request. The Authorities have amended the transitional period to enable compliance in the Joint Standard to require the submission of a recovery plan within 12 months from the date of publication of the Joint Standard instead of 6 months.
34.	**JSE Clear**	Par - 16.2	While JSE Clear has an established recovery plan approved by the controlling body, enhancements to the plan may be required to ensure full compliance with the minimum standards and sufficient time would be required to fully consider the Joint Guidance Notice and evaluate the feasibility (including cost benefit analysis) of adopting any additional recovery tools as provided for in the	The comment is noted. Please see response to comments under number 31 above regarding the extension the period of compliance with the Joint Standard from 6 months to 12 months.

			guidance note. Any proposed changes to the recovery plan could involve one or more of the following: • consultation with the CCP's stakeholders; • changes that the CCP's stakeholders may need to make to their business model/processes, which would be subject to their internal governance and approval processes' • amendments to the JSE Clear Rules and Directives; and • review and approval by JSE Clear's governance committees; JSE Clear respectfully requests that the transition period be extended to 12 months to enable JSE Clear and its stakeholders sufficient time to ensure full compliance with Joint Standard.	
35.	**JSE Ltd**	Par - 16.2	A six-month transition period in which to comply with the Joint Standard, including the adoption of the recovery plan by the controlling body, is insufficient.	Please see response to comments under number 31 above.

			We are of the view that the development and approval of a recovery plan that meets the minimum requirements of the draft Joint Standard will require enormous effort by internal resources and affected stakeholders and will require significantly more time to implement. Our response to the Questionnaire details the reasons the JSE would require more time to comply with the draft Joint Standard. We respectfully recommend that the transition period be extended to 18 months.	
36.	**BOT**		No comment.	Noted.

Section C: Public comments received on the Draft Guidance Notice and responses from the Authorities

No.	Commentator	Section / Paragraph on the Guidance Notice	Comment	Authorities' response
1	**JSE Clear**	Par - 9.1	We are of the view that the Guidance Notice should provide for contract tear-ups as a tool on both a voluntary and a mandatory basis. We agree that contract tear-ups should only be implemented as a last resort. In the circumstances that contract a tear-up is	The Joint Guidance Notice provides for guidance on recovery tools which is not binding. The proposed tools therefore is not intended to constitute an exhaustive list. A market infrastructure may design additional tools to include in its recovery

No.	Commentator	Section / Paragraph on the Guidance Notice	Comment	Authorities' response
			required, a CCP should initially implement these interventions on voluntary basis. However, it should be recognised that in these circumstances there may be insufficient participants volunteering to have their positions cancelled at the determined price, and that a contract tear-up on a mandatory basis would then be required to restore a matched book.	plan of which the market infrastructure is responsible for adequate consultation and communication with its stakeholders as well as enforceability of all relevant requirements.
2	**JSE LTD**		No comment.	Noted.
3	**Capitec**	*Par 3.2*	Market infrastructure should consider at least the following types of recovery tools The guidance in this paragraph does not include S9 – Recovery tools applicable to a Central Counterparty (CCP)	Agreed. The Authorities have amended the Guidance Notice accordingly.
4	**BOT**		No comment.	Noted.

Section D: Comments on the statement of need and responses from the Authorities

No.	Commentator	Section / Paragraph of the Statement	Comment	Authorities' response
1	**JSE Clear**	Par - 4.2	We refer to our comments in respect of paragraph 16.2 of the draft Joint Standard (above). We do not believe that a six-month transition period is enough time in which to implement a recovery plan that meets the minimum requirements of the draft Joint Standard.	The comment is noted. Please see response to comments under number 2 in section B above regarding the proposal to the extend the period of compliance with the Joint Standard.
2	**JSE LTD**	Par - 4.2	We refer to our comments in respect of paragraph 16.2 of the draft Joint Standard (above). We do not believe that a six-month transition period is enough time in which to implement a recovery plan that meets the minimum requirements of the draft Joint Standard.	The comment is noted. Please see response to comments under number 2 in section B above regarding the proposal to amend the extend the period of compliance with the Joint Standard.
3	**BOT**		No comment.	Noted.

Section E: General Comments and responses from the Authorities

No.	Commentator	Comments	Authorities' response
1.	**Capitec**	Good guidance on different types of recovery strategies.	The Authorities note this comment.
2.	**Discovery**	Discovery Bank has reviewed the draft standards regarding minimum requirements for the recovery plans of "market infrastructures". The joint communication 4 of 2024 applies to all licensed market infrastructure providers in line with the definition in the Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA). Discovery Bank is not a market infrastructure provider (i.e. provide the systems for Strate, SAMOS etc) but a client. On reviewing the various attachments, it is our opinion that this joint communication does not apply specifically to Discovery Bank.	The comment is noted.
3.	**BOT**	No comment.	Noted