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SOUTH AFRICAN RESERVE BANK  
Prudential Authority

## **Financial Sector Regulation Act, 2017**

### **PA Communication 8 of 2020**

#### **Draft Guidance Notice FSI 4 – Calculation of the Solvency Capital Requirement Using the Standardised Formula**

In 2018, the Prudential Authority (PA) published Prudential Standard FSI 4 (FSI 4), which sets out the basis on which the Solvency Capital Requirement (SCR) is calculated for insurers using the standardised formula.

The PA today publishes the Draft Guidance Notice on FSI 4 for public consultation. This notice provides guidance for the stressing of IBNR reserves by life insurers in order to calculate the capital requirements as set out in FSI 4.

Insurers and other interested persons are invited to submit their comments in respect of the Draft Guidance Notice on or before 31 January 2021 for the attention of Mr Brian Mapaure at [Brian.Mapaure@resbank.co.za](mailto:Brian.Mapaure@resbank.co.za).

All comments must be submitted in the comments template attached.

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

**Kuben Naidoo**  
**Deputy Governor and CEO: Prudential Authority**

**Date:** 9 December 2020