



Prudential Communication 10 of 2021

Financial Sector Regulation Act, 2017 (Act No. 9 of 2017)

Publication of prudential standards for financial conglomerates

The Prudential Authority (PA) today published, on the website of the South African Reserve Bank (SARB), the following prudential standards for financial conglomerates:

- (a) FC02 – Intragroup Transaction and Exposure Requirements for Financial Conglomerates;
- (b) FC03 – Auditor Requirements for the Holding Companies of Financial Conglomerates;
- (c) FC04 – Governance and Risk management Requirements for Financial Conglomerates; and
- (d) FC05 – Risk Concentration Requirements for Financial Conglomerates.

The main objective of the above-mentioned Prudential Standards is to prescribe the minimum requirements that must be complied with by the holding company of a financial conglomerate with respect to intragroup transactions and exposures, auditors, risk concentration as well as governance and risk management.

Together with the abovementioned Prudential Standards, a consultation report as well as the statement of the need for, expected impact and intended operation relating to the Prudential Standards, as contemplated in sections 98 and 104 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) are also published. Furthermore, the PA has published the Determination of regulatory reporting returns for financial conglomerates.

The documentation is available at www.resbank.co.za

The Prudential Standards will come into effect on 1 January 2022.

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

Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 2021-12-10