

Prudential Communication 9 of 2021

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

Publication of prudential standards on audit requirements for insurers and controlling companies

The Prudential Authority (PA) today published the following prudential standards for insurers:

- (a) Prudential Standard ARI: Audit Requirements for Insurers;
- (b) Prudential Standard ARG: Audit Requirements for Insurance Groups;
- (c) Prudential Standard ARM: Audit Requirements for Microinsurers;
- (d) Prudential Standard ARL: Audit Requirements for Lloyd's; and
- (e) Prudential Standard ARB: Audit Requirements for Branches of Foreign Reinsurers.

The Prudential Standards set out the information for supervisory purposes that insurers and controlling companies must have audited, reviewed and reported on by their auditors. In addition, the Prudential Standards prescribed the period within which audited annual financial statements and audited information on security held in trust (in the case of Lloyd's and branches of foreign reinsurers) must be submitted to the PA and disclosed to the public.

The Prudential Standards were made by the Prudential Committee in terms of the provisions of section 42(b)(vi) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act).

The consultation report and 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 FSR Act are published together with the Prudential Standards on the website of the South African Reserve Bank (SARB).

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

The PA has also published Guidance Notice 5 of 2021, which aims to assist insurers and controlling companies in complying with the requirements outlined in the Prudential Standards.

The above-mentioned documentation is available on: www.resbank.co.za



Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 2021-12-08