



Prudential Communication 6 of 2023

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

Notice of invitation for comment – Prudential Standard CODI 1 – Fund liquidity

Objective of this Prudential Communication

This communication relates to the provisions of section 98 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) which requires the Prudential Authority in terms of the process for making regulatory instruments, such as a Prudential Standard, to publish a notice inviting submissions in relation to the regulatory instrument as well as the other documentation stipulated herein.

1. Application

1.1 This Prudential Communication is applicable to all interested parties and banks.

2. Purpose

2.1 This Prudential Communication serves to fulfil the requirements of section 98 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act). The Prudential Authority (PA) in terms of the process for making regulatory instruments is required to publish documentation stipulated herein as well as a notice inviting submissions in relation to the regulatory instrument and stating where, how and by when submissions are to be made.

3. Notice of invitation for comment

3.1 The PA, in accordance with section 98 of the FSR Act, has published draft Prudential Standard CODI 1 setting out the requirements applicable to the funds to be held by banks that hold covered deposits, in the account of the Fund for purposes of the Fund liquidity of the Corporation for Deposit Insurance's funding model in terms of subsection 166BH of the FSR Act, together with accompanying documents as required under the FSR Act. In this regard, the following documents have been published:

- Annexure A - Prudential Standard CODI 1: Fund liquidity;
- Annexure B - Statement of need for, intended operation and expected impact; and
- Annexure C - Comments submission template.

3.2 In accordance with section 98(1)(a)(iv) of FSR Act, the PA invites submissions in relation to the draft Prudential Standard. Submissions on the draft Prudential Standard, using the attached comments submission template, may be made in writing on or before 25 July 2023 via email to: CODI@resbank.co.za.

Fundi Tshazibana
Chief Executive Officer

Date: