



Prudential Communication 16 of 2023

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

Notice of invitation to comment – Prudential Authority Budget, Fees and Levies Proposals

Objective of this Prudential Communication

This communication relates to the provisions of sections 239(1), 240 and 98 and of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act) which requires the Prudential Authority, to publish a notice inviting comments in relation to the budget, fees and levies proposal stipulated herein.

1. Application

- 1.1 This Prudential Communication applies to all interested parties and financial institutions supervised by the Prudential Authority (PA).

2. Purpose

- 2.1 The FSR Act provides for a transparent process for the determination of levies and fees, sound governance, and budgetary processes that do not undermine the independence of the PA.
- 2.2 In terms of section 239(1) of the FSR Act, the PA is required to prepare and adopt:
- (a) a budget in accordance with section 248 that includes an estimate of its expenditure;
 - (b) a proposal for the fees that will be charged and levies that will be imposed by the financial sector body; and
 - (c) projected estimates of its expenditure for the next 2 financial years.
- 2.3 In addition, in terms of section 240 of the FSR Act, the PA is required to publish the following documents in accordance with the process for making regulatory instruments captured in Part 1 of Chapter 7 of the FSR Act:
- (a) notice inviting comments in relation to the proposed budget, proposed fees that will be charged and levies that will be imposed including the statement of where, how and by when comments are to be made;
 - (b) the budget, estimates of expenditure and the fees and levies proposals provided for in section 239 of the FSR Act for the relevant financial year; and

- (c) an explanation by the financial sector body of the budget, estimates of expenditure and fees and levies proposals, and of the variation of the budget, estimates of expenditure and the fees and levies proposals against the budget, estimates of expenditure and the fees and levies proposals adopted for the previous financial year (the Explanatory Note).

2.4 This Prudential Communication serves to fulfil the requirements of section 240 read with section 98 of the FSR Act.

3. Notice of invitation for comment

3.1 In accordance with the provisions of section 240, read with section 98 of the FSR Act, the PA publishes the following documentation for public consultation:

- (a) The PA 2024/2025 budget in accordance with section 248 that includes an estimate of its expenditure and a projected estimate of its expenditure for the 2025/2026 and 2026/2027 financial years – **Annexure A**;
- (b) explanation of the budget, estimates of expenditure, fees, and levies proposals by the Prudential Authority for the 2024/2025 financial year – **Annexure B**;
- (c) the current Schedule 1 of the Financial Sector and Deposit Insurance Levies Act 11 of 2022 (Levies Act) that sets out the levies proposals to fund the operations of the PA for the 2024/2025 financial year – **Annexure C**;
- (d) the PA Fees Determination¹ setting out a proposal for the fees that will be charged by the PA for the 2024/2025 financial year – **Annexure D**; and
- (e) Comments template – **Annexure E**

4. Submission requirements

4.1 Comments on the budget, fees and levies proposals and documents highlighted above must be made using the Comments Template provided and submitted to PA-Standards@resbank.co.za for the attention of Ms Henna Strijdom on or before 29 December 2023.

4.2 Any enquiries regarding this communication must also be directed to the aforementioned e-mail address.

Fundi Tshazibana
Chief Executive Officer

Date:

¹ The PA has previously conducted a public consultation process on the PA Fees Determination.