

## JOINT COMMUNICATION 3 OF 2024

### Publication of Joint Discussion Document on the expansion of eligible collateral types and the risk management protocols for the use of non-cash collateral, in terms of Joint Standard 2 of 2020 – for public consultation

1. The purpose of this communication is to inform stakeholders that today the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA), hereafter referred to as the Authorities, published for public comment on their respective websites a joint discussion document on the expansion of eligible collateral types and the risk management protocols for the use of non-cash collateral (the Joint Discussion Document, hereto attached as Annexure A).
2. Proposals relating to the expansion of eligible collateral types and risk management protocols for the use of non-cash collateral will be given effect by a Determination issued in terms of Joint Standard 2 of 2020: Margin requirements for non-centrally cleared over the counter derivative transactions (Joint Standard).<sup>1</sup>
3. The main objective of the Joint Discussion Document is to communicate proposals by the Authorities in relation to the following matters:
  - (a) The further expansion of eligible collateral types, as referred to in paragraph 6(2) of the Joint Standard; and
  - (b) Proposed risk management measures to be implemented by providers<sup>2</sup> wanting to make use of non-cash collateral, in line with paragraph 6(1) of the Joint Standard.
4. All interested persons are hereby invited to submit comments on the proposals, as set out in the Joint Discussion Document, by using the feedback template published alongside the Joint Discussion Document marked as Annexure B.
5. Comments must be submitted to the Authorities via email at [queries.otc@fsca.co.za](mailto:queries.otc@fsca.co.za) and [marginrequirements@resbank.co.za](mailto:marginrequirements@resbank.co.za) by no later than **8 July 2024**.
6. Any enquiries related to this Joint Communication or the Joint Discussion Document may be submitted to the aforementioned email addresses.

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<sup>1</sup> <https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential-authority/pa-public-awareness/Communication/2023/Joint-Communication-1-of-2023-Amendments-to-Joint-Standard-2-of-2020>

<sup>2</sup> An authorised OTC derivative provider as defined in the Financial Markets Act, 2012 Regulations.



Unathi Kamlana  
**Commissioner**  
**FINANCIAL SECTOR CONDUCT AUTHORITY**

**DATE: 24.05.2024**

Fundi Tshazibana  
**Chief Executive Officer**  
**PRUDENTIAL AUTHORITY**

**DATE: 24.05.2024**