

**LEVIES PROPOSAL
IN TERMS OF SECTION 239(1)(b)
OF THE FINANCIAL SECTOR REGULATION ACT**

The Prudential Authority hereby proposes levies in the form of proposed amendments to Schedule 1 below of the Financial Sector and Deposit Insurance Levies Act, 2022 (Act No. 11 of 2022). This is in terms of section 239(1)(b) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).

SCHEDULE 1

**FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN RESPECT OF
PRUDENTIAL AUTHORITY**

(Section 4(1)(b))

1. Application

Table A must be applied to calculate the levy payable by a supervised entity that is-

- (a) a bank or a branch;
- (b) a co-operative bank;
- (c) a mutual bank;
- (d) a non-life insurer;
- (e) a life insurer;
- (f) Lloyd's;
- (g) a microinsurer;
- (h) an exchange;
- (i) a central securities depository;
- (j) an independent clearing house;
- (k) an associated clearing house;
- (l) a central counterparty;
- (m) an external central counterparty;
- (n) a trade repository;
- (o) an external trade repository;
- (p) an over-the-counter derivative provider; or
- (q) the Road Accident Fund.

2. Alleviation of double levy payment in respect of clearing house

A clearing house that is approved in terms of section 110(6) of the Financial Markets Act to perform the functions of a central counterparty or a licensed independent clearing house who is also licensed as a central counterparty is liable to pay the levy applicable to a central

counterparty, but is not liable to pay the levy applicable to an associated clearing house or an independent clearing house.

3. Levy payment in respect of reinsurer

A reinsurer that is licensed under the Insurance Act for-

- (a) non-life insurance business only, must pay the levy as if that reinsurer was a non-life insurer;
- (b) life insurance business, must pay the levy as if that reinsurer was a life insurer; or
- (c) both life insurance business and non-life insurance business, must pay the levy separately for the life insurance business and non-life insurance business.

TABLE A

Type of supervised entity	Number of payments per levy year	Proposed Base Amount (Rands) 2024/25	Proposed Base Amount (Rands) 2025/26	% Change	Proposed Variable Amount(s) (Rands) 2024/25	Proposed Variable Amount(s) (Rands) 2025/26	% Change	Description of variable	Formula	Proposed Maximum (Rands) 2024/25	Proposed Maximum (Rands) 2025/26	% Change
Bank or branch	One	53 000	55 597	4.9%	$0.01126\% \times A$	$0.01181\% \times A$	4.9%	A = total liabilities as at 30 June of the preceding levy year as reported in the BA100, or total liabilities as reported in the previous financial statements published in terms of the International Financial Reporting Standards (IFRS) (if first not available)	Levy = Base amount + Variable Amount	47 700 000	50 037 300	4.9%
Co-operative bank	One	1 060	1 112	4.9%	$0.0053\% \times A$	$0.0056\% \times A$	4.9%	A = total liabilities as at 30 June of the preceding levy year as reported in terms of section 22 of the Co-operative Banks Act, 2007, or total liabilities as reported in previous financial statements (if first not available)	Levy = Base amount + Variable amount No levy is charged if A does not exceed R2 000 000	5 300	5 560	4.9%
Mutual bank	One	2 120	2 224	4.9%	$0.0053\% \times A$	$0.0056\% \times A$	4.9%	A = total liabilities as at 30 June of the preceding levy year as reported in terms of DI 100 or total liabilities as reported in previous financial statements published in terms of the IFRS (if first not available)	Levy = Base amount + Variable Amount No levy is charged if A does not exceed R3 000 000	530 000	555 970	4.9%
Non-life Insurer and Lloyd's	One	13 250	13 899	4.9%	$V1 = 0.1643\% \times B$ $V2 = 0.0498\% \times C$	$V1 = 0.1724\% \times B$ $V2 = 0.0522\% \times C$	4.9%	B = Gross written premiums below R60 million C = Gross written premiums above R60 million Gross written premiums as stated in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements	Levy = Base amount + V1 + V2	15 900 000	16 679 100	4.9%

Life insurer	One	53 000	55 597	4.9%	$0.00265\% \times D$	$0.00278\% \times D$	4.9%	D = gross best estimate liabilities or technical provisions as a whole, adjusted to an absolute value per line of business as reported in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements	Levy = Base amount + Variable amount	31 800 000	33 358 200	4.9%
Microinsurer (life insurance business only, non-life insurance business only, both life insurance business and non-life insurance business or reinsurance business)	One	5 300	5 560	4.9%	$V1 = 0.1077\% \times E$ $V2 = 0.0326\% \times F$	$V1 = 0.1130\% \times E$ $V2 = 0.0342\% \times F$	4.9%	E = Gross written premiums below R60 million as stated in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements F = Gross written premiums above R60 million as stated in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements	Levy = Base amount + V1+V2	530 000	555 970	4.9%
Exchange	Four	53 000	55 597	4.9%	$0.000024\% \times G$	$0.000025\% \times G$	4.9%	G = turnover value of trades for the quarter preceding the levy period	Levy = Base amount + Variable amount	2 650 000	2 779 850	4.9%
Central securities depository	Four	106 000	111 194	4.9%	$0.0000064\% \times H$	$0.0000067\% \times H$	4.9%	H = value of trades settled for the quarter preceding the levy period	Levy = Base amount + Variable amount	1 590 000	1 667 910	4.9%
Independent clearing house	Four	106 000	111 194	4.9%	$0.000127\% \times I$	$0.000133\% \times I$	4.9%	I = value of trades cleared for the quarter preceding the levy period	Levy = Base amount + Variable amount	1 590 000	1 667 910	4.9%
Associated clearing house	Four	106 000	111 194	4.9%	$0.0000053\% \times J$	$0.0000056\% \times J$	4.9%	J = value of trades cleared for the quarter preceding the levy period	Levy = Base amount + Variable amount	530 000	555 970	4.9%
Central counterparty	Four	106 000	111 194	4.9%	$0.000127\% \times K$	$0.000133\% \times K$	4.9%	K = value of trades cleared for the quarter preceding the levy period	Levy = Base amount + Variable amount	3 180 000	3 335 820	4.9%

External central counterparty	Four	106 300	111 194	4.9%	Not applicable	Not applicable		Not applicable	Levy = Base amount	Not applicable	Not applicable	
Trade repository	Four	26 500	27 799	4.9%	Not applicable	Not applicable		Not applicable	Levy = Base amount	Not applicable	Not applicable	
External trade repository	Four	26 500	27 799	4.9%	Not applicable	Not applicable		Not applicable	Levy = Base amount	Not applicable	Not applicable	
Over-the-counter derivative provider	One	53 000	55 597	4.9%	Not applicable	Not applicable		Not applicable	Levy = Base amount	Not applicable	Not applicable	
Road Accident Fund	One	106 000	111 194	4.9%	Not applicable	Not applicable		Not applicable	Levy = Base amount	Not applicable	Not applicable	