

Prudential Communication 11 of 2024

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

Notice of invitation to comment – Prudential Authority Budget, Fees and Levies Proposals for 2025/2026

Objective of this Prudential Communication

This communication relates to the provisions of sections 239(1), 240 and 98 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act) read with the Financial Sector and Deposit Insurance Levies Act, 2022 (Act No. 11 of 2022) (Levies Act) which requires the Prudential Authority, to publish a notice inviting comments in relation to the budget, estimated expenditure as well as fees and levies proposals stipulated herein.

1. Application

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

2. Purpose

- 2.1 The FSR Act provides for sound governance and a transparent process for the determination of fees, imposition of levies and budgetary planning 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, section 240 of the FSR Act, read with section 98, requires the PA 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 budget, estimates of expenditure, fees and levies proposals, as well as 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 in accordance with the provisions of 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 2025/2026 budget in accordance with the provisions of sections 239 and 248 of the FSR Act that includes an estimate of its expenditure and a projected estimate of its expenditure for the 2026/2027 and 2027/2028 financial years – **Annexure A**;
- (b) explanation of the budget, estimates of expenditure, fees, and levies proposals by the PA for the 2025/2026 financial year – **Annexure B**;
- (c) Schedule 1 of the Levies Act that sets out the levies proposals to fund the operations of the PA for the 2025/2026 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 2025/2026 financial year – **Annexure D**; and
- (e) Comment 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 20 September 2024.

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

¹ The proposed fees for the 2025/2026 financial year have been adjusted on the basis of the version of the proposed Fees Determination for the 2024/2025 financial year that was tabled in Parliament on 25 July 2024.

Fundi Tshazibana

Fundi Tshazibana
Chief Executive Officer

Date: 08/08/24