

## Prudential Communication 11 of 2025

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

#### Notice of invitation to comment: Draft Prudential Standard RAXX - Requirements for the Identification of Resolution Groups and Reporting Obligations for Designated Institutions

##### ***Objective of this Prudential Communication***

*This Prudential Communication serves to inform stakeholders of the publication of Draft Prudential Standard RAXX - Requirements for the Identification of Resolution Groups and Reporting Obligations for Designated Institutions, for consultation, in terms of section 98 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).*

#### **1. Application**

- 1.1 This Prudential Communication applies to all interested persons.

#### **2. Purpose**

- 2.1 The purpose of this Prudential Communication is to inform interested persons of the publication of the draft Prudential Standard RAXX - Requirements for the Identification of Resolution Groups and Reporting Obligations for Designated Institutions (Draft Standard), for consultation, in accordance with section 98 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (the Act).
- 2.2 This draft Prudential Standard is made in terms of sections 105(2)(c) of the Act. It sets out the principles and requirements for the identification of entities that the South African Reserve Bank, as the resolution authority (Reserve Bank), may deem necessary to include in a resolution group to facilitate the orderly resolution of a designated institution.

### **3. Notice of invitation to comment**

- 3.1 The Key Attributes of Effective Resolution Regimes for Financial Institutions (Key Attributes) set out the core elements that the Financial Stability Board (FSB) considers necessary for an effective resolution regime.
- 3.2 The overarching objective of these core elements is to enable an orderly resolution that minimises the impact on financial stability and avoids exposing taxpayers to loss, while ensuring the continuity of critical functions.
- 3.3 As part of minimising financial stability risks and ensuring the continuity of critical functions, section 166E of the Act puts an obligation on the Reserve Bank to plan for the potential need for the orderly resolution of designated institutions.
- 3.4 Section 29A(2) of the Act provides that the Governor may, by written notice to a person or body that is a designated institution as a consequence of being part of a financial conglomerate, determine that such person or body is not a designated institution. In this circumstance, section 29A(2) enables the Reserve Bank to avoid a situation wherein it may have to potentially include in a resolution plan, a multitude of group entities which may not necessarily be relevant for an orderly resolution.
- 3.5 Entities, in a financial conglomerate that are not excluded by the Governor in terms of section 29A(2) or that are identified, in accordance with this Draft Standard, as resolution entities and/ or resolution support entities, are collectively referred to as a Resolution Group.
- 3.6 The PA publishes the following documentation in accordance with section 98 of the Act for public consultation:
  - 3.6.1 Annexure A - the draft Prudential Standard - Requirements for the Identification of Resolution Groups and Reporting Obligations for Designated Institutions;
  - 3.6.2 Annexure B - the Statement explaining the need for, the intended operation and the expected impact of the Draft Standard; and
  - 3.6.3 Annexure C - Comments template.

4. **Submission requirements**

- 4.1 Comments and any enquiries on the abovementioned documentation must be made using the Comments template and submitted for the attention of Mr. Nkululeko Godana and Mr. Jacques Botes on or before 29 August 2025, at the following email address [FST-RPD@resbank.co.za](mailto:FST-RPD@resbank.co.za).

*Fundi Tshazibana*

**Fundi Tshazibana**  
**Chief Executive Officer**

**Date:** 16/07/25