

Prudential Communication 1 of 2026

Banks Act, 1990 (Act No. 94 of 1990)

Invitation for comment – draft amendments to the Commercial Paper Exemption Notice, 1994

Objective of this Prudential Communication

This Prudential Communication serves to communicate the intention of the Prudential Authority to amend the Commercial Paper Exemption Notice, dated 14 December 1994, and to invite comments on the proposed amendments.

This Prudential Communication further relates to the provisions of section 11(1) of the Banks Act No. 94 of 1990) (Banks Act), which states that any person who issues commercial paper without complying with the provisions of the Commercial Paper Exemption Notice would be conducting the ‘business of a bank’ in contravention of the Banks Act.

1. Application

- 1.1 This Prudential Communication is for the attention of all interested parties, including banks and non-banks, in relation to the proposed amendments to the Commercial Paper Exemption Notice, 1994 (CP Exemption Notice) issued in accordance with the provisions of section 11(1) of the Banks Act.

2. Purpose

- 2.1 This Prudential Communication serves to communicate the intention of the Prudential Authority (PA) to amend the CP Exemption Notice and to invite comments on the draft amendments.

3. Background

- 3.1 In terms of section 11(1) of the Banks Act, no person shall conduct the business of a bank unless such person is a public company and registered as a bank in terms of the Bank Act. In accordance with the provisions of the Banks Act, the PA, with the approval of the Minister of Finance (Minister), may designate certain activities as not being the business of a bank for purposes of the Banks Act. One such activity is the issuance of commercial paper, to which this consultation relates.

3.2 On August 2023, the PA completed the initial round of consultations on the draft amendments to the CP Exemption Notice. This process was supported by a Position Paper and an industry survey addressing specific issues related to the proposed changes¹. Approximately 350 comments were received from 23 commentators.

3.3 On August 2024, the PA finalised the second round of public consultations regarding the draft amended CP Exemption Notice and received more than 328 comments from 15 commentators. The consolidated comments matrix encompassing the PA's responses to the second round of public consultation is attached as Annexure C. Based on the nature of the comments received, the PA subsequently conducted informal consultations with the 15 commentators on 21 August 2025 regarding the proposed adjustment to the minimum denomination. A questionnaire was distributed to the commentators with the objective of evaluating the impact of the proposed adjustment on market activity, liquidity, operations, and accessibility. The details of the 12 responses that were received are outlined in Annexure D, which is also published.

3.4 The PA has thus made further amendments and refinements to the draft amended CP Exemption Notice and is hereby conducting a final round of consultation. In Prudential Communication 10 of 2024, the PA already stated its intention to provide transparency to market participants through an exhaustive consultation process prior to finalising the draft amended CP Exemption Notice. Upon the conclusion of this round of consultation, the PA will seek the approval of the Minister for the finalisation of the draft amended CP Exemption Notice. Once finalised, the draft amended CP Exemption Notice will be published in the *Government Gazette* and CP Exemption Notice, 1994 will be repealed.

3.5 In this regard, the PA is publishing the following documentation for formal consultation:

- 3.5.1 Draft amendments to the CP Exemption Notice (Annexure A);
- 3.5.2 Comment template: Draft amendments to the CP Exemption Notice (Annexure B);
- 3.5.3 Consolidated comments matrix (Annexure C); and
- 3.5.4 Draft Statement of the need for, expected impact, and intended operation of the CP Exemption Notice (Annexure D).

¹ See [2023 Position Paper](#)

4. Submission requirements

- 4.1 Comments on the draft amended CP Exemption Notice must be made using the comment template (Annexure B) and submitted to PA-Standards@resbank.co.za for the attention of Mr Bob Chibi on or before **06 March 2026**.
- 4.2 The PA will consider only those comments that pertain specifically to amendments made subsequent to August 2025. Accordingly, interested parties are requested to avoid repeating comments that have already been addressed in the consolidated comment matrix (Annexure C).
- 4.3 Any enquiries regarding this communication must also be directed to the aforementioned email address.

Fundi Tshazibana
Chief Executive Officer

Date: