



# Prudential Authority Industry Quarterly Newsletter

June 2022

## Rotation of the SARB deputy governors and the appointment of the CEO of the Prudential Authority

In March 2022, the Governor of the South African Reserve Bank, Mr Lesetja Kganyago, announced the rotation of the SARB Deputy Governors and the appointment of Fundi Tshazibana as the PA CEO.



**Fundi Tshazibana**  
Deputy Governor and CEO of the PA

## A warm welcome to DG Fundi Tshazibana to the PA

Following the March 2022 announcement by the SARB Governor on 'the rotation of the SARB Deputy Governors and appointment of Prudential Authority CEO', Fundi Tshazibana officially started as the DG and CEO of the PA with effect from 1 April 2022.

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## Loss absorbency – A resolution prevention tool

South Africa has been working on strengthening its resolution framework, which requires systemically important financial institutions to hold sufficient levels of loss-absorbing instruments enabling recapitalised without the need for an injection of public funds. In the event of a resolution, this form of recapitalisation would be achieved by way of a bail-in, allowing the SARB, as the Resolution Authority, to impose losses on the shareholders and certain creditors.

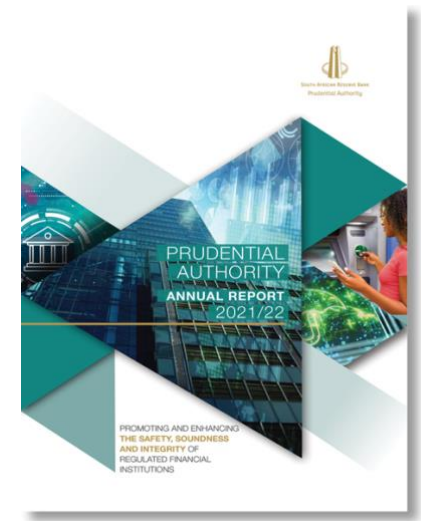
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## The PA 2021/22 Annual Report

It is a pleasure to draw your attention to the Prudential Authority 2021/22 Annual Report which covers market development as well as an overview of the PA's progress on, inter alia:

- The PA's strategic focus areas;
- Steps taken to enhance anti-money laundering and countering the financing of terrorism;
- Outcomes from the PA's ongoing supervision;
- The PA's funding model;
- The International Monetary Fund and World Bank Financial sector assessment programme; and
- The PA's target operating model.

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## How the PA invests in people development: from graduate intern to legal consultant

The South African Reserve Bank (SARB), as part of its purposeful journey, provides great opportunities and invests in the development of its people to meet tomorrow's challenges, whether they are starting their careers or seasoned professionals looking for a new challenge. Aiden Malan shares his purposeful journey from being a Graduate Intern to a Legal Consultant within the SARB.

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## Update on the Cooperative Financial Sector

Co-operative financial institutions (CFIs) and co-operative banks have both been supervised within the Prudential Authority (PA) since October 2018. Notwithstanding their unique business model, their challenges mirror those faced by the banking sector. They have had to contend with legislative, pandemic, climate change, technology and skills challenges.

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## The Prudential Authority Transformation Programme

The PA continues to work diligently to ensure that the transformation objectives set for 2022 are met.

All the data models have now been developed as part of the industry data taxonomy project and the team is pleased that the project is nearing completion.

There are new and exciting developments on the Umoja Solution project.

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## Quarter 1: Operational risk and information technology risk update

The Prudential Authority's Operational Risk Division (Operational Risk, IT Risk, RDARR and Representative Offices) has been involved in several activities since the beginning of the year. The issuance of regulatory instruments, maturity assessment surveys and frequent engagement with internal and external stakeholders were among the items on the list.

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## IFRS 17 Assessment Report

In June 2021, The Prudential Authority issued a survey to insurers supervised by the Banking, Insurance, Co-operative Financial Institutions and Financial Market Infrastructure Supervision Department of the PA as part of the flavour-of-the-year topic engagements on International Financial Reporting Standard 17: Insurance Contracts (IFRS 17). The survey questions were aimed at gaining insights into the progress and state of the implementation of IFRS 17 for these insurers.

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## Prudential Authority Publications

In the period between April 2022 and June 2022, the following instruments were published by the Prudential Authority.

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