

**Corporation for Deposit Insurance:
Latest coverage and reporting rules**

The rules proposed in this document are subject to change and must not be considered final. Banks can submit comments on these proposed rules to CODI@resbank.co.za.

Version control:

0.1	3 September 2021	Initial draft for the 2021 deposit insurance survey
1.0	3 April 2023	Updated document based on updated proposals in the draft secondary legislation
1.1	26 June 2023	Correction of some proposals
2.0	31 January 2024	Updated with amendments to the Deposit Insurance Regulations of 2024 after public consultation, comments received on the Single Customer View calculations document, questions from banks and the inclusion of interpretive matters

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1. Summary of the Corporation for Deposit Insurance’s reporting requirements

The following table provides an overview of the Corporation for Deposit Insurance’s (CODI) latest reporting requirements. This document should be read in conjunction with the Financial Sector Regulation Act 9 of 2017 (FSR Act), the Deposit Insurance Regulations of 2024 (Regulations) and the [Single Customer View \(SCV\) calculations document](#).

Summary of latest reporting requirements (January 2024)		
Number	Description ¹	CODI reporting requirement ²
1.	SCV) reporting	<p>SCV reporting of depositor information to CODI is mandatory for all:</p> <ul style="list-style-type: none"> • simple accounts; • informal beneficiary accounts (IBAs); and • formal beneficiary accounts (FBAs) where a bank can identify the underlying beneficiaries to an FBA.
2.	Inability to comply with any requirement of the Regulations	<p>Where a bank is unable to comply with any requirement of the Regulations, the bank can apply to CODI for condonation from this requirement. Upon assessing the bank’s request, CODI may grant the condonation and give the bank more time to comply with the requirement. Similarly, if a bank cannot comply with any of the reporting provisions in the Regulations, the bank must specify its non-compliance with the requirement(s) in Compliance Declaration A3 to be submitted to CODI in accordance with regulation 20(2) and must provide the details required in regulation 20(2)(b) for</p>

¹ The terms used in this document are defined in either the Financial Sector Regulation Act 9 of 2017 (FSR Act) or the Deposit Insurance Regulations of 2024 (Regulations).

² The Corporation for Deposit Insurance (CODI) will provide banks with detailed reporting requirements through a *Government Gazette*, which will cover the calculation of total qualifying deposits and total covered deposits for submission to CODI as well as the submission mechanisms.

Summary of latest reporting requirements (January 2024)		
Number	Description ¹	CODI reporting requirement ²
		CODI to consider. In terms of regulation 20(5), CODI may assess the plan provided by the bank and require amendments to it.
3.	Monthly aggregated submissions to CODI	Banks must submit their total qualifying deposits and total covered deposits to CODI on a monthly basis, using SCV calculations based on month-end balances.
4.	Quarterly SCV calculations submissions to CODI	<p>Banks must submit the supporting SCV calculations³ with the total qualifying deposits and total covered deposits to CODI on a quarterly basis or at a frequency specified by CODI.</p> <p>Once the Regulations become effective, CODI will, under regulation 38(3) of the Regulations, exempt all banks⁴ from regulation 28(2) of the Regulations, which requires banks to submit SCV calculations with their total qualifying deposits and total covered deposits to CODI on a quarterly basis or at a frequency specified by CODI.</p> <p>The aforementioned exemption will be granted for a period of 18 months: from 1 April 2024 until 30 September 2025.⁵</p> <p>During the exemption period, banks will have to calculate their total qualifying deposits and total</p>

³ A 'Single Customer View (SCV) calculation' means the calculation of a bank's total qualifying deposits and total covered deposits based on the SCV records of its qualifying depositors and a record of each formal beneficiary account (FBA) for which the bank cannot generate an SCV record for the beneficiaries, where an 'SCV record' means a consolidated view of a qualifying depositor's accounts and associated balances in qualifying products for the purpose of calculating the qualifying depositor's qualifying deposit balance and covered deposits.

⁴ As defined in the FSR Act.

⁵ The exemption is subject to the Regulations becoming effective on 1 April 2024.

Summary of latest reporting requirements (January 2024)		
Number	Description ¹	CODI reporting requirement ²
		<p>covered deposits using the guidelines for SCV calculations in Chapter VII of the Regulations and will have to submit their total qualifying deposits and total covered deposits to CODI monthly, using month-end balances, as required by regulation 28(1).</p> <p>In terms of regulations 29(1) and 29(2), CODI may still require ad hoc submissions from banks, which can include the submission of their SCV calculations with their total qualifying deposits and total covered deposits as at a date specified by CODI.</p> <p>The format and the mechanism of the ad hoc submissions will be agreed upon between CODI and the banks.</p>
5.	Conversion of foreign currency balances	<p>Banks must convert a foreign currency balance to the South African rand (ZAR) using the close-of-business market exchange rates at the reporting date.</p> <p>A bank in resolution must convert a foreign currency balance to the ZAR using the close-of-business market exchange rates at the date when the Minister of Finance made the determination placing the bank in resolution.</p>
6.	Reporting of branch information	<p>Banks must report to CODI the residential or business address of a client and the depositor's branch. This information will be used for the development of payout plans and to determine if a payout agent bank (PAB) can cater for a failed bank's depositors. (This proposal is under consideration based on banks' feedback).</p>

Summary of latest reporting requirements (January 2024)

Number	Description ¹	CODI reporting requirement ²
7.	Not-ready-for-payout (NRP) indicators	<p>CODI will do further work on the NRP indicators and will provide guidance to banks. The current NRP indicators included in the Regulations are:</p> <ul style="list-style-type: none"> • not identifying the depositor using the minimum criteria specified by the Financial Intelligence Centre Act 38 of 2001 (FICA); • legal disputes; • a pledged account; • a money-laundering conviction; • sanctions or foreign blocking; and • death. <p>Banks must apply indicators to a qualifying depositor, an FBA holder, a signatory or an account.</p>
8.	Last transaction date	<p>Since depositors will have to access their covered deposits at a PAB or by nominating an account for payout purposes when CODI has a payout system in place, CODI no longer requires banks to report the last transaction date for accounts.</p>
9.	Reconciliation	<p>In terms of the Regulations, there are no reconciliation requirements for banks with regard to other regulatory (e.g. the Prudential Authority's (PA) BA returns), economic (e.g. BA 900 returns) or financial (e.g. balance sheet) reports.</p>

2. Coverage and reporting proposals for specific types of depositors and products

This section describes the general principles for determining coverage for specific types of depositors and products.

2.1 General principles for determining coverage

In general, CODI will cover deposits where the capital amount is guaranteed and repayable at par to a qualifying depositor⁶.

2.2 Summary of the Corporation for Deposit Insurance's latest coverage and reporting proposals for specific types of depositors and products

The table below sets out CODI's latest coverage and reporting proposals for specific types of depositors and products.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
1.	Financial institution	N	Financial institutions' deposits are not covered or reported to CODI unless they are the holder of an FBA – refer to item 17. Banks can use the South African Reserve Bank's (SARB) Institutional Sector Classification Guide for South Africa, read	

⁶ A 'qualifying depositor' includes:

- (a) an account holder of a simple account;
- (b) a beneficiary of a formal beneficiary account (FBA); and
- (c) an informal beneficiary account (IBA) holder,

that holds a qualifying product.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			<p>with the definition of a 'qualifying deposit' in the FSR Act, to classify institutions.</p> <p>Financial institutions include all financial corporations⁷ regardless of their form of business, including financial sole proprietors, financial companies, banks, money market unit trusts, non-money market unit trusts, insurers, pension funds, fund managers, private financial corporate sector institutions, monetary authorities and public non-financial corporations.</p>	
2.	Co-operative financial institution (CFI)	Y	<p>Deposits held by CFIs will be covered as IBAs for R100 000 coverage for the CFIs' accounts.</p> <p>CFIs will be treated as FBAs if they are accountable institutions or have an account</p>	<p>CFIs must be reported as IBAs to CODI.</p> <p>If a bank collects the details, identifies and maintains records of all the depositors of a CFI on a monthly basis, the bank can report the CFI's account as an FBA to enable CODI to</p>

⁷ As defined in the [Institutional Sector Classification Guide for South Africa](#) published by the South African Reserve Bank (SARB).

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			that meets the criteria of an FBA.	<p>cover every beneficiary up to R100 000. In this instance, the bank acts as the accountable institution, responsible for the record keeping of the account's beneficiaries. Currently, CFIs are not accountable institutions.</p> <p>Annexure A contains a list of the CFIs with their registration numbers at the Companies and Intellectual Property Commission (CIPC), registered with the PA as at the date of publication of this document.</p>
3.	Government	N	<p>Deposits by the following government entities are not covered: national government, provincial government, local government, public non-financial corporations, monetary authorities and organs of state.</p> <p>If the government is the holder of an FBA account, the bank must produce a separate</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			<p>FBA record for the account, for inclusion in the bank’s SCV calculations. Refer to item 17.</p> <p>Private universities qualify for deposit insurance protection for qualifying accounts held. Public universities do not. Banks must differentiate between private and public institutions using the SARB’s Institutional Sector Classification Guide for South Africa.</p> <p>The same principle applies to other types of entities where a distinction is made between private and public, such as schools, colleges and hospitals.</p> <p>Other than the SARB’s Institutional Sector Classification Guide for South Africa, CODI does not have a standard list that the industry should use to differentiate between private and public institutions. In the absence of</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
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			other sources, CODI recommends that banks use the lists available on official government websites (where applicable). ⁸ Irrespective of the sources used, it remains the banks' responsibility to ensure that their treatment and reporting of institutions comply with CODI's coverage rules as well as the definitions in the FSR Act and the Regulations.	
4.	Entities listed in schedule 2 of the Public Finance Management Act 1 of 1999 (PFMA)	N		

⁸ A list of public schools can be found at <https://www.education.gov.za/Programmes/EMIS/EMISDownloads.aspx> while a list of public hospitals can be accessed at <http://www.dha.gov.za/index.php/notices/1406-list-of-connected-health-facilities-per-province>.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
5.	The Corporation for Public Deposits (CPD) established by section 2 of the Corporation for Public Deposits Act 46 of 1984 (CPD Act)	N		
6.	The Public Investment Corporation (PIC) established by section 2 of the Public Investment Corporation Act 23 of 2004 (PIC Act)	N		

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
7.	Retail depositors	Y	Qualifying depositors holding accounts in qualifying products ⁹ will be covered.	
8.	Non-financial corporations	Y	<p>Qualifying depositors holding accounts in qualifying products will be covered.</p> <p>Banks can use the SARB's Institutional Sector Classification Guide for South Africa, read with the definition of a 'qualifying deposit' in the FSR Act, to classify institutions.</p> <p>For deposit insurance purposes, non-financial corporations include all privately owned institutional units whose principal activity is</p>	CODI requires banks to report the details of the representatives for non-financial corporate account holders if they are not natural persons.

⁹ A 'qualifying product' means a qualifying deposit, regardless of its term or currency, and does not include:

- (a) shares;
- (b) holdings in commodities;
- (c) electronic money products;
- (d) suspense accounts; and
- (e) any product where the principal amount is not repayable at par or is repayable at par only subject to a specific condition or guarantee.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			<p>the production of goods and non-financial services. These include all forms of non-financial businesses, including sole proprietors, partnerships, companies and so on.</p> <p>There is no carve-out for large versus small non-financial corporate depositors. If the depositor meets the definition of a qualifying depositor holding an account in a qualifying product, they qualify for deposit insurance coverage.</p> <p>CODI only protects retail and private non-financial sector depositors and not public non-financial corporations. CODI covers account holders separately if they are qualifying depositors with accounts in qualifying products. Subsidiaries within a group of companies are individual legal</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			entities and are covered separately if they are qualifying depositors holding accounts in qualifying products.	
9.	Foreign depositors	Y	Qualifying foreign depositors (i.e. retail and private non-financial corporates) holding accounts in qualifying products will be covered.	
10.	Minors	Y	Qualifying depositors holding accounts in qualifying products will be covered.	<p>Qualifying accounts in the name of a minor must be reported to CODI in the name of the minor and will be covered by CODI.</p> <p>The Banks Act 94 of 1990 (Banks Act) allows for young adults aged 16 and older to open bank accounts themselves.</p> <p>Legally speaking, a minor is under 18 years old.</p> <p>For reporting to CODI, depositors under the age of 16 will be considered a minor. Banks no</p>

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				longer need to classify minors as such in their submissions to CODI. The identification of a minor's representative(s) to CODI is also no longer required.
11.	Legally incapacitated depositors	Y	Qualifying depositors holding accounts in qualifying products will be covered.	Banks no longer need to classify legally incapacitated depositors as such in their submissions to CODI. Banks also do not need to identify a legally incapacitated depositor's representatives when reporting to CODI.
12.	Deceased depositors	Y	Qualifying depositors holding accounts in qualifying products will be covered.	<p>If the account holder is deceased before the reporting date and the bank has classified the account holder's accounts as a deceased estate, the deceased depositor's accounts must be reported to CODI as NRP accounts.</p> <p>The following reporting requirements will apply:</p> <ol style="list-style-type: none"> 1. If the bank has formal records of the details of the deceased estate's accounts'

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				<p>beneficiaries and their associated balances in the accounts, it should report the beneficiary details to CODI in an SCV record for the beneficiary. In such a case, the bank can cap the covered balance per beneficiary at R100 000 per beneficiary after considering the simple accounts the beneficiary may have as a qualifying depositor. The account will still be reported as an NRP account in the beneficiary's SCV record. If this bank was placed into resolution, the NRP indicator will require the liquidator to liaise with the executor of the estate before any reimbursement can be made.</p> <p>2. If a bank cannot identify the beneficiaries and their balances to the deceased estate's accounts, the bank must report the accounts to CODI as an FBA in the name of the qualifying depositor, in which case the</p>

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				accounts' full balance will be included in the bank's SCV calculations to determine its total covered deposits and total qualifying deposits. Should the bank fail, and should the SARB place it in resolution, the executor of the estate must submit the details of the beneficiaries and their balances to the liquidator in order to determine to whom CODI can pay the balances in a reimbursement scenario. Reimbursement will be done to the executor for distribution to the beneficiaries of the estate.
13.	Charitable organisations	Y	Qualifying depositors holding accounts in qualifying products will be covered.	
14.	Religious entities	Y	Qualifying depositors holding accounts in qualifying products will be covered.	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
15.	Trade unions	Y	Qualifying depositors holding accounts in qualifying products will be covered.	
16.	Consumer associations	Y	Qualifying depositors holding accounts in qualifying products will be covered.	
17.	Formal beneficiary accounts (FBAs) are defined in the Regulations as: 'an account in a qualifying product where the account holder may not be the owner of the funds in the account but manages the funds on behalf of the beneficiaries to the	Y	CODI applies coverage using a look-through approach to FBAs. Qualifying beneficiaries are covered up to R100 000 for all their qualifying balances held in qualifying products, including their portion of an FBA.	<p><u>All</u> FBAs must be reported to CODI, except when, on a monthly basis:</p> <ul style="list-style-type: none"> • a bank can identify every beneficiary to an account and not one of the beneficiaries identified is a qualifying depositor; or • the FBA holder confirms to the bank that not one of the beneficiaries is a qualifying depositor. <p>If a bank cannot identify the beneficiaries to an FBA, it must report the FBA to CODI even if the account holder is not a qualifying depositor, since a beneficiary to the FBA may be a</p>

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	<p>account, subject to the following conditions:</p> <p>(a) the account holder is an accountable institution managing funds on behalf of one or more beneficiaries by maintaining formal records of these beneficiaries and their associated balances; or</p> <p>(b) a bank as the accountable institution maintains</p>			<p>qualifying depositor. The FBA would have to be included in the bank's covered deposit calculation to allow CODI sufficient funds to pay out the beneficiary if the bank were to fail.</p> <p>There are <u>only two</u> reporting options for FBAs:</p> <ul style="list-style-type: none"> • Where a bank can identify beneficiaries, the bank must create an SCV record for each beneficiary who is a qualifying depositor. The bank must include their qualifying balances to this account, together with any other accounts in qualifying products, in their SCV calculations on a monthly basis. • Where a bank cannot identify beneficiaries and their balances on a monthly basis, the bank must create a separate record for the FBA and include the full account balance as the account's qualifying balance and covered balance in its SCV calculations on

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	<p>formal records of the beneficiaries and their associated balances in an account where the account holder is not an accountable institution but manages funds on behalf of one or more beneficiaries'.</p> <p>Therefore, if the account holder is not an accountable institution and/or the bank does not keep record of the beneficiaries to the</p>			<p>a monthly basis.</p> <p>A bank must use the reporting option based on the information which the bank has available on the beneficiaries of each FBA, i.e. if the bank has the details of the beneficiaries and their balances to a specific FBA, it <u>must</u> create SCV records for the beneficiaries to the account who are qualifying depositors.</p>

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	FBA, the account must be reported as a simple account. Examples of FBAs include attorneys, trust accounts, third-party fund administration accounts etc.			
18.	Informal beneficiary accounts (IBAs) are defined in the Regulations as: 'an account offered by a bank to an IBA holder ¹⁰ who is not an	Y	Each account will be covered up to R100 000.	If a bank (as an accountable institution) maintains formal records of the beneficiaries and their associated balances in the account <u>on a monthly basis</u> , an IBA can be reported to CODI as an FBA and the bank must create SCV records for every beneficiary to the IBA. Each IBA member or contributor who is a qualifying

¹⁰ An 'IBA holder' means an informal group established by individuals as members to collectively save for a purpose specified in a constitution document.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	<p>accountable institution and whose members elect signatories to manage the account on their behalf in accordance with the rules specified in the constitution document'.</p> <p>CODI's proposed definition of an 'IBA holder' is:</p> <p>'an informal group established by individuals as members to collectively save for a</p>			<p>depositor will qualify for up to R100 000 for their qualifying accounts as per their SCV record, including their portion of the IBA's balance.</p> <p>Where a bank only has the account holders' and signatories' details, all accounts in qualifying products held by the account holders will be aggregated in an SCV record for the IBA holder. The IBA holders will qualify for deposit insurance coverage of up to R100 000 for all the accounts held by them.</p> <p>Where an IBA holder has multiple accounts, each with different signatories, CODI will apply the maximum coverage limit of R100 000 to the account holder and it will pay out the account holder's different accounts to the signatories on a pro-rata basis.</p> <p>Banks must do the pro-rata calculation when they create the SCV records for the IBA holders</p>

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	purpose specified in a constitution document'. Examples of IBAs include stokvels and informal group savings accounts.			for inclusion in their total qualifying and total covered deposits to be submitted monthly to CODI from 1 April 2024. The requirements for the reporting of pro-rata reimbursement calculations will be included in a future <i>Government Gazette</i> that CODI will issue for the submission of SCV calculations from October 2025.
19.	Electronic money products, including electronic payment products through an app (not linked to a bank account), foreign or local currency wallets/remittances, prepaid travel or	N	Electronic money products do not qualify for deposit insurance coverage since the depositors cannot be identified as per FICA.	When a qualifying depositor has initiated a payment transaction from a qualifying account using an electronic money product (e.g. sending money to a recipient's cellphone number), but the recipient has not taken/received the funds, the sender remains the owner of the funds until settlement has taken place. These balances qualify for deposit insurance coverage and should be included under the qualifying depositor's (sender's) qualifying balances. If the

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	transit cards and digital vouchers			funds lie in a suspense account for processing, item 67 applies.
20.	Authorised signatories	N		
21.	Joint accounts	Y	Qualifying depositors holding accounts in qualifying products will be covered.	The account balance will be split between the account holders of a joint account according to the ratio recorded by the bank when the account was opened. If no split was recorded, the account balance will be split equally between the number of account holders. In terms of regulation 37(2)(b)(ii) of the Regulations, a qualifying depositor's share in a joint account must be reported by banks as the qualifying depositor's qualifying balance for the account.
22.	Sharing accounts	Y	Qualifying depositors holding accounts in qualifying products will be covered.	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			If the primary account holder of a sharing account is a qualifying depositor, they will be included in the scope of deposit insurance cover for their qualifying sharing account.	
23.	Dormant and inactive accounts as well as unclaimed balances	Y	Qualifying depositors holding accounts in qualifying products will be covered.	<p>Dormant, inactive and escheatable accounts as well as unclaimed balances in accounts in a qualifying product held by a qualifying depositor must be included in a bank's SCV calculations.</p> <p>Banks need to follow the same principles as for other accounts included in SCV calculations, i.e. these accounts must be included as simple accounts, FBAs or IBAs, depending on their deposit insurance classification.</p> <p>Compliance with FICA is not a requirement for including a qualifying depositor or account in a bank's reporting to CODI. A bank must report accounts where the account holder has not been</p>

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				FICA-ed recently or is not fully in line with FICA, to CODI as NRP accounts. The requirement relates to the bank's FICA process for client onboarding <u>and</u> its ongoing internal risk-based FICA policies and processes for refreshing/re-identifying its customers <u>as per FICA's requirements</u> . If a bank is required to re-identify a particular customer according to its ongoing internal risk-based FICA policies and processes but has not done so recently, the account must be reported to CODI as an NRP account together with all the accounts that were not FICA-ed at the point of onboarding.
24.	Accounts with details of a power of attorney	Y	Qualifying depositors holding accounts in qualifying products will be covered.	CODI will no longer require banks to report details of representatives for these accounts.
25.	Club accounts	Y	Qualifying depositors holding accounts in qualifying products will be covered.	Club accounts must be reported as simple accounts in the name of the account holder.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
26.	Term deposits	Y	Term deposits will be covered if they are held by qualifying depositors.	
27.	Balances due to a depositor on transactional, transmission and cheque accounts	Y	<p>Balances due to a qualifying depositor with an account in a qualifying product will be covered.</p> <p>Balances which a qualifying depositor owes the bank in accounts in qualifying products will not be covered but must be included in the bank's SCV calculations.</p>	<p>Regulation 37(3)(b)(i) of the Regulations prescribes the following:</p> <p>“A bank must include account balances as—</p> <p>(i) a zero qualifying balance when it is a balance owed to the bank[.]”</p> <p>A ‘qualifying balance’ means the balance due to a qualifying depositor or FBA holder for an account.</p> <p>CODI will make provision for separate fields for reporting account balances and the account's qualifying balance. In the field for the account's qualifying balance, the bank can report the adjusted amount. For an account with a negative balance, the bank must report the negative</p>

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				balance as the account balance and zero (0) as the account's qualifying deposit balance.
28.	Balances due to the account holder on loan accounts and credit cards	N	Balances due to a qualifying depositor on loan accounts and credit cards are not covered.	Since CODI only protects products that meet the definition of a deposit, banks do not need to include balances due to a qualifying depositor on any loan products or credit cards in their SCV calculations.
29.	Offset mortgages and loans	Y	Mortgage loans do not qualify for CODI's coverage. Transactional/savings accounts will be covered if they are in the name of a qualifying depositor.	How a bank records offset mortgages and transactional/savings accounts determines their treatment. If the transactional/savings accounts and loan balances are combined into one account, the balance against the loan is set off to reduce the principal loan value and the interest due on the amount. In such a case, the depositor has made the choice to allow the two accounts to set off against one another to reduce the principal balance on which interest is

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				<p>calculated. Since this is 'one' account, differentiation between the deposit/transactional balance versus the loan balance cannot be made in the bank's SCV calculations as SCV calculations are account-based.</p> <p>Where the mortgage account and the transactional/savings account are separate accounts, but the bank allows the transactional/savings account's balance to be offset against the mortgage loan, the transactional/savings account will be covered and included in the bank's SCV calculations, but not the loan account.</p>
30.	Fixed-term deposits (mutual banks)	Y	<p>Fixed-term deposits will be covered if they are not loss-absorbing shares and are held by qualifying depositors.</p> <p>This should not include any fixed-term</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			deposits that are treated as capital by a mutual bank.	
31.	Indefinite-period paid-up shares (mutual banks)	N	These are loss-absorbing shares.	
32.	Subscription shares (mutual banks)	N	These are loss-absorbing shares.	
33.	Fixed-period paid-up shares (mutual banks)	N	These are loss-absorbing shares.	
34.	Deferred shares (mutual banks)	N		
35.	Mandatory shares (co-operative banks)	N	These are loss-absorbing shares.	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
36.	Voluntary shares	N		
37.	Islamic Wadi'ah product	Y	This product qualifies if the account is held by a qualifying depositor.	
38.	Islamic Qard product	Y	This product qualifies if the account is held by a qualifying depositor.	
39.	Islamic Murabahah product	Y	This product qualifies if the account is held by a qualifying depositor.	
40.	Islamic Mudarabah product	N	<p>This product can include investment products but also savings accounts, current accounts and other short-term deposits.</p> <p>This product's capital amount is only guaranteed where there is negligence by a bank. This conditionality does not make the capital/principal amount guaranteed at all times. This, together with its nature as a</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			possible investment product, means that this product will not qualify for deposit insurance coverage.	
41.	Islamic Wakalah product	N	<p>This investment product involves the account holder empowering the bank to invest funds on their behalf in a list of approved investments. The profit is shared between the account holder and the bank. It can be used for different investment instruments, such as structured products and investment accounts, but also savings accounts and current accounts.</p> <p>As an investment product, this product does not qualify for deposit insurance coverage (the capital amount is not guaranteed by the bank).</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
42.	Accounts combining multiple products	Possibly	Accounts held in qualifying products by qualifying depositors will possibly be covered.	
43.	Structured products consisting of different types of investments	Possibly	<p>Where a structured product consists of a cash deposit and an equity-linked investment, several factors will determine the coverage:</p> <ul style="list-style-type: none"> • If the cash is held in a qualifying product (with its own account number in the records of the bank) by a qualifying depositor, it will qualify for deposit insurance coverage. • The equity-linked deposit will not qualify for deposit insurance coverage even if it is in the name of a qualifying depositor since it is an investment account which does not qualify for deposit insurance coverage. • If the cash and equity-linked funds are 	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			held in one account in the name of a qualifying depositor, the account will not qualify for deposit insurance coverage because of the non-qualifying component.	
44.	Pledged deposits	Y	The pledged amount cannot be covered until the pledge has been removed.	Qualifying accounts held by qualifying depositors and pledged for any purpose, either at the reporting bank or at another bank, must be included in the reporting bank's SCV calculations. The unpledged balance of the pledged account must be included as the qualifying balance for the qualifying depositor's account in qualifying products, but the account will be tagged as an NRP account. If the reporting bank fails, the NRP reporting of the account will require CODI to work with the liquidator or resolution practitioner to review the status as well as the terms and conditions of the pledge before the balance is paid out to the

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal								
				<p>qualifying depositor.</p> <p>Example:</p> <p>Unpledged balance: total account balance – total pledged balances</p> <table border="1" data-bbox="1429 683 2049 901"> <thead> <tr> <th data-bbox="1429 683 1585 817">Savings deposit</th> <th data-bbox="1585 683 1742 817">Pledge A</th> <th data-bbox="1742 683 1899 817">Pledge B</th> <th data-bbox="1899 683 2049 817">Pledge C</th> </tr> </thead> <tbody> <tr> <td data-bbox="1429 817 1585 901">R160 000</td> <td data-bbox="1585 817 1742 901">R40 000</td> <td data-bbox="1742 817 1899 901">R30 000</td> <td data-bbox="1899 817 2049 901">R50 000</td> </tr> </tbody> </table> <p>Total unpledged balance:</p> <p>R160 000</p> <p>– R40 000</p> <p>– R30 000</p> <p>– R50 000</p> <p>= R40 000</p>	Savings deposit	Pledge A	Pledge B	Pledge C	R160 000	R40 000	R30 000	R50 000
Savings deposit	Pledge A	Pledge B	Pledge C									
R160 000	R40 000	R30 000	R50 000									

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				Reporting to CODI: <ul style="list-style-type: none"> • Account balance: R160 000 • Qualifying balance: R40 000 Covered balance: R40 000
45.	Alliance banking	Y	Qualifying depositors holding accounts in qualifying products will be covered.	The information of the qualifying depositors holding accounts in qualifying alliance banking products will be combined with other products held by the qualifying depositors of the reporting bank when the bank performs its SCV calculations. If the qualifying depositor has accounts in both qualifying alliance banking and other qualifying products with the reporting bank, all their accounts and balances in qualifying products will be consolidated in the bank's SCV

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				calculations.
46.	Investment accounts	N	Products where the capital/nominal amount invested is not guaranteed (i.e. where there is a risk of loss to the qualifying depositor/beneficiary) are not covered for deposit insurance purposes. This includes derivatives, shares, indices, exchange-traded funds, debt instruments, bearer instruments, annuities, insurance products, unit trusts, private equity investments by individuals and non-financial corporates as well as repurchase agreements.	
47.	Savings accounts	Y	Savings accounts will be covered if the account is held by a qualifying depositor.	
48.	Cheque accounts	Y	Cheque accounts will be covered if the account is held by a qualifying depositor.	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
49.	Fixed-term deposits	Y	Fixed-term deposits will be covered if the account is held by a qualifying depositor.	
50.	Notice deposits	Y	Notice deposits will be covered if the account is held by a qualifying depositor.	
51.	Tax-free deposits	Y	Tax-free deposits will be covered if the account is held by a qualifying depositor.	
52.	Tax-free accounts invested in unit trusts	N	Investment products where there is a risk of loss to the qualifying depositor/beneficiary are not covered. This includes derivatives, shares, indices, exchange-traded funds, debt instruments, bearer instruments, annuities, insurance products, unit trusts, private equity investments by individuals and non-financial corporates as well as repurchase agreements.	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
53.	Tax-free accounts invested in shares	N	Products where there is a risk of loss to the qualifying depositor/beneficiary are not covered.	
54.	Money market deposits	Y	Money market deposits will be covered if the account is held by a qualifying depositor.	
55.	Money market funds	N	Products where there is a risk of loss to the qualifying depositor/beneficiary are not covered.	
56.	Cash management schemes	Y	If cash management schemes are seen as a functionality instead of a specific type of account where funds are placed prior to transferring them to different accounts, then the funds will always remain in either a qualifying or a non-qualifying account in the name of a depositor. If the depositor is a qualifying depositor, all accounts in qualifying	Cash management scheme accounts should be included in the bank's SCV calculations if the account holder is a qualifying depositor and the account is in a qualifying product.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			<p>products that are part of a cash management scheme will qualify for deposit insurance coverage.</p> <p>If the cash management scheme requires funds to be placed into a specific account before being transferred to investment accounts, the funds in this account will only be covered if the account holder and product type both qualify for deposit insurance.</p> <p>Only the gross balances held by qualifying depositors in qualifying products will qualify for deposit insurance coverage. Net balances cannot be used when reporting deposit balances to CODI, unless the cash management scheme underlying the agreement explicitly specifies that a set-off applies – in such a case, a bank can report the net balance to CODI. Accrued interest</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			must be allocated and reported to CODI in accordance with the underlying agreement.	
57.	Reward programmes	N		
58.	Gold	N		
59.	Items in safety deposit boxes	N		
60.	Cashier's cheques	N		
61.	Crypto-related products	N		
62.	Digital vouchers	N		
63.	Accrued interest	Y	Accrued interest will be covered for accounts held in qualifying products by qualifying depositors.	Banks should be capable of calculating the accrued interest balance on any reporting date, irrespective of whether the interest payment term of the deposit has been reached or not.

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
				Accrued interest should be included in the bank's SCV calculations, as accrued interest on accounts in qualifying products held by qualifying depositors is covered by CODI.
64.	Account fees	Y	Account fees will not be deducted from qualifying depositors'/account holders' account balances in qualifying products.	
65.	Gross coverage	Y	<p>Negative balances in qualifying products held by a qualifying depositor will not be deducted from the positive balances held by the qualifying depositor.</p> <p>The exception to this would be the set-off accounts where a transactional/savings account is automatically set off against a loan account in the records of the bank.</p>	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
66.	Temporary high balances (THBs)	N	CODI will not provide deposit insurance coverage for THBs.	
67.	Temporary suspense accounts	N	These accounts include accounts where funds are held temporarily until processed and allocated to a specific depositor and/or account.	These accounts need not be included in the bank's SCV calculations. Where a customer is identified before a bank's submission to CODI, the amounts in suspense accounts due to them should be added to their qualifying balances and covered deposits for the month.
68.	Accounts used for agency services	Possibly	'Agency services' refer to accounts used to settle funds for agency services such as cash-in-transit (CIT) or cheque-clearing services. The account holder and product determine whether the account is covered or not. If the account holder is another bank or financial	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
			corporate, the account will not be covered. If the account holder is a non-financial corporate, such as a transport company, the account will qualify for coverage up to the maximum of R100 000, together with other accounts held by the same account holder provided that the account is a qualifying product.	
69.	Sole proprietors	Y	Sole proprietors that are non-financial corporates will be covered separately for personal and business accounts in qualifying products, provided that the bank can identify the business accounts of the sole proprietor.	Banks must differentiate between a qualifying depositor's personal accounts and business accounts as a sole proprietor and must include them as separate qualifying depositors in their SCV calculations.
70.	Funds temporarily held in an account to be invested on behalf of a qualifying	Y	When qualifying depositors place funds in the account of a financial institution or financial broker who would then transfer the funds to investments on their behalf, the account is in	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)

Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	depositor		the name of a non-qualifying depositor and will not be covered by CODI. If, however, the account meets the conditions for an FBA, the underlying beneficiaries could be covered since CODI will apply the look-through approach to such accounts. If the account is in the name of the financial institution or financial broker but does not meet the conditions to be defined as an FBA, the account will not be covered.	
71.	Money orders	N		
72.	Bank executives, directors, external auditors and related parties	Y	If these parties are qualifying depositors holding accounts in qualifying products, they will be covered.	Banks no longer need to classify bank executives, directors, external auditors or related parties as such in their submissions to CODI.
73.	Treasury and cash management	Y	Treasury and cash management products will be covered if the accounts are in qualifying	

Summary of coverage and reporting proposals for specific types of depositors and products (January 2024)				
Number	Type of depositor or product	Covered (Y/N)	Coverage proposal	Reporting proposal
	products		products held by a qualifying depositor. The terms and conditions of the product must specify that the principal amount is guaranteed and repayable at par.	

3. Interpretive matters

This section provides clarity on various interpretive matters relating to CODI’s coverage and reporting rules.

Interpretive matters relating to coverage and reporting proposals (January 2024)		
Number	Interpretive matter	CODI guidance
1.	Impact of an NRP indicator for an FBA holder on a beneficiary’s SCV record	<p>Where an FBA holder cannot be reliably identified in terms of the requirements of FICA as required by regulation 37(1) of the Regulations, the bank must use an NRP indicator to mark the FBA holder.</p> <p>If the beneficiaries of the FBA are known to the bank and are reported to CODI per regulation 34(1), the SCV records of the beneficiaries who are qualifying depositors must be marked with an NRP indicator until such time that the FBA holder can be reliably identified even if the beneficiaries have been reliably identified.</p> <p>Restrictive measures imposed by local authorities or international organisations are linked to the FBA holder and will apply to all accounts held by the FBA holder. If restrictive measures are imposed on an FBA holder by local authorities or international organisations, banks must report all the accounts of the FBA holder to CODI as NRP accounts. The balances due to the qualifying beneficiaries of the FBA in question will also be marked as NRP accounts until such time that the restrictive measures have been lifted.</p> <p>Similarly, where the FBA holder has been charged with an offence arising out of, or in relation to, money laundering as defined in FICA or any other financial crime(s), the FBA holder and all their accounts must be marked as NRP accounts. The balances due to the qualifying depositors who are beneficiaries of the FBA in question must also be marked as NRP accounts until such time that the investigations concerning the money laundering or any other financial crime(s) have been concluded.</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
2.	Reporting of non-qualifying beneficiaries of an FBA	<p>Refer to item 17 of the ‘Summary of coverage and reporting proposals for specific types of depositors and products’ above for guidance on the inclusion of FBAs in a bank’s SCV records and reporting to CODI.</p> <p>Where a bank can identify the beneficiaries of an FBA, the bank must create SCV records for <u>each beneficiary who is a qualifying depositor</u>. The bank must include their qualifying balances to the FBA, together with any other accounts in qualifying products (simple accounts and beneficiaries to an FBA), in their SCV calculations on a monthly basis. In such cases, CODI requires information on qualifying depositors only. Banks must not create SCV records for non-qualifying depositors (beneficiaries) for their SCV calculations.</p>
3.	Minimum information to be provided for an SCV record for a beneficiary of an FBA when submitting SCV calculations to CODI	<p>According to the definition of a ‘qualifying depositor’ in the Regulations, a beneficiary of an FBA that holds a qualifying product is a qualifying depositor. The following requirements of regulation 37(2) of the Regulations apply to any qualifying depositor:</p> <p>“When preparing SCV records, a bank must provide—</p> <ul style="list-style-type: none"> (a) the identifying details specified by the Corporation [for Deposit Insurance] of a qualifying depositor or FBA holder; and (b) at least the following contact details for a qualifying depositor or FBA holder— <ul style="list-style-type: none"> (i) either a formal or informal address; and (ii) one telephone number or an email address.” <p>If a bank can identify a beneficiary of an FBA and their balance but it does not have the beneficiary’s address,</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		<p>the bank can still report it to CODI as an NRP account since the beneficiary has not been FICA-ed. But the identification of the beneficiary and their balance is the absolute minimum information for the creation of an SCV record for a beneficiary.</p> <p>Regulation 27(3) furthermore provides that, to prepare its total qualifying deposits and total covered deposits using SCV calculations, a bank must ensure that its key systems, at a minimum, are able to provide a balance due to a beneficiary of an FBA and generate an SCV record with the required information fields for each qualifying depositor and their accounts in a qualifying product.</p> <p>Regulation 34(3) prescribes that a bank must include the details specified by CODI for each account in a qualifying product when generating its SCV records and must submit them to CODI in the manner and form prescribed by CODI.</p> <p>Refer to item 4 of the ‘Summary of latest reporting requirements’ for guidance on the reporting requirements which will become applicable with effect from CODI’s operationalisation on 1 April 2024.</p> <p>CODI will liaise with banks and issue the details of the SCV calculations that banks must submit to CODI from October 2025 in the <i>Government Gazette</i> before the exemption referred to in item 4 of the ‘Summary of latest reporting requirements’ above expires.</p>
4.	Application and reporting of the R100 000 coverage limit	<p><i>Question: Can a bank apply and report the R100 000 coverage limit to an FBA when the bank knows an FBA has only one beneficiary but cannot identify the beneficiary?</i></p> <p>In terms of regulation 34(5) of the Regulations, a bank must include each FBA in its SCV calculations except</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
	when a bank know an FBA has only one beneficiary but cannot identify the beneficiary	<p>when, on a monthly basis:</p> <p>(a) a bank can identify every beneficiary to an FBA and not one of the beneficiaries is a qualifying depositor; or</p> <p>(b) a bank, based on information received from the holder of an FBA, confirms that not one of the beneficiaries of an FBA is a qualifying depositor.</p> <p>If the bank cannot identify all the beneficiaries as required in regulation 34(5), it has to include the FBA in its SCV records in accordance with regulation 35(3), in terms of which a bank must report the full account balance in the qualifying balance and covered deposits for the FBA since it cannot generate an SCV record for the beneficiary(-ies).</p>
5.	Percentage holding of a beneficiary of an FBA unknown	<p>The identification of a beneficiary to an FBA is not sufficient for the creation of an SCV record for the beneficiary. If a bank cannot identify all the beneficiaries of an FBA <u>and their associated balances in the account on a monthly basis</u> as required in terms of regulation 34(5), the bank must create a separate record for the FBA and include the full account balance as the account’s qualifying balance and covered balance in its SCV calculations.</p>
6.	Treatment of a deceased joint account holder	<p>Once a bank has received notification of the death of a depositor, the bank must apply an NRP indicator to all the deceased qualifying depositor’s accounts in qualifying products in its SCV record. If the qualifying depositor had a joint account with another account holder, the account will have an NRP indicator. If the bank fails, CODI cannot provide access to the funds in the account to the estate of the deceased depositor or the other account holder (if they are a qualifying depositor) until there has been finalisation with the executor of the estate of the</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		deceased depositor to determine the total covered balance due to them. Please refer to item 8 for details about the coverage of deceased estates.
7.	Treatment of a joint account where one account holder is not a qualifying depositor	<p>If there are two (joint) account holders and only one is a qualifying depositor, the bank must split the account balance between the account holders according to the sharing ratio in the records of the bank, but the bank must only include the details of the qualifying depositor with their balances in the qualifying depositor's SCV record.</p> <p>Example:</p> <ul style="list-style-type: none"> • Account Holder 1 and Account Holder 2 have a joint account with a balance of R20 000 that is to be split equally. • Account Holder 2 is not a qualifying depositor. • Account Holder 1 and Account Holder 2's share of the account balance is R10 000 each. • The bank must include Account Holder 1's details in its SCV record as follows: Account balance = R20 000 Qualifying balance = R10 000
8.	Reporting of negative account balances for accounts in qualifying	A qualifying depositor may have an account in a qualifying product with a negative balance, such as an overdraft on a cheque account. In the qualifying depositor's SCV record or the FBA's record, these accounts must be included by showing the negative balance as the account balance and a zero (0) qualifying balance for the

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
	products	account.
9.	Impact of an NRP indicator caused by a lack of reliable identification of a signatory to an IBA	<p>Where a signatory to an IBA cannot be reliably identified in terms of the requirements of FICA, the bank must mark the signatory with an NRP indicator. A bank must mark all accounts against which the signatory’s information has been reported as NRP. If a bank is placed in resolution and deposits must be reimbursed through a PAB, all the signatories to an account held by an IBA holder must be reliably identified before reimbursement can take place. All the signatories, as recorded by the bank, must physically go to the PAB at the same time for them to access the IBA’s covered deposits.</p> <p>If a signatory cannot be physically present, then an affidavit, together with certified copies of the identification documents of <u>all</u> the signatories, must be signed and submitted by <u>all</u> the IBA’s signatories to pay out the IBA holder’s covered deposits. The affidavit must confirm the signatories’ information and provide approval for funds to be paid out. In such a scenario, reimbursement will only occur if the information in the affidavit aligns with what was reported by the bank.</p>
10.	Impact of an NRP indicator for a signatory to an IBA on the members of the IBA	<p>Restrictive measures imposed by local authorities or international organisations are linked to signatories of the IBA and will apply to all accounts held/managed by the signatories. If restrictive measures are imposed on a signatory by local authorities or international organisations, banks must report all the accounts against which the signatory’s information has been reported as NRP in the SCV records for the IBA holder.</p> <p>Similarly, where a signatory to an IBA has been charged with an offence arising out of, or in relation to, money laundering as defined in FICA or any other financial crime, then the signatory and all accounts against which the</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		signatory's information has been reported must be marked as NRP in the SCV records for the IBA holder.
11.	Qualifying depositors with balances in multiple account categories	<p><i>Question: How must banks treat situations where an account holder has multiple IBAs consisting of accounts that have signatories and accounts with no signatories? Similarly, how must banks treat instances where an account holder has a simple account, is a beneficiary of an FBA and has multiple IBAs?</i></p> <p>In terms of the Regulations, an IBA is defined as an account in a qualifying product offered by a bank to an IBA holder who is not an accountable institution and whose members elect signatories to manage the account on their behalf in accordance with the rules specified in the constitution document.</p> <p>An IBA holder is an informal group established by individuals as members to collectively save for a purpose specified in a constitution document. A qualifying depositor includes—</p> <ul style="list-style-type: none"> (a) an account holder of a simple account; (b) a beneficiary of an FBA; and (c) an IBA holder <p>that holds a qualifying product.</p> <p>In terms of the definition of an IBA, when the members of an IBA holder open an IBA, they must elect signatories to manage the IBA. If the account is in the name of the IBA holder but the members of the IBA holder have not elected (or provided the details of) the signatories to the bank, the bank must mark the account with an NRP indicator in the SCV records for the IBA holder as a bank must report signatories for every IBA. To remove the</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		<p>NRP indicator, the bank must request the members of the IBA holder to provide the details of the elected signatories to manage the account.</p> <p>Where the members of an IBA holder do not elect signatories and place their funds in a member’s account (i.e. the holder of a simple account) in a qualifying product, the account will not meet the definition of an IBA but will rather be considered a simple account in the name of the member. This account holder (or member of the IBA holder) will be covered for R100 000, together with their other accounts in qualifying products, based on their SCV record.</p> <p>In terms of the Regulations, CODI will cover the IBA holder and not the members of the IBA holder. This means that the IBA holder, irrespective of the number of IBAs they hold, will be covered up to the coverage limit of R100 000.</p> <p>An individual or account holder who holds accounts in qualifying products will be covered for R100 000 for all their simple accounts as well as the amounts due to them as beneficiaries of FBAs. Banks must aggregate the account holder’s simple accounts and the balances due to them from FBAs in their SCV records and must apply the coverage limit of R100 000 to determine their covered deposits.</p> <p>If a simple account holder is also a signatory to an IBA, banks must <u>not</u> aggregate their qualifying balances in simple accounts and FBAs with those of the IBA holder for which they are a signatory. The simple account holder and the IBA holder are covered separately.</p> <p>CODI covers the IBA holder and not the members of the IBA holder, meaning that a bank must not create an</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		SCV record for the members of the IBA, just for the IBA holder.
12.	Resubmission of total qualifying deposits and total covered deposits and declarations	<p>Data resubmissions occur when a bank resubmits information that had previously been submitted to CODI.</p> <p>There are two scenarios where data resubmissions can occur:</p> <ul style="list-style-type: none"> • Data resubmissions requested by a bank <p>Banks may request to resubmit data when they experienced challenges in the submission process. The bank must obtain CODI’s approval to resubmit the data by making a formal request to CODI. CODI will respond to resubmission requests and provide the bank with the timeline for the data resubmission.</p> <ul style="list-style-type: none"> • Data resubmissions requested by CODI <p>CODI may request a bank to resubmit its total qualifying deposits and total covered deposits in case of discrepancies and/or errors identified in the data submission. Banks will be required to rectify the identified discrepancies and/or errors and will have to make a resubmission within the timeline specified by CODI.</p> <p>All data resubmissions must be accompanied by the applicable declarations as per regulation 20 of the Regulations.</p>
13.	Declaration when the bank has no qualifying depositors	A bank’s Chief Executive Officer (CEO) and Chief Financial Officer (CFO), or an equivalent, needs to declare that the bank has no covered deposit balances <u>only</u> if the bank did not submit total qualifying deposits and total covered deposits to CODI for a particular month.

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
	(regulation 19)	
14.	Signing of declarations submitted in accordance with regulations 19 and 20	In terms of the Regulations, a bank's CEO and CFO, or an equivalent, must sign all declarations submitted in terms of regulations 19 and 20. This function can only be delegated where another person is acting in the capacity of CEO or CFO, and not as a rule.
15.	Account holds	<p>An account hold restricts an account holder from accessing the full balance of an account. The funds may appear in an account as part of the account balance, but the full balance may not be available to the account holder. A hold may last a few days, although its duration depends on the reason for the hold.</p> <p>When there is a hold on a qualifying depositor's account in a qualifying product, the full account balance must be included in the depositor's SCV record as the account balance and the qualifying balance, but the account must be marked with an NRP indicator. If the reporting bank fails, the NRP indicator means that the liquidator or resolution practitioner will assess the status of the hold before determining the balance to be made available to the qualifying depositor.</p>
16.	Treatment of individuals with two or more sole proprietorships	<p><i>Question: How should banks treat an individual with two or more sole proprietorships?</i></p> <p>In terms of regulation 4(1) of the Regulations, CODI must cover a sole proprietor as a separate qualifying depositor. Regulation 34(4) further provides that a bank must differentiate between a qualifying depositor that is a natural person and one that is a sole proprietor and must include them as separate qualifying depositors in its</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		<p>SCV records.</p> <p>CODI will cover sole proprietors that are non-financial corporates separately for their personal and business accounts in qualifying products, provided that the bank can identify the business account(s) of the sole proprietor.</p> <p>If a qualifying depositor has more than one sole proprietorship and the bank can identify each sole proprietorship as a separate business of the qualifying depositor, each sole proprietorship’s business account(s) in qualifying products will be covered separately up to the coverage limit of R100 000. A bank must include a separate SCV record for each sole proprietorship in its SCV calculations.</p> <p>Example:</p> <p>Mary Moon has a personal savings account with a balance of R20 000.</p> <p>Mary also operates two sole proprietorships:</p> <ul style="list-style-type: none"> • Mary’s Hairdressers, with a business savings account (balance of R120 000) and a business cheque account (balance of R10 000); and • Mary’s Tuck-Shop, with a business cheque account (balance of R30 000). <p>CODI will cover Mary’s Hairdressers and Mary’s Tuck-Shop for their business accounts in qualifying products separately from Mary’s personal accounts in qualifying products, i.e. Mary will be covered for her personal savings account (R20 000), Mary’s Hairdressers will be covered up to R100 000 for both the savings and the</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		<p>cheque accounts, and Mary’s Tuck-Shop will be covered for the cheque account (R30 000).</p> <p>The bank must include separate records for Mary Moon, Mary’s Hairdressers and Mary’s Tuck-Shop in its SCV calculations.</p> <p>If the bank cannot separately identify the different sole proprietor businesses, then the bank must create an SCV record for the business accounts in qualifying products in its SCV calculations and the sole proprietor will be covered up to R100 000.</p>
17.	Reporting of accounts with signatories	<p><i>Question: Must an account be included in a bank’s SCV calculations as a simple account if, for example, an account belongs to a husband and the wife of the account holder is a signatory to the account but no transaction can take place without her signature? The bank does not consider this as a joint account. Must the bank report the details of the signatory to this account?</i></p> <p>If the account does not align with the definition of a ‘joint account’ in the Regulations, i.e. if it is not a simple account opened in the name of two or more account holders, then the account must be included in the bank’s SCV calculations as a simple account in the name of the account holder in terms of the requirements of the Regulations. The identification and reporting of signatories to the account in the bank’s SCV calculations is not required. CODI only requires banks to include the details of signatories for IBAs in their SCV calculations.</p>
18.	Coverage of business offering both financial and non-financial	<p><i>Question: What should happen in the case of a business offering both financial and non-financial services? For example, XYZ Consulting offers both financial advice and legal advice.</i></p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
	services	<p>Coverage depends on the classification of the account holder. Banks can use the SARB's Institutional Sector Classification Guide for South Africa, read with the definition of a 'qualifying deposit' in the FSR Act, for guidance on the classification of institutions.</p>
19.	CODI coverage at inception	<p><i>Question: Will the premiums and levies be payable only on deposits made after the implementation of CODI, i.e. are all deposits made before CODI's establishment excluded from the calculation of premiums and levies?</i></p> <p>For the normal monthly submissions, banks will submit their total covered deposits, determined using SCV calculations based on month-end balances, to CODI. CODI will use each bank's total covered deposits for the calculation of the premiums, levies and fund liquidity tier contributions that the bank pays to CODI.</p> <p>When a bank calculates its total covered deposits for the month-end, it must include <u>all</u> the qualifying depositors' accounts in qualifying products that are on the bank's balance sheet as at that date, regardless of when the depositor opened the account. CODI protects qualifying depositors for accounts in qualifying products that had been opened before CODI's operationalisation if these accounts are still on the bank's balance sheet as at the reporting date.</p> <p>Example:</p> <p>If banks must submit their total covered deposits to CODI for May 2024, they must include <u>all</u> the qualifying depositors' accounts in qualifying products that are on their balance sheets as at 31 May 2024. If a qualifying depositor opened an account in a qualifying product (such as a savings deposit) before CODI's</p>

Interpretive matters relating to coverage and reporting proposals (January 2024)

Number	Interpretive matter	CODI guidance
		<p>operationalisation and it is still on the bank's balance sheet on 31 May 2024, then the bank must include the account in its total covered deposits calculation. If a qualifying depositor opened an account in a qualifying product before CODI's operationalisation but closed it on 30 May 2024, then the bank no longer has the deposit on its balance sheet on 31 May 2024. In such a case, the bank would not include the account in its total covered deposits calculation.</p> <p>A bank must include all accounts in qualifying products that are still on the bank's balance sheet as at the reporting date in its SCV calculations for the reporting period even if the pricing of the qualifying products did not make provision for CODI's premiums and/or levies.</p>

4. Published discussion papers

Further detail regarding CODI's initial key design aspects can be accessed in detailed discussion papers published by CODI, namely:

- [Designing a deposit insurance scheme for South Africa – a discussion paper](#) (May 2017)
- [Coverage and reporting rules discussion paper](#) (April 2020)
- [The deposit insurance funding model and the implications for banks](#) (August 2020)
- [Data definition and reporting requirements discussion paper](#) (February 2021)
- [Discussion document on the use of the deposit insurance fund to reimburse covered depositors](#) (May 2021)
- [Corporation for Deposit Insurance: Approach to deposit insurance communication and public awareness](#) (May 2022)

Annexure A: List of co-operative financial institutions as at the date of publication

Name	Name registered with the Companies and Intellectual Property Commission (CIPC)	CIPC registration number
Asikhule SACCO	Asikhulesonga Savings and Credit Cooperative	Busy with CIPC registration
Boikago SACCO	Boikago Savings and Credit Primary Cooperative Limited	2005/000213/24
Imvelo Agricultural CFI	Imvelo Agricultural Cooperative Financial Institution Limited	2016/002364/24
Isikhungo Sabantu FSC	Isikhungo Sabantu Financial Services Cooperative Limited	2020/004815/24
Kingdom CFI	Kingdom Financial Institution Primary Co-operative Limited	2020/001698/24
Kings Grange FSC	Kings Grange Financial Services Primary Cooperative Limited	2011006279124
Medi Co-op FC	SA Primary Medical Financial Cooperative Limited	2015/014609/2
Midrand CFI	Midrand Savings and Credit Cooperative Limited	Busy with CIPC registration
Motswedi FSC	Motswedi Financial Services Cooperative Limited	2013/020268/24
Mutapa FSC	Mutapa Financial Services Cooperative Limited	2011/001221/24
Nagrik SA FSC	Nagrik SA Financial Services Cooperative Limited	2013/015732/24
Nasasa CFI	National Stokvel Association of South Africa Financial Primary Cooperative Limited	2018/007399/24
Ndlovukazi FSC	Ndlovukazi YakwaZulu Women Financial Cooperative Limited	2020/002702/24

Name	Name registered with the Companies and Intellectual Property Commission (CIPC)	CIPC registration number
Ndzhakheni	Ndzhakeni South Avenue Cooperative Financial Services	2020/002/808/24
NEHAWU SACCO	NEHAWU Savings and Credit Cooperative Limited	2007/001376/24
Oranjekas SKK	Oranjekas Spaar en Krediet Kooperatief Primer Beperk	2009/003378/24
People Empowerment CFI Primary Co-operative Limited FSC	People Empowerment CFI Primary Co-operative Limited FSC	2009/001744/24
SADTU SACCO	SADTU Savings and Credit Cooperative Limited	2019/004281/24
The People's Stokvel	The People's Stokvel FC Primary Cooperative Limited	2022/603464/24
Tshwane Community FSC	Tshwane Community Financial Services Cooperative Limited	2017/011476/24
Umnotho FI	Umnotho Financial Institute Primary Cooperative Limited	2019/003937/24
Women Building Our Africa	Women Building Our Africa Financial Services Primary Cooperative Limited	2020/002769/24
Worcester SACCO	Worcester Community Savings and Credit Cooperative Limited	2014/017709/24
Young Women in Business Network CFI	Young Women in Business Network Cooperative Financial Institution Limited	2015/000550/24

Abbreviations

Banks Act	Banks Act 94 of 1990
CEO	Chief Executive Officer
CFI	co-operative financial institution
CFO	Chief Financial Officer
CIPC	Companies and Intellectual Property Commission
CIT	cash-in-transit
CODI	Corporation for Deposit Insurance
Corporation	Corporation for Deposit Insurance
CPD Act	Corporation for Public Deposits Act 46 of 1984
CPD	Corporation for Public Deposits
FBA	formal beneficiary account
FICA	Financial Intelligence Centre Act 38 of 2001
FSR Act	Financial Sector Regulation Act 9 of 2017
IBA	informal beneficiary account
NRP	not-ready-for-payout
PA	Prudential Authority
PAB	payout agent bank
PFMA	Public Finance Management Act 1 of 1999
PIC Act	Public Investment Corporation Act 23 of 2004
PIC	Public Investment Corporation
Regulations	Deposit Insurance Regulations of 2024
SARB	South African Reserve Bank
SCV	Single Customer View
THB	temporary high balances

ZAR

South African rand