

## Single customer view (SCV) calculations document

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## List of abbreviations

Banks Act	Banks Act 94 of 1990
CBA	Co-operative Banks Act 40 of 2007
CFI	co-operative financial institution
CODI/Corporation	Corporation for Deposit Insurance
CPD	Corporation for Public Deposits
CPD Act	Corporation for Public Deposits Act 46 of 1984
DIF	Deposit Insurance Fund
DIS	Deposit Insurance Scheme
FBA	formal beneficiary account
FIC	Financial Intelligence Centre
FIC Act	Financial Intelligence Centre Act 38 of 2001
FSLAA	Financial Sector Laws Amendment Act 23 of 2021
FSR Act	Financial Sector Regulation Act 9 of 2017, amended by the FSLAA
IBA	informal beneficiary account
NRP	not-ready-for-payout
PFMA	Public Finance Management Act 1 of 1999
PIC	Public Investment Corporation
PIC Act	Public Investment Corporation Act 23 of 2004
RA	Resolution Authority
RFP	ready-for-payout
SARB	South African Reserve Bank
SCV	single customer view
ZAR	South African rand

## Definitions

<b>Constitution document</b>	A document that describes the purpose and functioning of an informal savings group, specifies who the signatories are and sets out the rules for the contribution and distribution of funds from and to members.
<b>Electronic money product</b>	A product offered by a bank that: <ul style="list-style-type: none"> <li>a. represents monetary value and must be claimable by an issuer;</li> <li>b. can be stored electronically and issued on receipt of funds;</li> <li>c. is generally accepted as a means of payment by persons other than the issuer; and</li> <li>d. is redeemable on demand for physical cash or a deposit into a bank account.</li> </ul>
<b>Formal address</b>	A structured description of an address with a minimum of a street name, town or city, postal code and country and optional information about a building name, building number and street number.
<b>Islamic Wadi'ah product</b>	An Islamic account where the account holders may withdraw the full or partial balance at any time, and the bank guarantees the refund of such balances at any time.
<b>Islamic Murabaha product</b>	The sale of a commodity at the price for which the seller (depositor) originally purchased it, plus a specified profit known to both the buyer (bank) and seller. It is a cost-plus profit sale in which the seller expressly discloses the profit he intends to make.
<b>Islamic Qard product</b>	A non-interest-bearing loan whereby the borrower (bank) uses the loaned funds for a period with the understanding that the same amount as the loaned funds will be repaid to the depositor <b>on demand</b> or at the end of a period.
<b>Qualifying depositor</b>	This includes: <ul style="list-style-type: none"> <li>a. an account holder of a simple account;</li> <li>b. a beneficiary of a formal beneficiary account; and</li> <li>c. an informal beneficiary account holder that holds a qualifying product.</li> </ul>
<b>Qualifying product</b>	A qualifying deposit, regardless of its term or currency, and does not include:

	<ul style="list-style-type: none"> <li>a. a share;</li> <li>b. holdings in commodities;</li> <li>c. an electronic money product;</li> <li>d. a suspense account; and</li> <li>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.</li> </ul>
<b>Single customer view (SCV) calculation</b>	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 for which a bank cannot generate an SCV record for the beneficiaries.
<b>SCV record</b>	A consolidated view of a qualifying depositor's accounts and associated balances in qualifying products for purposes of calculating the qualifying depositor's qualifying deposit balance and covered deposits.
<b>Total covered deposits</b>	The total of all covered deposits at a bank.
<b>Total qualifying deposits</b>	The total of all qualifying deposit balances at a bank.

## 1. Introduction

Section 166BF of the Financial Sector Regulation Act 9 of 2017 (FSR Act), amended by the Financial Sector Laws Amendment Act 23 of 2021 (FSLAA), empowers the Corporation for Deposit Insurance (CODI) to collect information from banks relevant to the performance of its functions. CODI requires details of depositors and their covered deposits to give depositors access to their covered deposits when a bank has been placed into resolution.

The submission of information during business-as-usual times will improve the data quality over time and reduce the reimbursement period for the qualifying depositors of a bank in resolution.

In terms of the Deposit Insurance Regulations (regulations), banks must use single customer view (SCV) calculations of depositor information when submitting their total qualifying and total covered deposits to CODI. CODI will also use the total covered deposits submitted by a bank to calculate its financial contributions,<sup>1</sup> including the fund liquidity tier loan amount.

This document aims to provide guidance to banks on the steps to follow in applying the FSR Act and the regulations to produce SCV calculations based on SCV records and records for each formal beneficiary account (FBA) where banks cannot generate SCV records for the FBAs' beneficiaries. The approach in this document is to provide a process showing the application of the principles from the FSR Act and the regulations before illustrating the application of the principles using an example dataset.

It is important for banks to note that the process is one example of how banks can apply the deposit insurance legislation to generate SCV calculations to calculate their total qualifying and total covered deposits for submission to CODI. Each bank has different depositors, products and systems and must consider these and other bank-specific factors in defining their approach to produce the information CODI requires.

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<sup>1</sup> A financial contribution includes—

(a) a deposit insurance levy imposed under section 9 of the Financial Sector and Deposit Insurance Levies Act 11 of 2022; and

(b) a deposit insurance premium imposed by legislation, in accordance with section 166BG of the Act.

This document should be read in conjunction with the FSR Act, the regulations and [the summary of proposed reporting and coverage rules document](#).

## 2. Steps to calculate a bank's qualifying and covered deposits

Each step in this section provides an overview of the coverage and reporting principles contained in the FSR Act and the regulations for generating SCV calculations, which a bank must use to calculate their total qualifying and covered deposits for submission to CODI. It also provides a simplified example<sup>2</sup> to illustrate how a bank, 'ABC Bank', may apply these principles.<sup>3</sup> Annexure A contains the completed example.

### Step 1: Prepare data based on scope of the deposit insurance legislation

This step outlines the principles that a bank must consider in identifying its data for reporting to CODI.

- 1.1 **Determine its membership to CODI:** In terms of the FSR Act, banks will become members of CODI once CODI becomes operational on 1 April 2024. In terms of the FSR Act's definition of a bank, a 'bank' means each of the following:
  - a. a bank as defined in the Banks Act 94 of 1990 (Banks Act);
  - b. a branch as defined in the Banks Act;
  - c. a mutual bank as defined in the Mutual Banks Act 124 of 1993; or
  - d. a co-operative bank as defined in the Co-operative Banks Act 40 of 2007 (CBA).
- 1.2 **Include only South African operations:** In terms of regulation 37(5), a bank must report on its operations in South Africa only.

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<sup>2</sup> The simplified example does not contain all the data fields banks will report to CODI. CODI will consult on the file structures and fields with banks in due course.

<sup>3</sup> This example illustrates the possible steps and ordering of these steps that a bank can follow in compiling its SCV records and performing its SCV calculations. Banks can decide on the steps and order that best suits their system and operational setup.



- 1.3 **Include only deposits:** Furthermore, the FSR Act defines a ‘deposit’ as having the same meaning assigned to it in section 1.1 of the Banks Act. This definition excludes credit balances (balances due to the account holder) on loan products. Since CODI only protects products that meet the definition of a deposit, a bank does not need to report credit balances on loan products to CODI.
- 1.4 **Include dormant deposits:** Regulation 34(2)(a) states that all dormant accounts should be reported to CODI. Even if a bank classifies an account as dormant, depositors remain legally entitled to the funds in the account. CODI covers dormant accounts for qualifying depositors even when the bank has not been able to comply with the Financial Intelligence Centre’s (FIC) requirements for identifying the depositor. The bank must report these depositors as not-ready-for-payout (NRP) in its submission to CODI. CODI may delay their reimbursement until the depositor is successfully identified in terms of the Financial Intelligence Centre Act 38 of 2001 (FIC Act). **Banks must treat unclaimed balances the same as dormant accounts for deposit insurance coverage purposes (i.e., any unclaimed balance to an account in a qualifying product held by a qualifying depositor must be reported to CODI).**

Application of the legislation to ABC Bank’s data

ABC Bank meets the definition of a bank as defined in the FSR Act. It will become a member of CODI from 1 April 2024 and must only include information from its South African operations for reporting to CODI. Table 1 shows ABC Bank’s balance sheet of its South African operations.

**Table 1: ABC Bank’s balance sheet of its South African operations**

Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account balance
Paul Steyn	8112269622085	Individual	Cheque account	Transactional	-20 000
Arthur Lambert Crafts	4310059890086	Non-financial business	Cheque account	Transactional	51 430

Mark Mathebula	7105293826087	Individual	Cheque account	Transactional	55 000
Mary Mathebula	6012170438088	Individual	Cheque account	Transactional	55 000
Maynard Hayn	6007177600086	Individual	Cheque account	Transactional	-4 200
Mohale Attorneys	6110318338085	Non-financial business	Cheque account	Transactional	23 098
Motang Mechanics	6704213242184	Non-financial business	Cheque account	Transactional	32 000
Paul Steyn	8112269622085	Non-financial business	Cheque account	Transactional	40 000
Quillet Properties	6610070713086	Non-financial business	Cheque account	Transactional	89 030
Share Hairdressers	9303156876087	Non-financial business	Cheque account	Transactional	38 000
Thabile Home Improvements	9210257490082	Non-financial business	Cheque account	Transactional	9 000
Sheffield Municipality	9070290874880	Local government	Cheque account	Transactional	150 000
Moodley Accounting	4810258279080	Financial business	Cheque account	Transactional	24 000
Savings CFI	7003631999048	Financial business	Cheque account	Transactional	200 000
Maynard Hayn	6007177600086	Individual	Credit card	Credit card	-500
Sipho Ndlovu	8401173507189	Individual	Credit card	Credit card	-1 300
Arthur Lambert Crafts	4310059890086	Non-financial business	Fixed deposit	Term	34 800
Kenneth Montero	9210196018085	Individual	Fixed deposit	Term	41 000
Mohale Attorneys	6110318338085	Non-financial business	Fixed deposit	Term	43 012
Motang Mechanics	6704213242184	Non-financial business	Fixed deposit	Term	45 000
Quillet Properties	6610070713086	Non-financial business	Fixed deposit	Term	85 000
Share Hairdressers	9303156876087	Non-financial business	Fixed deposit	Term	88 000
Tau Stokvel	7783013743747	Informal group account	Fixed deposit	Term deposit	45 000
Sithembile Stokvel	2083199241884	Informal group account	Fixed deposit	Term deposit	450 000
Razia Hendriks	7700225VH	Individual	Islamic Murabaha	Savings	100 050
Ashraf Mohamed	7606122284182	Individual	Islamic Qard	Savings	23 000

Razia Hendriks	7700225VH	Individual	Islamic Wadi'ah	Savings	65 000
Jenny Baloyi	4966398217310	Individual	Mortgage loan	Loan	350 000
Kenneth Montero	9210196018085	Individual	Mortgage loan	Loan	80 221
Paul Steyn	8112269622085	Individual	Notice deposit	Notice	44 000
Thabile Home Improvements	9210257490082	Non-financial business	Notice deposit	Notice	23 000
Priscilla Naidoo	8319054804707	Individual	Notice deposit	Notice	\$9 400
Mary Mathebula	6012170438088	Non-financial business	Savings account	Savings	78 000
Mary Mathebula	6012170438088	Individual	Savings account	Savings	34 000
Kenneth Montero	921019601808	Individual	Savings account	Savings	14 000
Mark Mathebula	7105293826087	Individual	Savings account	Savings	200 000
Mohale Attorneys	6110318338085	Non-financial business	Savings account	Savings	4 233
Share Hairdressers	9303156876087	Non-financial business	Savings account	Savings	62 000
Peter Ndlela	8319054804707	Individual	Savings account	Savings	2 000
JD Security	8801534431568	Non-financial business	Savings account	Savings	£22 000
Tau Stokvel	7783013743747	Informal group account	Savings account	Savings	74 300
ABC Stokvel Savings	2649531979818	Informal group account	Savings account	Savings	105 000
Jenny Baloyi	4966398217310	Individual	Savings account	Savings	67 342
Mohale Attorneys	6110318338085	Non-financial business	Tax-free savings	Savings	33 000
Peter Ndlela	8319054804707	Individual	Tax-free savings	Savings	45 000
Sipho Ndlovu	8401173507189	Individual	Tax-free shares	Shares	32 444
Moodley Accounting	4810258279080	Financial business	Trust account	Transactional	130 000
Baloyi Attorneys	5806175536080	Non-financial business	Trust account	Transactional	99 100
ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	23 400
ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	46 789

Mila Accountants	7699937262245	Financial business	Trust account	Transactional	83 564
Peter Ndlela	8319054804707	Individual	Vehicle finance	Loan	45 000
Lereko Magagula	8496357854025	Individual	Credit card	Credit card	900
SAFCOL SOC Limited	1993/001447/20	Public non-financial business	Savings account	Savings	15 000
Tania Smith	7758238421533	Individual	Fixed deposit	Term	70 000
Debra Cronje	8412269622085	Individual	Cheque account	Transactional	150 000
Paul Cronje	7410059890086	Individual	Cheque account	Transactional	150 000

CODI covers deposits only. Therefore, banks are only required to report information on deposits, including dormant accounts. Table 2 shows ABC Bank's loans and credit card products. Since these products do not qualify for deposit insurance coverage, they should be excluded when ABC Bank prepares its data for deposit insurance reporting purposes.

**Table 2: ABC Bank's loan products**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Balance
Non-qualifying	Jenny Baloyi	4966398217310	Individual	Mortgage loan	Loan	350 000
Non-qualifying	Kenneth Montero	9210196018085	Individual	Mortgage loan	Loan	80 221
Non-qualifying	Peter Ndlela	8319054804707	Individual	Vehicle finance	Loan	45 000
Non-qualifying	Maynard Hayn	6007177600086	Individual	Credit card	Credit card	-500
Non-qualifying	Sipho Ndlovu	8401173507189	Individual	Credit card	Credit card	-1 300
Non-qualifying	Lereko Magagula	8496357854025	Individual	Credit card	Credit card	900

Table 3 shows the accounts that will continue to the next step of the process.

**Table 3: ABC Bank's deposits and dormant deposits**

Account holder	Account holder identifier	Type of depositor	Product name	Product type	Balance
Paul Steyn	8112269622085	Individual	Cheque account	Transactional	-20 000
Arthur Lambert Crafts	4310059890086	Non-financial business	Cheque account	Transactional	51 430
Mark Mathebula	7105293826087	Individual	Cheque account	Transactional	55 000
Mary Mathebula	6012170438088	Individual	Cheque account	Transactional	55 000
Maynard Hayn	6007177600086	Individual	Cheque account	Transactional	-4 200
Mohale Attorneys	6110318338085	Non-financial business	Cheque account	Transactional	23 098
Motang Mechanics	6704213242184	Non-financial business	Cheque account	Transactional	32 000
Paul Steyn	8112269622085	Non-financial business	Cheque account	Transactional	40 000
Quillet Properties	6610070713086	Non-financial business	Cheque account	Transactional	89 030
Share Hairdressers	9303156876087	Non-financial business	Cheque account	Transactional	38 000
Thabile Home Improvements	9210257490082	Non-financial business	Cheque account	Transactional	9 000
Sheffield Municipality	9070290874880	Local government	Cheque account	Transactional	150 000
Moodley Accounting	4810258279080	Financial business	Cheque account	Transactional	24 000
Savings CFI	7003631999048	Financial business	Cheque account	Transactional	200 000
Arthur Lambert Crafts	4310059890086	Non-financial business	Fixed deposit	Term	34 800
Kenneth Montero	9210196018085	Individual	Fixed deposit	Term	41 000
Mohale Attorneys	6110318338085	Non-financial business	Fixed deposit	Term	43 012
Motang Mechanics	6704213242184	Non-financial business	Fixed deposit	Term	45 000
Quillet Properties	6610070713086	Non-financial business	Fixed deposit	Term	85 000

Share Hairdressers	9303156876087	Non-financial business	Fixed deposit	Term	88 000
Tau Stokvel	7783013743747	Informal group account	Fixed deposit	Term deposit	45 000
Sithembile Stokvel	2083199241884	Informal group account	Fixed deposit	Term deposit	450 000
Razia Hendriks	7700225VH	Individual	Islamic Murabaha	Savings	100 050
Ashraf Mohamed	7606122284182	Individual	Islamic Qard	Savings	23 000
Razia Hendriks	7700225VH	Individual	Islamic Wadi'ah	Savings	65 000
Paul Steyn	8112269622085	Individual	Notice deposit	Notice	44 000
Thabile Home Improvements	9210257490082	Non-financial business	Notice deposit	Notice	23 000
Priscilla Naidoo	8319054804707	Individual	Notice deposit	Notice	\$9 400
Mary Mathebula	6012170438088	Non-financial business	Savings account	Savings	78 000
Mary Mathebula	6012170438088	Individual	Savings account	Savings	34 000
Kenneth Montero	921019601808	Individual	Savings account	Savings	14 000
Mark Mathebula	7105293826087	Individual	Savings account	Savings	200 000
Mohale Attorneys	6110318338085	Non-financial business	Savings account	Savings	4 233
Share Hairdressers	9303156876087	Non-financial business	Savings account	Savings	62 000
Peter Ndlela	8319054804707	Individual	Savings account	Savings	2 000
JD Security	8801534431568	Non-financial business	Savings account	Savings	£22 000
Tau Stokvel	7783013743747	Informal group account	Savings account	Savings	74 300
ABC Stokvel Savings	2649531979818	Informal group account	Savings account	Savings	105 000
Jenny Baloyi	4966398217310	Individual	Savings account	Savings	67 342
Mohale Attorneys	6110318338085	Non-financial business	Tax-free savings	Savings	33 000
Peter Ndlela	8319054804707	Individual	Tax-free savings	Savings	45 000
Sipho Ndlovu	8401173507189	Individual	Tax-free shares	Shares	32 444
Moodley Accounting	4810258279080	Financial business	Trust account	Transactional	130 000

Baloyi Attorneys	5806175536080	Non-financial business	Trust account	Transactional	99 100
Tania Smith	7758238421533	Individual	Fixed deposit	Term	70 000
ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	23 400
SAFCOL SOC Limited	1993/001447/20	Public non-financial business	Savings account	Savings	15 000
ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	46 789
Mila Accountants	7699937262245	Financial business	Trust account	Transactional	83 564
Debra Cronje	8412269622085	Individual	Cheque account	Transactional	150 000
Paul Cronje	7410059890086	Individual	Cheque account	Transactional	150 000

## Step 2: Classify accounts per account category

For reporting to CODI, regulation 34(1) requires a bank to include qualifying depositor information for SCV calculations for all simple accounts, informal beneficiary accounts (IBAs) and FBAs to CODI. The bank must identify its simple accounts, IBAs and FBAs using the definitions in regulation 1.

**2.1 Identify simple accounts: ‘simple account’** means an account where the account holder is the legal owner of the funds in the account.

**2.2 Identify FBAs: ‘FBA’** means 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 account, subject to the following conditions—

- (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

(b) a bank as the accountable institution maintains 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.

**2.3 Identify IBAs:** 'IBA' means an account offered by a bank to an informal beneficiary account holder<sup>4</sup> 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.

**2.4 Determine the beneficiary information the bank has on its FBAs and split the FBAs into two groups:**

2.4.1 FBAs where the bank can identify the beneficiaries and their balances to the FBA monthly in terms of regulation 34(1) (to continue to the next step); and

2.4.2 FBAs where the bank does not know the beneficiaries and their balances in terms of regulation 35(1) (to continue to step 12).

#### ABC Bank's classification of accounts

Table 4 shows ABC Bank's classification of all simple accounts, IBAs and FBAs as required in regulation 34(1) and 35(1) for inclusion in its SCV calculations.

**Table 4: Account classification**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Balance
Simple account	Paul Steyn	8112269622085	Individual	Cheque account	Transactional	-20 000
Simple account	Arthur Lambert Crafts	4310059890086	Non-financial business	Cheque account	Transactional	51 430

<sup>4</sup> An informal beneficiary account holder means an informal group established by individuals as members to collectively save for a purpose specified in a constitution document.



Simple account	Mark Mathebula	7105293826087	Individual	Cheque account	Transactional	55 000
Simple account	Mary Mathebula	6012170438088	Individual	Cheque account	Transactional	55 000
Simple account	Maynard Hayn	6007177600086	Individual	Cheque account	Transactional	-4 200
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Cheque account	Transactional	23 098
Simple account	Motang Mechanics	6704213242184	Non-financial business	Cheque account	Transactional	32 000
Simple account	Paul Steyn	8112269622085	Non-financial business	Cheque account	Transactional	40 000
Simple account	Quillet Properties	6610070713086	Non-financial business	Cheque account	Transactional	89 030
Simple account	Share Hairdressers	9303156876087	Non-financial business	Cheque account	Transactional	38 000
Simple account	Thabile Home Improvements	9210257490082	Non-financial business	Cheque account	Transactional	9 000
IBA	Savings CFI	7003631999048	Financial business	Cheque account	Transactional	200 000
Simple account	Arthur Lambert Crafts	4310059890086	Non-financial business	Fixed deposit	Term	34 800
Simple account	Kenneth Montero	9210196018085	Individual	Fixed deposit	Term	41 000
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Fixed deposit	Term	43 012
Simple account	Motang Mechanics	6704213242184	Non-financial business	Fixed deposit	Term	45 000
Simple account	Quillet Properties	6610070713086	Non-financial business	Fixed deposit	Term	85 000
Simple account	Share Hairdressers	9303156876087	Non-financial business	Fixed deposit	Term	88 000
IBA	Tau Stokvel	7783013743747	Informal group account	Fixed deposit	Term deposit	45 000
IBA	Sithembile Stokvel	2083199241884	Informal group account	Fixed deposit	Term deposit	450 000
Simple account	Razia Hendriks	7700225VH	Individual	Islamic Murabaha	Savings	100 050
Simple account	Ashraf Mohamed	7606122284182	Individual	Islamic Qard	Savings	23 000
Simple account	Razia Hendriks	7700225VH	Individual	Islamic Wadi'ah	Savings	65 000
Simple account	Paul Steyn	8112269622085	Individual	Notice deposit	Notice	44 000
Simple account	Thabile Home Improvements	9210257490082	Non-financial business	Notice deposit	Notice	23 000

Simple account	Priscilla Naidoo	8319054804707	Individual	Notice deposit	Notice	\$9 400
Simple account	Mary Mathebula	6012170438088	Non-financial business	Savings account	Savings	78 000
Simple account	Mary Mathebula	6012170438088	Individual	Savings account	Savings	34 000
Simple account	Kenneth Montero	921019601808	Individual	Savings account	Savings	14 000
Simple account	Mark Mathebula	7105293826087	Individual	Savings account	Savings	200 000
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Savings account	Savings	4 233
Simple account	Share Hairdressers	9303156876087	Non-financial business	Savings account	Savings	62 000
Simple account	Peter Ndlela	8319054804707	Individual	Savings account	Savings	2 000
Simple account	JD Security	8801534431568	Non-financial business	Savings account	Savings	£22 000
IBA	Tau Stokvel	7783013743747	Informal group account	Savings account	Savings	74 300
IBA	ABC Stokvel Savings	2649531979818	Informal group account	Savings account	Savings	105 000
Simple account	Jenny Baloyi	4966398217310	Individual	Savings account	Savings	67 342
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Tax-free savings	Savings	33 000
Simple account	Peter Ndlela	8319054804707	Individual	Tax-free savings	Savings	45 000
Simple account	Sipho Ndlovu	8401173507189	Individual	Tax-free shares	Shares	32 444
FBA	Moodley Accounting	4810258279080	Financial business	Trust account	Transactional	130 000
FBA	Baloyi Attorneys	5806175536080	Non-financial business	Trust account	Transactional	99 100
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	23 400
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	46 789
FBA	Mila Accountants	7699937262245	Financial business	Trust account	Transactional	83 564
Simple account	SAFCOL SOC Limited	1993/001447/20	Public non-financial business	Savings account	Savings	15 000
Simple account	Sheffield Municipality	9070290874880	Local government	Cheque account	Transactional	150 000
Simple account	Moodley Accounting	4810258279080	Financial business	Cheque account	Transactional	24 000
Simple account	Tania Smith	7758238421533	Individual	Fixed deposit	Term	70 000

Simple account	Debra Cronje	8412269622085	Individual	Cheque account	Transactional	150 000
Simple account	Paul Cronje	7410059890086	Individual	Cheque account	Transactional	150 000

Table 5 shows the FBAs of which ABC Bank has identified the beneficiaries and their balances monthly, in accordance with regulation 34(1). ABC Bank has identified the beneficiaries and their balances monthly of Moodley Accounting and Baloyi Attorneys in accordance with regulation 34(1). FBAs where the bank can identify the beneficiaries and their balances to the FBA monthly in terms of regulation 34(1) will continue to the next step.

**Table 5: FBAs with known beneficiaries and balances – SCV record for beneficiaries**

Account category	Account holder	Type of depositor	Product name	Product type	Account number	Balance	Beneficiary 1	Beneficiary 1 balance	Beneficiary 2	Beneficiary 2 balance	Beneficiary 3	Beneficiary 3 balance	Reporting option
FBA	Moodley Accounting	Financial business	Trust account	Transactional	310045182519	130 000	Peter Ndlela	60 000	Better Accounting Firm	70 000	-	-	SCV record for beneficiaries
FBA	Baloyi Attorneys	Non-financial business	Trust account	Transactional	430311569609	99 100	Tania Smith	33 000	Moodley Accounting	33 000	Atlanta Financial Services	33 100	SCV record for beneficiaries

Table 6 shows the FBAs where ABC Bank cannot identify the beneficiaries in terms of regulation 35(1). ABC Bank has not identified ABC Properties' beneficiaries for both of its FBAs. ABC Bank must include two separate records for ABC Properties in terms of regulation 35(1) since the underlying beneficiaries of each account may be different. ABC Bank cannot identify all the beneficiaries to Mila Accountants, therefore it must report a separate record for this FBA in terms of regulation 35(3). FBAs where the bank does not know the beneficiaries and their balances in terms of regulation 35(1) have to continue to step 12.

**Table 6: ABC Bank’s FBAs with unknown beneficiaries – separate FBA record**

Account category	Account holder	Type of depositor	Product name	Product type	Account number	Balance	Beneficiary 1	Beneficiary 1 balance	Beneficiary 2	Beneficiary 2 balance	Beneficiary 3	Beneficiary 3 balance	Reporting option
FBA	ABC Properties	Non-financial business	Trust account	Transactional	2156689657668	23 400	-	-	-	-	-	-	Non-SCV reporting
FBA	ABC Properties	Non-financial business	Trust account	Transactional	6778102622180	46 789	-	-	-	-	-	-	Non-SCV reporting
FBA	Mila Accountants	Financial business	Trust account	Transactional	9788600888019	83 564	Sandi Mathebula	42 320	-	-	-	-	Non-SCV reporting

### Step 3: Identify qualifying depositors

The bank has now identified its simple accounts, IBAs and FBAs where the bank can identify the beneficiaries to the account.

The bank will use the following three definitions to identify its qualifying depositors. Regulation 1 defines a qualifying depositor to include:

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

that holds a qualifying product.

To be able to identify which of these depositors hold a qualifying product, the bank must refer to the definition of a qualifying product.

Regulation 1 defines a qualifying product as a qualifying deposit, regardless of its term or currency, and does not include:

- (a) a share;
- (b) holdings in commodities;

- (c) an electronic money product;
- (d) a suspense account; 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.

In referring to the definition of a qualifying product, the bank must first identify the qualifying deposits as defined in the FSR Act, which is a deposit with a bank, other than:

- (a) a deposit evidenced by a bearer deposit instrument; or
- (b) a deposit where the depositor holds the deposit in the capacity of:
  - (i) a financial institution, excluding a financial institution that is a co-operative financial institution (CFI) as defined in section 1(1) of the CBA;
  - (ii) the national government, a provincial government, a local government or an organ of state;
  - (iii) an entity listed in Schedule 2 to the Public Finance Management Act 1 of 1999 (PFMA);
  - (iv) the Corporation for Public Deposits (CPD) established by section 2 of the Corporation for Public Deposits Act 46 of 1984 (CPD Act); or
  - (v) the Public Investment Corporation (PIC) established by section 2 of the Public Investment Corporation Act 23 of 2004 (PIC Act).

Starting with the definition of qualifying deposit from the FSR Act, the bank must perform the following steps for all depositors who are simple account holders, IBA holders and beneficiaries to an FBA to determine if they are qualifying depositors:

- 3.1 remove a deposit evidenced by a bearer deposit instrument;
- 3.2 remove a deposit where the depositor holds the deposit in the capacity of a financial institution.

- 3.3 include a deposit where the depositor holds the deposit in the capacity of a CFI as defined in section 1(1) of the CBA;
- 3.4 remove a deposit where the depositor holds the deposit in the capacity of the national government, a provincial government, a local government or an organ of state;
- 3.5 remove a deposit where the depositor holds the deposit in the capacity of an entity listed in Schedule 2 to the PFMA;
- 3.6 remove a deposit where the depositor holds the deposit in the capacity of the CPD established by section 2 of the CPD Act;
- 3.7 remove a deposit where the depositor holds the deposit in the capacity of the PIC established by section 2 of the PIC Act.

Next, the bank must remove the simple account holders, IBA holders and beneficiaries to FBAs who have accounts in the following types of products which are excluded in the definition of a qualifying product:

- 3.8 remove all share accounts;
- 3.9 remove accounts with holdings in commodities;
- 3.10 remove all electronic money product accounts;
- 3.11 remove all suspense accounts; and
- 3.12 remove accounts in any product where the principal amount is not repayable at par or is repayable at par only subject to a specific condition or guarantee.

Banks can use the [SARB's Institutional Sector Classification Guide for South Africa, August 2022](#), for the classifications of institutions.

Typically, these types of depositors qualify for deposit insurance coverage:

- retail/individual depositors, including minors;

- **private** non-financial corporate depositors,<sup>5</sup> including sole proprietors;
- foreign retail and non-financial depositors;
- legally incapacitated depositors;
- deceased qualifying depositors;
- charitable or non-profit organisations;
- religious entities;
- trade unions; and
- consumer associations.

Qualifying products typically include, but are not limited to, the following account types:

- current accounts;
- term and notice accounts;
- savings accounts;
- transactional accounts;
- Islamic Wadi'ah product;

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<sup>5</sup> Non-financial corporations are all privately and publicly owned institutional units whose principal activity is the production of goods and non-financial services.

- Islamic Qard product;
- Islamic Murabaha product; and
- tax-free savings deposits.

#### Identifying ABC Bank’s qualifying depositors

Sipho Ndlovu is a qualifying depositor since he is a retail depositor. However, Sipho holds an account in a product that does not meet the definition of a qualifying product. According to the definition of a qualifying product, shares are not covered by CODI as they are products where the principal amount is not repayable at par or is repayable at par only subject to a specific condition or guarantee. ABC Bank must exclude Sipho Ndlovu’s tax-free share account from its SCV record.

**Table 7: ABC Bank’s excluded accounts**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product Type	Balance
Non-qualifying	Sipho Ndlovu	8401173507189	Individual	Tax-free shares	Shares	32 444

Table 8 shows ABC Bank’s deposits which do not qualify for deposit insurance coverage and should be excluded when ABC Bank prepares its SCV records. In terms of the FSR Act’s definition of a qualifying deposit, Sheffield Municipality and Moodley Accounting’s deposits do not qualify for deposit insurance coverage. Sheffield Municipality is a local government, whereas Moodley Accounting is a financial business. **SAFCOL SOC Limited is a public non-financial corporation. CODI only protects retail and private non-financial sector depositors and not public non-financial corporations.**



**Table 8: Deposits not covered by CODI**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Balance
Non-qualifying	Sheffield Municipality	9070290874880	Local government	Cheque account	Transactional	150 000
Non-qualifying	Moodley Accounting	4810258279080	Financial business	Cheque account	Transactional	24 000
Non-qualifying	SAFCOL SOC Limited	1993/001447/20	Public non-financial business	Savings account	Savings	15 000

Table 9 shows ABC Bank's FBA accounts with known beneficiaries. ABC Bank knows the beneficiaries to Moodley Accounting and Baloyi Attorneys. However, some of the beneficiaries to the two FBAs will not be covered by CODI since they do not meet the definition of a qualifying deposit as per the FSR Act. Such beneficiaries must not be reported to CODI. For Moodley Accounting, Better Accounting Firm will not be reported to CODI since it is a financial business. Similarly, for Baloyi Attorneys, two beneficiaries, including Moodley Accounting and Atlanta Financial Services, will not be covered by CODI since they are also financial businesses.

**Table 9: ABC Bank's FBAs with non-qualifying beneficiaries**

Account category	Account holder	Type of depositor	Product name	Product type	Account number	Balance	Beneficiary 1	Beneficiary 1 balance	Beneficiary 2	Beneficiary 2 balance	Beneficiary 3	Beneficiary 3 balance
FBA	Moodley Accounting	Financial business	Trust account	Transactional	310045182519	130 000.00	Peter Ndlela	60 000	Better Accounting Firm	70 000	-	-
FBA	Baloyi Attorneys	Non-financial business	Trust account	Transactional	430311569609	99 100	Tania Smith	33 000	Moodley Accounting	33 000	Atlanta Financial Services	33 100

ABC Bank identifies the following qualifying depositors in Table 10:

**Table 10: ABC Bank's qualifying depositors with accounts in qualifying products**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account balance
Simple account	Paul Steyn	8112269622085	Individual	Cheque account	Transactional	-20 000
Simple account	Arthur Lambert Crafts	4310059890086	Non-financial business	Cheque account	Transactional	51 430
Simple account	Mark Mathebula	7105293826087	Individual	Cheque account	Transactional	55 000
Simple account	Mary Mathebula	6012170438088	Individual	Cheque account	Transactional	55 000
Simple account	Maynard Hayn	6007177600086	Individual	Cheque account	Transactional	-4 200
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Cheque account	Transactional	23 098
Simple account	Motang Mechanics	6704213242184	Non-financial business	Cheque account	Transactional	32 000
Simple account	Paul Steyn	8112269622085	Non-financial business	Cheque account	Transactional	40 000
Simple account	Quillet Properties	6610070713086	Non-financial business	Cheque account	Transactional	89 030
Simple account	Share Hairdressers	9303156876087	Non-financial business	Cheque account	Transactional	38 000
Simple account	Thabile Home Improvements	9210257490082	Non-financial business	Cheque account	Transactional	9 000
Simple account	Arthur Lambert Crafts	4310059890086	Non-financial business	Fixed deposit	Term	34 800
Simple account	Kenneth Montero	9210196018085	Individual	Fixed deposit	Term	41 000
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Fixed deposit	Term	43 012
Simple account	Motang Mechanics	6704213242184	Non-financial business	Fixed deposit	Term	45 000
Simple account	Quillet Properties	6610070713086	Non-financial business	Fixed deposit	Term	85 000
Simple account	Share Hairdressers	9303156876087	Non-financial business	Fixed deposit	Term	88 000
IBA	Tau Stokvel	7783013743747	Informal group account	Fixed deposit	Term deposit	45 000
IBA	Sithembile Stokvel	2083199241884	Informal group account	Fixed deposit	Term deposit	450 000
Simple account	Razia Hendriks	7700225VH	Individual	Islamic Murabaha	Savings	100 050

Simple account	Ashraf Mohamed	7606122284182	Individual	Islamic Qard	Savings	23 000
Simple account	Razia Hendriks	7700225VH	Individual	Islamic Wadi'ah	Savings	65 000
Simple account	Paul Steyn	8112269622085	Individual	Notice deposit	Notice	44 000
Simple account	Thabile Home Improvements	9210257490082	Non-financial business	Notice deposit	Notice	23 000
Simple account	Priscilla Naidoo	8319054804707	Individual	Notice deposit	Notice	\$9 400
Simple account	Mary Mathebula	6012170438088	Non-financial business	Savings account	Savings	78 000
Simple account	Mary Mathebula	6012170438088	Individual	Savings account	Savings	34 000
Simple account	Kenneth Montero	921019601808	Individual	Savings account	Savings	14 000
Simple account	Mark Mathebula	7105293826087	Individual	Savings account	Savings	200 000
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Savings account	Savings	4 233
Simple account	Share Hairdressers	9303156876087	Non-financial business	Savings account	Savings	62 000
Simple account	Peter Ndlela	8319054804707	Individual	Savings account	Savings	2 000
Simple account	JD Security	8801534431568	Non-financial business	Savings account	Savings	£22 000
IBA	Tau Stokvel	7783013743747	Informal group account	Savings account	Savings	74 300
IBA	ABC Stokvel Savings	2649531979818	Informal group account	Savings account	Savings	105 000
Simple account	Jenny Baloyi	4966398217310	Individual	Savings account	Savings	67 342
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Tax-free savings	Savings	33 000
Simple account	Peter Ndlela	8319054804707	Individual	Tax-free savings	Savings	45 000
FBA	Moodley Accounting	4810258279080	Financial business	Trust account	Transactional	130 000
FBA	Baloyi Attorneys	5806175536080	Non-financial business	Trust account	Transactional	99 100
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	23 400
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	46 78
FBA	Mila Accountants	7699937262245	Financial business	Trust account	Transactional	83 564
Simple account	Jenny Baloyi	4966398217310	Individual	Savings account	Savings	67 342

IBA	Savings CFI	7003631999048	Financial business	Cheque account	Transactional	200 000
Beneficiary to an FBA	Tania Smith	7758238421533	Individual- Beneficiary	Trust account	Transactional	33 000
Beneficiary of an FBA	Peter Ndlela	5762313710958	Individual- Beneficiary	Trust account	Transactional	60 000
Simple account	Tania Smith	7758238421533	Individual	Fixed deposit	Term	70 000
Simple account	Debra Cronje	8412269622085	Individual	Cheque account	Transactional	150 000
Simple account	Paul Cronje	7410059890086	Individual	Cheque account	Transactional	150 000

#### Step 4: Identifying special coverage and reporting cases for qualifying depositors

In terms of regulation 4 (coverage rules), special coverage rules apply to certain qualifying depositors. This section outlines the treatment of such depositors.

##### 4.1 Identify sole proprietors for separate coverage

Regulation 4(1) states that CODI must cover a sole proprietor as a separate qualifying depositor. This means that CODI will provide additional coverage to sole proprietors with non-financial businesses. Such a qualifying depositor would be covered up to R100 000 for their personal accounts in qualifying products and up to R100 000 for their business accounts in qualifying products. In terms of regulation 34(4), a bank must differentiate between a qualifying depositor that is a natural person and one that is a sole proprietor and include separate SCV records for them in its SCV calculations.

##### Identifying ABC Bank's sole proprietors

Table 11 shows ABC Bank's sole proprietors. Mary Mathebula and Paul Steyn are sole proprietors and natural persons with simple accounts with ABC Bank. Since their business deposits are held in a business account that is separate from their personal accounts, ABC

Bank will create separate SCV records for these qualifying depositors' business and personal accounts in qualifying products. The first SCV record must include the individual's accounts in qualifying products. The second SCV record will include their sole proprietors' accounts in qualifying products. If ABC Bank were to fail, Mary Mathebula's business as a sole proprietor would be reimbursed R78 000, in addition to her coverage of R61 500 as an individual depositor. Paul Steyn as a sole proprietor will receive R40 000 for his business accounts and R44 000 for his personal accounts.

**Table 11: ABC Bank's sole proprietors**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account balance
Simple account	Paul Steyn	8112269622085	Non-financial business	Cheque account	Transactional	40 000
Simple account	Mary Mathebula	6012170438088	Non-financial business	Savings account	Savings	78 000

## 4.2 Identify and classify co-operative financial institutions

Regulation 4(3) states that CODI must cover a CFI as an IBA holder. According to regulation 34(6), a bank must report a CFI as an IBA holder. A bank must classify CFIs as IBA holders in its reporting to CODI.

### Identifying ABC Bank's CFIs

Table 12 shows ABC Bank has one account held by a CFI. ABC Bank must report Savings CFI as an IBA in its SCV calculations.

**Table 12: ABC Bank's CFIs**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account balance
IBA	Savings CFI	7003631999048	Financial business	Cheque account	Transactional	200 000

### **4.3 Identify IBAs to be reported as FBAs to CODI**

In terms of regulation 4(2), CODI must cover an IBA holder as an FBA when a bank—

- (a) collects and maintains the constitution document of an informal beneficiary account;
- (b) can identify and record the members and their entitlement balances for a reporting date in terms of the constitution document for an informal beneficiary account; and
- (c) reports the account as a formal beneficiary account to the Corporation.

This places the responsibility on the bank to check whether it meets these requirements to report these depositors as FBAs to CODI in terms of regulation 35(7), which specifies that if a bank—

- (a) collects and maintains the constitution document; and
- (b) identifies and records details of the members and the balances due to each member for a reporting period in terms of the constitution document,

for an informal beneficiary account holder, the bank must treat the account as a formal beneficiary account.

This requirement means that if a bank acts as an accountable institution for these accounts and identifies the members of the IBA (including a CFI) and their balances in these accounts monthly, it can report these members as qualifying depositors who are the beneficiaries to an FBA, in this case. This treatment enables CODI to cover every qualifying beneficiary up to R100 000 after considering their other accounts in qualifying products.

### Identify ABC Bank's IBAs, including CFIs, to be reported as FBAs

In respect of the IBAs (including CFIs), ABC Bank only collects the IBA holders' and signatories' details, meaning it will create an SCV record for its IBA holders (including Savings CFI) for inclusion in its SCV calculations. The IBA holders will qualify for deposit insurance coverage of up to R100 000 for all the accounts held by them according to their SCV record.

### **Step 5: Apply the requirements relating to the reporting of balances as per the regulations**

The bank must now consider the requirements of regulation 37 relating to the reporting of balances. In this regard, the bank must

- 5.1 **convert all foreign currency balances** to South African rand (ZAR) as per regulation 37(3)(a)(ii) using the exchange rate specified in regulation 37(3)(c);
- 5.2 **report balances up to two decimals cents of currency** in line with regulation 37(3)(a)(i);
- 5.3 **include gross balances** in its SCV calculations as per regulation 37(3)(a)(ii);
- 5.4 **include interest accrued** up to the reporting date as per regulation 37(3)(a)(iii);
- 5.5 **exclude outstanding account fees** up to the reporting date as per regulation 37(3)(a)(iv);
- 5.6 **include an unsettled payment** made to the account balance as per regulation 37(3)(d)(i); and
- 5.7 **deduct an unsettled payment** made from the account balance as per regulation 37(3)(d)(ii).

### ABC Bank's application of the requirements relating to the reporting of balances in accordance with regulation 37

Table 13 shows ABC Bank's conversion of foreign currency balances to ZAR in accordance with regulation 37(3)(c)(i). Regulation 37(3)(c)(i) states that a bank must convert a foreign currency balance to ZAR using close-of-business market exchange rates at the reporting date. The example below illustrates the conversion of foreign currency balances to ZAR balances:

**Table 13: Foreign currency conversions**

Foreign currency balance	Close of business market exchange rate at the reporting date	Account balances in ZAR
Priscilla Naidoo – \$9 400.00	1USD = ZAR19	178 600
JD Security – £22 000.00	1GBP = ZAR24	528 000

ABC Bank has considered the requirements of regulation 37 relating to the reporting of balances, as shown in Table 14:

**Table 14: modified account balances up to two decimal cents**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account balances up to two decimal cents
Simple account	Paul Steyn	8112269622085	Individual	Cheque account	Transactional	-20 000.00
Simple account	Arthur Lambert Crafts	4310059890086	Non-financial business	Cheque account	Transactional	51 430.00
Simple account	Mark Mathebula	7105293826087	Individual	Cheque account	Transactional	55 000.00
Simple account	Mary Mathebula	6012170438088	Individual	Cheque account	Transactional	55 000.00
Simple account	Maynard Hayn	6007177600086	Individual	Cheque account	Transactional	-4 200.00
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Cheque account	Transactional	23 098.00
Simple account	Motang Mechanics	6704213242184	Non-financial business	Cheque account	Transactional	32 000.00
Simple account	Paul Steyn	8112269622085	Non-financial business	Cheque account	Transactional	40 000.00
Simple account	Quillet Properties	6610070713086	Non-financial business	Cheque account	Transactional	89 030.00
Simple account	Share Hairdressers	9303156876087	Non-financial business	Cheque account	Transactional	38 000.00
Simple account	Thabile Home Improvements	9210257490082	Non-financial business	Cheque account	Transactional	9 000.00



Simple account	Arthur Lambert Crafts	4310059890086	Non-financial business	Fixed deposit	Term	34 800.00
Simple account	Kenneth Montero	9210196018085	Individual	Fixed deposit	Term	41 000.00
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Fixed deposit	Term	43 012.00
Simple account	Motang Mechanics	6704213242184	Non-financial business	Fixed deposit	Term	45 000.00
Simple account	Quillet Properties	6610070713086	Non-financial business	Fixed deposit	Term	85 000.00
Simple account	Share Hairdressers	9303156876087	Non-financial business	Fixed deposit	Term	88 000.00
IBA	Tau Stokvel	7783013743747	Informal group account	Fixed deposit	Term deposit	45 000.00
IBA	Sithembile Stokvel	2083199241884	Informal group account	Fixed deposit	Term deposit	450 000.00
Simple account	Razia Hendriks	7700225VH	Individual	Islamic Murabaha	Savings	100 050.00
Simple account	Ashraf Mohamed	7606122284182	Individual	Islamic Qard	Savings	23 000.00
Simple account	Razia Hendriks	7700225VH	Individual	Islamic Wadi'ah	Savings	65 000.00
Simple account	Paul Steyn	8112269622085	Individual	Notice deposit	Notice	44 000.00
Simple account	Thabile Home Improvements	9210257490082	Non-financial business	Notice deposit	Notice	23 000.00
Simple account	Priscilla Naidoo	8319054804707	Individual	Notice deposit	Notice	178 600.00
Simple account	Mary Mathebula	6012170438088	Non-financial business	Savings account	Savings	78 000.00
Simple account	Mary Mathebula	6012170438088	Individual	Savings account	Savings	34 000.00
Simple account	Kenneth Montero	921019601808	Individual	Savings account	Savings	14 000.00
Simple account	Mark Mathebula	7105293826087	Individual	Savings account	Savings	200 000.00
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Savings account	Savings	4 233.00
Simple account	Share Hairdressers	9303156876087	Non-financial business	Savings account	Savings	62 000.00
Simple account	Peter Ndlela	8319054804707	Individual	Savings account	Savings	2 000.00
Simple account	JD Security	8801534431568	Non-financial business	Savings account	Savings	528 000.00
IBA	Tau Stokvel	7783013743747	Informal group account	Savings account	Savings	74 300.00
IBA	ABC Stokvel Savings	2649531979818	Informal group account	Savings account	Savings	105 000.00

Simple account	Jenny Baloyi	4966398217310	Individual	Savings account	Savings	67 342.00
Simple account	Mohale Attorneys	6110318338085	Non-financial business	Tax-free savings	Savings	33 000.00
Simple account	Peter Ndlela	8319054804707	Individual	Tax-free savings	Savings	45 000.00
FBA	Moodley Accounting	4810258279080	Financial business	Trust account	Transactional	130 000.00
FBA	Baloyi Attorneys	5806175536080	Non-financial business	Trust account	Transactional	99 100.00
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	23 400.00
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	46 789.00
FBA	Mila Accountants	7699937262245	Financial business	Trust account	Transactional	83 564.00
Simple account	Jenny Baloyi	4966398217310	Individual	Savings account	Savings	67 342.00
IBA	Savings CFI	7003631999048	Financial business	Cheque account	Transactional	200 000.00
Beneficiary to an FBA	Tania Smith	7758238421533	Individual- Beneficiary	Trust account	Transactional	33 000.00
Beneficiary of an FBA	Peter Ndlela	5762313710958	Individual- Beneficiary	Trust account	Transactional	60 000.00
Simple account	Tania Smith	7758238421533	Individual	Fixed deposit	Term	70 000.00
Simple account	Debra Cronje	8412269622085	Individual	Cheque account	Transactional	150 000.00
Simple account	Paul Cronje	7410059890086	Individual	Cheque account	Transactional	150 000.00

### Step 6: Apply account balance modifiers to determine qualifying balances

In most cases, the qualifying balance for an account will equal the account balance. However, in some cases, the account balance must be modified to determine the qualifying balance for the qualifying depositor. Banks will include both the account balance and the qualifying balance for a qualifying depositor in its SCV calculations submitted to CODI.

A bank must consider the following account balance modifications in determining the qualifying balance for the qualifying depositor to the account.

### **6.1 Modification of balances owed to the bank (negative account balances)**

Regulation 37(3)(b)(i) requires a bank to include an account balance owed to the bank as a zero qualifying balance.

### **6.2 Modification of joint account balances**

In terms of regulation (4), CODI must

- a. cover a qualifying depositor's share in a joint account according to the sharing ratio specified by the account holders in the records of the bank; or
- b. where the account holders did not specify a sharing ratio in the records of the bank, cover a qualifying depositor's share in a joint account by dividing the account balance equally between the account holders.

In support of this coverage requirement, regulation 37(3)(b)(ii) requires a bank to include the qualifying depositor's share in a joint account as the qualifying balance.

### **6.3 Modification of pledged account balances**

A bank must identify pledged accounts. These are accounts that have been pledged for any purpose at the bank, for the same or a different person, or at another bank for the same or different person. A bank must report the full balance of a pledged account as the account balance and the unpledged balance as the qualifying balance due to the depositor. This requirement is not covered in the regulations but will be included in the *Government Gazette* with CODI's detailed reporting requirements.

#### ABC Bank's application of the account balance modifiers for qualifying balances

The following paragraphs show ABC Bank's application of the account balance modifiers for balances owed to the bank, joint accounts and pledged accounts.

## Modifying account balances owed to ABC Bank

Table 15 shows that Paul Steyn and Maynard Hayn have a transactional account with a negative account balance at the reporting date. In terms of regulation 37(3)(b)(i), negative balances should be reported as zero qualifying balances. Therefore, the qualifying balance for both of these accounts will be zero.

**Table 15: Balances owed to ABC Bank**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Qualifying balance
Simple	Paul Steyn	8112269622085	Individual	Cheque account	Transactional	486362849690	-20 000.00	0.00
Simple	Maynard Hayn	6007177600086	Individual	Cheque account	Transactional	969828299496	-4 200.00	0.00

## Modifying joint account balances

Table 16 shows that Mary Mathebula's transactional account is a joint account with Mark Mathebula. Regulation 4(4) states that CODI must cover a qualifying depositor's share in a joint account according to the sharing ratio specified by the account holders in the records of the bank. However, Mary and Mark Mathebula did not specify a sharing ratio with ABC Bank. Regulation 4(5) also states that if the account holders did not specify a sharing ratio in the records of the bank, CODI must cover a qualifying depositor's share in a joint account by dividing the account balance between the account holders. In this case, the bank must divide the account balance by the number of account holders, that is  $R55\ 000/2 = 27\ 500$  each for Mark and Mary. Similarly, Debra and Paul Cronje have a joint transactional account and they did not specify a sharing ratio with ABC Bank. ABC Bank must divide their account balance by the number of account holders, that is  $R150\ 000/2 = 75\ 000$  each for Paul and Debra.

**Table 16: ABC Bank's joint accounts**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Qualifying balance	Joint account
Simple account	Mark Mathebula	7105293826087	Individual	Cheque account	Transactional	351999723300	55 000.00	27 500.00	Y
Simple account	Mary Mathebula	6012170438088	Individual	Cheque account	Transactional	351999723300	55 000.00	27 500.00	Y
Simple account	Debra Cronje	8412269622085	Individual	Cheque account	Transactional	446362877690	150 000.00	75 000.00	Y
Simple account	Paul Cronje	7410059890086	Individual	Cheque account	Transactional	446362877690	150 000.00	75 000.00	Y

### Modification of pledged account balances

Table 17 shows ABC Bank's pledged accounts. ABC Bank must report the unpledged balance as the account's qualifying balance.

In the case of Paul Cronje, he has a joint account and a pledged amount of R20 000 from his qualifying balance in the joint account. A bank must first calculate Paul's share from the joint account, then use Paul's qualifying balance to calculate the unpledged balance to be reported to CODI. Therefore, Paul's qualifying balance is R55 000 after taking into consideration the required modifications.

**Table 17: Pledged accounts**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Account number	Account balance	Pledged balance	Pledged	Qualifying balance
Simple account	Kenneth Montero	9210196018085	Individual	Fixed deposit	Term	986195282529	41 000.00	10 000	Y	31 000.00
Simple account	Paul Cronje	7410059890086	Individual	Cheque account	Transactional	446362877690	75 000.00	20 000	Y	55 000.00

## **Step 7: Create an SCV record for each qualifying depositor**

A bank must now consolidate a qualifying depositor's accounts to create an SCV record for that depositor. According to regulation 1, an SCV record is a consolidated view of a qualifying depositor's accounts and associated balances in qualifying products for purposes of calculating the qualifying depositor's qualifying deposit balance and covered deposits. This means that a bank must consolidate a qualifying depositor's accounts and balances to create their SCV record to calculate their total qualifying deposit balance and covered deposit.

When creating an SCV record for inclusion in a bank's SCV calculations, a bank must, in terms of regulation 34(3), include a qualifying depositors' beneficiary balances in FBAs with their simple accounts. A bank must also create SCV records for IBA holders. In creating an SCV record, the bank must follow these steps:

### **7.1 Identify the qualifying depositor and signatory and provide details of their identifiers**

According to the general reporting requirements contained in regulation 37(1), a bank, as a minimum identification criterion, must identify a qualifying depositor and signatory in terms of the requirements of the FIC Act. In terms of regulation 37(2), the bank must provide the identifying details specified by CODI of a qualifying depositor, signatory, or formal beneficiary account holder.

### **7.2 Include contact details for the qualifying depositor and signatory**

In terms of regulation 37(2)(b), the bank must provide at least the following contact details for a qualifying depositor and signatory—

- (i) either a formal or informal address; and
- (ii) one telephone number or an email address.

### **7.3 Include the account and qualifying balances**

A bank must include for each account the account and qualifying balances from step 6 in an SCV record.

#### 7.4 Include other details required by CODI as per the *Government Gazette*

A bank must include in its SCV record other details as specified by CODI in the *Government Gazette*, for example, the details of representatives for businesses.

#### ABC Bank's SCV records for qualifying depositors

Once ABC Bank has consolidated the qualifying depositor's accounts and balances it has to provide the information in this step.

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Razia Hendriks	7700225VH	2326 Rissik St, Marble Hall, Mpumalanga	083 830 5454	<a href="mailto:hendriks.razia@hotmail.com">hendriks.razia@hotmail.com</a>	Y	Individual	Islamic Murabaha	Savings	130110835061	100 050.00	N	N
Razia Hendriks	7700225VH	2326 Rissik St, Marble Hall, Mpumalanga	083 830 5454	<a href="mailto:hendriks.razia@hotmail.com">hendriks.razia@hotmail.com</a>	Y	Individual	Islamic Wadi'ah	Savings	134759606098	65 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Ashraf Mohamed	7606122284182	139 Thomas St, Vryheid, KwaZulu-Natal, 3106	084 308 0559	<a href="mailto:mohamed.ashraf@gmail.com">mohamed.ashraf@gmail.com</a>	Y	Individual	Islamic Qard	Savings	223375537190	23 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Thabile Home Improvements	9210257490082	368 Diesel Street, Randfontein, 1771	086 240 8572	<a href="mailto:thabile@thabileprojects.co.za">thabile@thabileprojects.co.za</a>	Y	Non-financial business	Cheque account	Transactional	85115961601	9 000.00	N	N
Thabile Home Improvements	9210257490082	368 Diesel Street, Randfontein, 1771	086 240 8572	<a href="mailto:thabile@thabileprojects.co.za">thabile@thabileprojects.co.za</a>	Y	Non-financial business	Notice deposit	Notice	583007601046	23 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Share Hairdressers	9303156876087	1183 Akasia St, Winterton, 3340	087 788 1120	<a href="mailto:hairdressers.share@gmail.com">hairdressers.share@gmail.com</a>	Y	Non-financial business	Cheque account	Transactional	768366211275	38 000.00	N	N
Share Hairdressers	9303156876087	1183 Akasia St, Winterton, 3340	087 788 1120	<a href="mailto:hairdressers.share@gmail.com">hairdressers.share@gmail.com</a>	Y	Non-financial business	Fixed deposit	Term	455067003486	88 000.00	N	N
Share Hairdressers	9303156876087	1183 Akasia St, Winterton, 3340	087 788 1120	<a href="mailto:hairdressers.share@gmail.com">hairdressers.share@gmail.com</a>	Y	Non-financial business	Savings account	Savings	847748373504	62 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Quillet Properties	6610070713086	1833 Barlow Street, Mokopane, 0618	087 576 4682	<a href="mailto:randal@quilprop.co.za">randal@quilprop.co.za</a>	Y	Non-financial business	Cheque account	Transactional	502413185548	89 030.00	N	N
Quillet Properties	6610070713086	1833 Barlow Street, Mokopane, 0618	087 576 4682	<a href="mailto:randal@quilprop.co.za">randal@quilprop.co.za</a>	Y	Non-financial business	Fixed deposit	Term	778542953725	85 000.00	N	N



Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Peter Ndlela	8319054804707	18 Visser St, Motsethabong, 9463	083 240 8572	<a href="mailto:ndlela.peter@gmail.com">ndlela.peter@gmail.com</a>	Y	Individual	Savings account	Savings	852919105622	2 000.00	N	N
Peter Ndlela	8319054804707	18 Visser St, Motsethabong, 9463	083 240 8572	<a href="mailto:ndlela.peter@gmail.com">ndlela.peter@gmail.com</a>	Y	Individual	Tax-free savings	Savings	5165484225626	45 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Motang Mechanics	6704213242184	134 Station Road, Kloof, 3610	085 402 2093	<a href="mailto:mokotedi@motangmech.co.za">mokotedi@motangmech.co.za</a>	Y	Non-financial business	Cheque account	Transactional	762250629909	32 000.00	N	N
Motang Mechanics	6704213242184	134 Station Road, Kloof, 3610	085 402 2093	<a href="mailto:mokotedi@motangmech.co.za">mokotedi@motangmech.co.za</a>	Y	Non-financial business	Fixed deposit	Term	711240058338	45 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Mohale Attorneys	6110318338085	1415 Dickens St, Kempton Park, 1619	085 504 7765	<a href="mailto:admin@mohaleattorneys.co.za">admin@mohaleattorneys.co.za</a>	Y	Non-financial business	Cheque account	Transactional	33828644306	23 098.00	N	N
Mohale Attorneys	6110318338085	1415 Dickens St, Kempton Park, 1619	085 504 7765	<a href="mailto:admin@mohaleattorneys.co.za">admin@mohaleattorneys.co.za</a>	Y	Non-financial business	Fixed deposit	Term	278771560033	43 012.00	N	N
Mohale Attorneys	6110318338085	1415 Dickens St, Kempton Park, 1619	085 504 7765	<a href="mailto:admin@mohaleattorneys.co.za">admin@mohaleattorneys.co.za</a>	Y	Non-financial business	Savings account	Savings	28223555709	4 233.00	N	N

Mohale Attorneys	6110318338085	1415 Dickens St, Kempton Park, 1619	085 504 7765	<a href="mailto:admin@mohaleattorneys.co.za">admin@mohaleattorneys.co.za</a>	Y	Non-financial business	Tax-free savings	Savings	594920362724	33 000.00	N	N
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Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account
Jenny Baloyi	4966398217310	291 Glyn St, Moreletapark, Gauteng, 0181	082 178 0074	<a href="mailto:baloyi.jenny@gmail.com">baloyi.jenny@gmail.com</a>	Y	Individual	Savings account	Savings	5577098686169	67 342.00	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Arthur Lambert Crafts	4310059890086	105 North Street, Newcastle, 2954	083 240 8572	<a href="mailto:alamberts@gmail.com">alamberts@gmail.com</a>	Y	Non-financial business	Cheque account	Transactional	78988223806	51 430.00	N	N
Arthur Lambert Crafts	4310059890086	105 North Street, Newcastle, 2954	083 240 8572	<a href="mailto:alamberts@gmail.com">alamberts@gmail.com</a>	Y	Non-financial business	Fixed deposit	Term	883544293369	34 800.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Maynard Hayn	6007177600086	8 Visser St, Motsethabong, 9463	082 583 0331	<a href="mailto:hayn.maynard@gmail.com">hayn.maynard@gmail.com</a>	Y	Individual	Cheque account	Transactional	969828299496	0.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint Account	Pledged
Paul Steyn	8112269622085	89 Fox St, Stilfontein , North West, 2552	084 788 1120	<a href="mailto:steyn.paul@gmail.com">steyn.paul@gmail.com</a>	Y	Individual	Cheque account	Transactional	486362849690	0.00	N	N
Paul Steyn	8112269622085	89 Fox St, Stilfontein , North West, 2552	084 788 1120	<a href="mailto:steyn.paul@gmail.com">steyn.paul@gmail.com</a>	Y	Individual	Notice deposit	Notice	334058779168	44 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Priscilla Naidoo	8319054804707	105 North Street, Newcastle, 2954	083 240 8572	<a href="mailto:naidoo.priscilla@hotmail.com">naidoo.priscilla@hotmail.com</a>	Y	Individual	Notice deposit	Notice	9796740070958	178 600.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
JD Security	8801534431568	1415 Dickens St, Kempton Park, 1619	012 788 1120	<a href="mailto:securityadmin@jdsecure.co.za">securityadmin@jdsecure.co.za</a>	Y	Non-financial business	Savings account	Savings	2838959597127	528 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
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Paul Steyn	8112269622085	89 Fox St, Stilfontein, North West, 2552	084 788 1120	<a href="mailto:Psteyn@hotmail.com">Psteyn@hotmail.com</a>	Y	Non- financial business	Cheque account	Transactional	142787456902	40 000.00	N	N
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Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Mary Mathebula	6012170438088	2094 Dickens St, Springs, 1575	084 788 1120	<a href="mailto:mathebulabusiness@gmail.com">mathebulabusiness@gmail.com</a>	Y	Non- financial business	Savings account	Savings	5918576489749	78 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Mary Mathebula	6012170438088	2094 Dickens St, Springs, 1575	084 788 1120	<a href="mailto:mathebula.mary@gmail.com">mathebula.mary@gmail.com</a>	Y	Individual	Cheque account	Transactional	351999723300	27 500.00	Y	N
Mary Mathebula	6012170438088	2094 Dickens St, Springs, 1575	084 788 1120	<a href="mailto:mathebula.mary@gmail.com">mathebula.mary@gmail.com</a>	Y	Individual	Savings account	Savings	740125812934	34 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Peter Ndlela	5762313710958	18 Visser St, Motsethabong, 9463	083 240 8572	<a href="mailto:ndlela.peter@gmail.com">ndlela.peter@gmail.com</a>	Y	Beneficiary	Trust account	Transaction al	310045182519	60 000.00		

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably ID'd	Type of depositor	Product type	Account number	Account balance (ZAR)	Signatory 1	Signatory 1 identifier	Reliably ID'd	Signatory 2	Signatory 2 identifier	Reliably ID'd
Savings CFI	7003631999048	672 Union Lane, Eshowe, 3816	087 240 8572	<a href="mailto:finance@savin.gscofi.co.za">finance@savin.gscofi.co.za</a>	Y	Financial business	Transactional	7751558284356	200 000.00	Peter Ndlela	8319054804707	Y	Mark Mathebula	7105293826087	Y

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably ID'd	Type of depositor	Product type	Account number	Account balance (ZAR)	Signatory 1	Signatory 1 identifier	Reliably ID'd	Signatory 2	Signatory 2 identifier	Reliably ID'd
ABC Stokvel Savings	2649531979818	1833 Barlow Street, Mokopane, 0618	083 594 3074	<a href="mailto:ABCStokvel@yahoo.com">ABCStokvel@yahoo.com</a>	Y	Informal beneficiary account	Savings	8894777015132	105 000.00	Sipho Ndlovu	8401173507189	Y	Farzana Khota	6005194346089	Y

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably ID'd	Type of depositor	Product type	Account number	Account balance (ZAR)	Signatory 1	Signatory 1 identifier	Reliably ID'd	Signatory 2	Signatory 2 identifier	Reliably ID'd	Signatory 3	Signatory 3 identifier	Reliably ID'd
Tau Stokvel	7783013743747	550 Uitsig St, Addo, 6107	070 240 8572	<a href="mailto:stokvel.tau@gmail.com">stokvel.tau@gmail.com</a>	Y	Informal group account	Term deposit	2025202350253	45 000.00	Kamilla Peters	8270650204124	Y	Leon Padia	8003471654146	Y	Barend Govender	8383498469222	Y
Tau Stokvel	7783013743747	650 Uitsig St, Addo, 6107	070 240 8572	<a href="mailto:stokvel.tau@gmail.com">stokvel.tau@gmail.com</a>	Y	Informal group account	Savings	5151914282603	74 300.00	Ziyaad Jacobs	8042147704028	Y	Nadia Chetty	9668216110449	Y			Y

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably ID'd	Type of depositor	Product type	Account number	Account balance (ZAR)	Signatory 1	Signatory 1 identifier	Reliably ID'd	Signatory 2	Signatory 2 identifier	Reliably ID'd
Sithembile Stokvel	2083199241884	1276 Dikbas Road, Groblersdal, 0477	082 502 0739	<a href="mailto:stokvel.sithembile@yahoo.com">stokvel.sithembile@yahoo.com</a>	Y	Informal group account	Term deposit	775297808193	45 0000.00	Farzana Khota	6005194346089	Y	Henry Ndlovu	9202162217184	Y

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Tania Smith	7758238421533	90 Long St, Brooklyn,1455	087 564 8990	<a href="mailto:smitht@icloud.com">smitht@icloud.com</a>	N	Individual	Fixed deposit	Term	62101776543	70 000.00	N	N
Tania Smith	7758238421533	90 Long St, Brooklyn,1455	087 564 8990	<a href="mailto:smitht@icloud.com">smitht@icloud.com</a>	N	Beneficiary	Trust account	Transactional	430311569609	33 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Mark Mathebula	7105293826087	2093 Dickens St,Springs,1575	084 576 4682	mathebula.mark@gmail.com	N	Individual	Cheque account	Transactional	351999723300	27 500.00	Y	N
Mark Mathebula	7105293826087	2093 Dickens St,Springs,1575	084 576 4682	mathebula.mark@gmail.com	Y	Individual	Savings account	Savings	276433466145	200 000.00	N	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Debra Cronje	8412269622085	89 Brics St,Stilfontein ,North West,2552	078 788 1120	debra.cronje@gmail.com	Y	Individual	Cheque account	Transactional	446362877690	75 000.00	Y	N

Account holder	Account holder identifier	Account holder address	Account holder contact number	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Joint account	Pledged
Paul Cronje	7410059890086	89 Brics St,Stilfontein ,North West,2552	073 240 8572	paul2cronje@gmail.com	Y	Individual	Cheque account	Transactional	446362877690	55 000.00	Y	Y

## Step 8: Apply the relevant indicators

The next step is for the bank to apply the relevant status indicators to the account, account holder, signatory or FBA holder. Regulation 1 defines an indicator as a marking that provides information about the status of a qualifying depositor, formal beneficiary account holder, signatory, or account. There are two types of indicators mentioned in regulation 1:

- ‘**NRP**’ means that a bank has marked a qualifying depositor, FBA holder, signatory, or account with one or more indicators reflecting the need for additional documentation or actions before CODI can reimburse a qualifying depositor; and
- ‘**RFP**’ means that a bank has marked a qualifying depositor, FBA holder, signatory, or account with an indicator reflecting that CODI can reimburse a qualifying depositor.

In terms of regulation 37(4), a bank must use one or more NRP indicators where—

- (a) a qualifying depositor, formal beneficiary account holder, or signatory has not been reliably identified in accordance with the requirements of the FIC Act;
- (b) the legal right of a qualifying depositor or signatory to receive a reimbursement is not established, or a covered deposit is the subject of a legal dispute;
- (c) a qualifying depositor, formal beneficiary account holder, signatory, or an account is subject to restrictive measures imposed by the local authorities or international organisations;
- (d) a qualifying depositor, formal beneficiary account holder, or signatory has been charged with an offence arising out of or in relation to money laundering as defined in the FIC Act or any other financial crime;
- (e) an account is pledged for any purpose at the bank, for the same or a different person, or at another bank for the same or different person;
- (f) a qualifying depositor or a formal beneficiary account holder is deceased; or
- (g) other cases determined by the Corporation.

Based on the requirements of regulation 37(4), CODI will provide banks with the different NRP indicators and guidance about their application for reporting to CODI.

It is important to note that an indicator does not mean the bank can exclude a qualifying depositor, signatory, FBA holder or account, marked as NRP, from the bank's SCV calculations. An NRP indicator provides CODI with additional information on the status of a qualifying depositor, signatory, FBA holder or account that it must consider during a resolution. In terms of regulation 10(1), CODI may defer the reimbursement of a qualifying depositor or signatory with an NRP indicator until the reason for the indicator has been resolved.

#### ABC Bank's application of indicators

ABC Bank has identified that it has several depositors or accounts that require an NRP indicator.



ABC Bank did not reliably identify the following depositors in terms of the FIC Act. Where a qualifying depositor cannot be reliably identified in terms of the requirements of the FIC Act, as required by regulation 37(4)(a), ABC Bank must use an NRP indicator to mark the qualifying depositor.

Account holder	Account holder identifier	Reliably identified	Type of depositor	Product name	Product type	Account number	Qualifying balance (ZAR)	Joint account	Pledged	Indicator	Reason for indicator
Mark Mathebula	7105293826087	N	Individual	Cheque account	Transactional	351999723300	27 500.00	Y	N	NRP	Not been reliably identified
Mark Mathebula	7105293826087	Y	Individual	Savings account	Savings	276433466145	200 000.00	N	N	NRP	Not been reliably identified

Account holder	Account holder identifier	Reliably identified	Type of depositor	Product name	Product type	Account number	Qualifying balance (ZAR)	Joint account	Pledged	Indicator	Reason for indicator
Tania Smith	7758238421533	N	Individual	Fixed deposit	Term	62101776543	70 000.00	N	N	NRP	Not been reliably identified
Tania Smith	7758238421533	N	Beneficiary	Trust account	Transactional	430311569609	33 000.00	N	N	NRP	Not been reliably identified

Kenneth Montero's fixed deposit account has been pledged as security for a loan and requires an NRP indicator. Similarly, Paul Cronje's cheque account is a pledged account and therefore requires an NRP indicator. A pledged account is where an account has been pledged for any purpose at the same bank, for the same or a different depositor, or at another bank for the same or another depositor. Since

Kenneth was also not reliably identified in accordance with regulation 37(4)(a), the bank must also apply the relevant indicator to show Kenneth has not been reliable identified.

Account holder	Account holder identifier	Reliably identified	Type of depositor	Product name	Product type	Account number	Qualifying balance (ZAR)	Joint account	Pledged	Indicator	Reason for indicator
Kenneth Montero	9210196018085	Y	Individual	Fixed deposit	Term	986195282529	31 000.00	N	Y	NRP	Pledged account
Kenneth Montero	9210196018085	N	Individual	Savings account	Savings	811064378761	14 000.00	N	N	NRP	Not reliably identified

Account holder	Account holder identifier	Reliably identified	Type of depositor	Product name	Product type	Account number	Qualifying balance (ZAR)	Joint account	Pledged	Indicator	Reason for indicator
Paul Cronje	7410059890086	Y	Individual	Cheque account	Transactional	446362877690	55 000.00	Y	Y	NRP	Pledged account

### Step 9: Calculating the qualifying depositor's qualifying deposit balance

In terms of regulation 1, a qualifying deposit balance means an FBA holder's qualifying balance or the sum of a qualifying depositor's qualifying balances. A bank must now sum all the qualifying depositor's balances in their SCV record to calculate their qualifying deposit balance.

#### ABC Bank's calculation of qualifying deposit balances

In Table 18, ABC Bank has summed all the qualifying depositors' balances in qualifying products as per their SCV records in step 7.

**Table 18: ABC Bank's qualifying deposit balances**

<b>Account holder</b>	<b>Account holder identifier</b>	<b>Type of depositor</b>	<b>Qualifying deposit balance</b>
Paul Steyn	8112269622085	Individual	44 000.00
Paul Steyn	8112269622085	Non-financial business	40 000.00
Arthur Lambert Crafts	4310059890086	Non-financial business	86 230.00
Mark Mathebula	7105293826087	Individual	227 500.00
Mary Mathebula	6012170438088	Individual	61 500.00
Mary Mathebula	6012170438088	Non-financial business	78 000.00
Maynard Hayn	6007177600086	Individual	0
Mohale Attorneys	6110318338085	Non-financial business	103 343.00
Motang Mechanics	6704213242184	Non-financial business	77 000.00
Quillet Properties	6610070713086	Non-financial business	174 030.00
Share Hairdressers	9303156876087	Non-financial business	188 000.00
Thabile Home Improvements	9210257490082	Non-financial business	32 000.00
Savings CFI	7003631999048	IBA	200 000.00
Tau Stokvel	7783013743748	IBA	119 300.00
Sithembile Stokvel	2083199241884	IBA	450 000.00
Razia Hendriks	5009303024083	Individual	165 050.00
Ashraf Mohamed	7606122284182	Individual	23 000.00
Jenny Baloyi	4966398217310	Individual	67 342.00
Kenneth Montero	9210196018085	Individual	31 000.00
Kenneth Montero	921019601808	Individual	14 000.00
Priscilla Naidoo	8319054804707	Non-financial business	178 600.00

JD Security	8801534431568	Non-financial business	528 000.00
ABC Stokvel Savings	2649531979818	IBA	105 000.00
Peter Ndlela	8319054804707	Individual	47 000.00
Peter Ndlela	5762313710958	Individual	60 000.00
Tania Smith	7758238421533	Individual	103 000.00
Debra Cronje	8412269622085	Individual	75 000.00
Paul Cronje	7410059890086	Individual	55 000.00

### Step 10: Apply the limit of cover to obtain a qualifying depositor's covered deposit

The FSR Act defines a covered deposit as the portion of a qualifying deposit covered by the Deposit Insurance Fund (DIF) provided for in section 166AB of the FSR Act. Regulation 3(1) states, for the purposes of section 166AB(1) of the FSR Act, the maximum amount CODI may apply from the DIF in respect of a qualifying depositor of a bank in resolution for their qualifying deposit balance is R100 000 (one hundred thousand rand).

In this step, a bank must compare the qualifying depositor's qualifying deposit balance with the limit of cover of R100 000:

- (a) if their qualifying deposit balance is less than R100 000, their covered deposit equals their qualifying deposit balance; or
- (b) if their qualifying deposit balance is greater than or equal to R100 000, then their covered balance is R100 000.

#### ABC Bank's application of the limit of cover to obtain a qualifying depositor's covered deposit

ABC Bank has compared each qualifying depositor's qualifying deposit balance with the limit of cover of R100 000. The results are included in Table 19.

**Table 19: Applying the limit of cover**

Account holder	Account holder identifier	Type of depositor	Qualifying deposit balance	Covered deposit
Paul Steyn	8112269622085	Individual	44 000.00	44 000.00
Paul Steyn	8112269622085	Non-financial business	40 000.00	40 000.00
Arthur Lambert Crafts	4310059890086	Non-financial business	86 230.00	86 230.00
Mark Mathebula	7105293826087	Individual	227 500.00	100 000.00
Mary Mathebula	6012170438088	Individual	61 500.00	61 500.00
Mary Mathebula	6012170438088	Non-financial business	78 000.00	78 000.00
Maynard Hayn	6007177600086	Individual	0.00	0.00
Mohale Attorneys	6110318338085	Non-financial business	103 343.00	100 000.00
Motang Mechanics	6704213242184	Non-financial business	77 000.00	77 000.00
Quillet Properties	6610070713086	Non-financial business	174 030.00	100 000.00
Share Hairdressers	9303156876087	Non-financial business	188 000.00	100 000.00
Thabile Home Improvements	9210257490082	Non-financial business	32 000.00	32 000.00
Savings CFI	7003631999048	IBA	200 000.00	100 000.00
Tau Stokvel	7783013743748	IBA	119 300.00	100 000.00
Sithembile Stokvel	2083199241884	IBA	450 000.00	100 000.00
Razia Hendriks	7700225VH	Individual	165 050.00	100 000.00
Ashraf Mohamed	7606122284182	Individual	23 000.00	23 000.00
Jenny Baloyi	4966398217310	Individual	67 342.00	67 342.00
Kenneth Montero	9210196018085	Individual	41 000.00	31 000.00
Kenneth Montero	921019601808	Individual	14 000.00	14 000.00
Priscilla Naidoo	8319054804707	Non-financial business	178 600.00	100 000.00

JD Security	8801534431568	Non-financial business	528 000.00	100 000.00
ABC Stokvel Savings	2649531979818	IBA	105 000.00	100 000.00
Peter Ndlela	8319054804707	Individual	47 000.00	47 000.00
Peter Ndlela	5762313710958	Individual	60 000.00	60 000.00
Tania Smith	7758238421533	Individual	103 000.00	100 000.00
Debra Cronje	8412269622085	Individual	75 000.00	75 000.00
Paul Cronje	7410059890086	Individual	55 000.00	55 000.00

### Step 11: Do the pro rata reimbursement calculations for IBAs

Regulation 9(3) states, where an IBA holder has multiple accounts with different signatories, CODI may reimburse each set of signatories for the covered deposits on a pro-rata basis. According to regulation 3, the maximum amount CODI may apply from the DIF in respect of a qualifying depositor of a bank in resolution for their qualifying deposit balance is R100 000. Therefore, irrespective of the number of accounts the IBA holder has, the maximum amount for which CODI can cover it is R100 000.

Where an IBA holder has multiple accounts with different sets of signatories, CODI may reimburse each set of signatories of the accounts held by an IBA holder in respect of its covered deposits on a pro rata basis. A bank must do this calculation when it creates the SCV records for the IBA holders. The requirements for the reporting of pro rata reimbursement calculations will be included in the *Government Gazette* CODI will issue for reporting purposes.

## **Pro rata calculations of reimbursement amounts to be made available to an IBA holder with multiple accounts with different sets of signatories**

Tau Stokvel is an IBA holder with two accounts in qualifying products. The signatories for the two accounts differ. The qualifying balance in Tau Stokvel's fixed deposit account is R45 000, and the qualifying balance in its savings account is R74 300. Tau Stokvel's total qualifying deposit balance is R119 300. After applying the limit of cover, Tau Stokvel's covered deposit is R100 000.

To determine how much CODI must reimburse the different sets of signatories, each of Tau Stokvel's account balances is divided by Tau Stokvel's total qualifying balance and then multiplied by 100 to get the account's percentage of Tau Stokvel's total qualifying deposit balance. This percentage is then used to calculate each account's share of Tau Stokvel's R100 000 covered deposits, which is the amount CODI will reimburse each set of signatories.

Table 20 below illustrates the calculation of the pro rata reimbursement for an IBA holder with two accounts in qualifying products with different sets of signatories for each account.

**Table 20: Pro rata calculations for IBAs**

<b>ZAR</b>	<b>Qualifying balance</b>	<b>Pro rata calculation</b>	<b>Pro rata balance due to signatories of the account</b>
Fixed deposit	45 000.00	$45\,000/119\,300 = 0.38$	$100\,000 * 0.38 = 37\,720.00$
Savings account	74 300.00	$74\,300/119\,300 = 0.62$	$100\,000 * 0.62 = 62\,280.00$
Total	119 300.00	1	100 000.00

### **Step 12: Include FBAs with unknown beneficiaries but with accounts in qualifying products**

When a bank cannot identify ALL the beneficiaries to an FBA, regulation 35(1) specifies that the bank must include a separate record for the FBA with their balances in the preparation of its total qualifying deposits and total covered deposits calculations. This means that if a

bank cannot identify all 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 qualifying depositor. In terms of the definition of an FBA, only FBAs with accounts in qualifying products qualify for deposit insurance coverage and must be reported to CODI. FBAs in the following products can be excluded using the definition of a qualifying deposit from the FSR Act and the definition of a qualifying product from the regulations:

**12.1 FBAs with deposits evidenced by a bearer deposit instrument**

For FBAs with unknown beneficiaries, there is only one exclusion that is relevant in terms of the FSR Act's definition of a qualifying deposit. That is, for FBAs with unknown beneficiaries, banks must not report FBA accounts in deposits evidenced by a bearer deposit instrument, including:

**12.2 FBAs in shares;**

**12.3 FBAs that are holdings in commodities;**

**12.4 FBAs in electronic money products;**

**12.5 FBAs that are suspense accounts; and**

**12.6 FBAs in products where the principal amount is not repayable at par or is repayable at par only subject to a specific condition or guarantee.**

ABC Bank's FBAs with unknown beneficiaries but with accounts in qualifying products

Table 21 shows ABC Bank's FBAs with unknown beneficiaries. Although the FBA holders are not qualifying depositors in terms of the FSR Act's definition of a qualifying deposit, they must be reported to CODI since CODI protects the beneficiaries to the FBA who may be qualifying depositors. ABC Bank's FBAs hold accounts in qualifying products, therefore they must be reported to CODI.



**Table 21: FBAs with unknown beneficiaries**

Account category	Account holder	Account holder identifier	Type of depositor	Product name	Product type	Balance
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	23 400
FBA	ABC Properties	6091843304669	Non-financial business	Trust account	Transactional	46 789
FBA	Mila Accountants	7699937262245	Financial business	Trust account	Transactional	83 564

**Step 13: Apply requirements relating to the reporting of balances as per the regulations**

The bank must now consider the requirements of regulation 37 relating to the reporting of balances. In this regard, the bank must:

- 13.1 **convert all foreign currency balances** to ZAR as per regulation 37(3)(a)(ii) using the exchange rate specified in regulation 37(c);
- 13.2 **report balances up to two decimals cents of currency** in line with regulation 37(3)(a)(i);
- 13.3 **include gross balances** in its SCV calculations as per regulation 37(3)(a)(ii);
- 13.4 **include interest accrued** up to the reporting date as per regulation 37(3)(a)(iii);
- 13.5 **exclude outstanding account fees** up to the reporting date as per regulation 37(3)(a)(iv);
- 13.6 **include an unsettled payment** made to the account balance as per regulation 37(3)(d)(i); and/or
- 13.7 **deduct an unsettled payment** made from the account balance as per regulation 37(3)(d)(ii).

ABC Bank's reporting of balances for FBAs with unknown beneficiaries

ABC Bank's FBAs with unknown beneficiaries align to the general reporting requirements for reporting balances.

#### **Step 14: Applying account balance modifiers to determine the qualifying balance of an FBA with unknown beneficiaries**

The account balance modifiers applicable under qualifying depositors (step 5) are also applicable for FBAs with unknown beneficiaries. The other account modifiers that may apply to qualifying depositors' accounts, such as joint account balances or pledged balances, may not be applicable to FBAs with unknown beneficiaries.

##### ABC Bank's modification of balances for FBAs with unknown beneficiaries

None of ABC Bank's FBAs with unknown beneficiaries has balances owed to the bank. Therefore, ABC Bank does not need to modify any balances for its SCV calculations.

#### **Step 15: Creating a separate record for each FBA with unknown beneficiaries**

Regulation 35(1) states where a bank cannot generate SCV records for the beneficiaries of a formal beneficiary account in accordance with regulation 34(1), the bank must include a separate record for each formal beneficiary account with their balances in the preparation of its total qualifying deposits and total covered deposits calculations, except in the circumstances referred to in regulation 34(5).

Furthermore, regulation 35(2) adds that any requirement relating to the preparation of SCV calculations and the submission of the SCV calculations to CODI, must include a requirement for the preparation and submission of the separate records for each FBA for which a bank cannot generate an SCV record for the beneficiaries.

For each FBA with unknown beneficiaries, the bank must provide the following information in the record of the FBA:

##### **15.1 Identify the FBA holder and provide details of their identifiers**

According to the general reporting requirements contained in regulation 37(1), a bank, as a minimum identification criterion, must identify an FBA holder in terms of the requirements of the FIC Act. In terms of regulation 37(2), the bank must provide the identifying details specified by CODI of an FBA holder.

### **15.2 Include contact details for the qualifying depositor and signatory**

In terms of regulation 37(2)(b), the bank must provide at least the following contact details for an FBA holder:

- i. either a formal or informal address; and
- ii. one telephone number or an email address.

### **15.3 Include the FBAs account balance as the qualifying deposit balance and covered deposit**

A bank must include for each FBA the account and qualifying balances. In terms of balances for FBAs with unknown beneficiaries, regulation 35(3) states that if a bank cannot identify all the beneficiaries of an FBA with their balances in the account, it must include the FBA's balance as the account's qualifying balance and covered deposits. This means that for FBAs with unknown beneficiaries, the bank must include the account balance as its qualifying balance and covered deposit.

### **15.4 Include other details required by CODI as per the *Government Gazette***

A bank must include in its record for an FBA with unknown beneficiaries other details as specified by CODI in the *Government Gazette*, for example, the details of representatives for businesses.

#### ABC Bank's records for FBAs with unknown beneficiaries

Since ABC Bank cannot identify all the beneficiaries and their balances of ABC Properties' two accounts monthly, it must include a separate record for each FBA account held by ABC Properties in its SCV calculations.

In terms of regulation 31(1), when a bank is in resolution, the FBA holder must identify a beneficiary of a formal beneficiary account using the minimum identification criteria, specified in regulation 37(1), and submit the details of the beneficiary, specified in regulation 35(4), to the bank in resolution. Regulation 31(2) then requires the bank in resolution to submit the details, specified in regulation 35(4), of a beneficiary of a formal beneficiary account to CODI. This process will enable CODI to update the SCV calculations for these beneficiaries who are qualifying depositors and to reimburse their covered deposits accordingly.

Account holder	Account holder identifier	Account holder address	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Beneficiary 1	Beneficiary 1 identifier	Beneficiary 1 balance
ABC Properties	6091843304669	1415 Dickens St, Kempton Park,1619	<a href="mailto:properties.abc@yahoo.com">properties.abc@yahoo.com</a>	Y	Non-financial business	Trust account	Transactional	2156689657668	23 400.00	-	-	-

Account holder	Account holder identifier	Account holder address	Account holder contact number	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Beneficiary 1	Beneficiary 1 identifier	Beneficiary 1 balance
ABC Properties	6091843304669	1415 Dickens St, Kempton Park,1619	086 788 1120	Y	Non-financial business	Trust account	Transactional	2156689657668	46 789.00	-	-	-

Regulation 35(3) specifies that, where a bank cannot identify all the beneficiaries of an FBA with their balances in the account, it must include the FBA's balance as the account's qualifying balance and covered deposits.

In this example, Mila Accountants' account balance is R83 564. ABC Bank could identify only one of the beneficiaries to Mila Accountants' account. The balance due to the known beneficiary, Sandi Mathebula, is R42 320. Therefore, the remaining account balance of R41 244 is due to the unknown beneficiaries of Mila Accountants. Therefore, in accordance with regulation 35(3), since the bank cannot identify all

the beneficiaries and their balances for Mila Accountants' account, it must reflect the full account balance as the qualifying deposit balance and covered deposit balance. The bank must use an NRP indicator in the FBA record since it could not identify all the beneficiaries to the account.

Account holder	Account holder identifier	Account holder address	Account holder email address	Reliably ID'd	Type of depositor	Product type	Account number	Account balance (ZAR)	Beneficiary 1	Beneficiary 1 identifier	Reliably ID'd	Beneficiary 1 balance
Mila Accountants	7699937262245	89 Fox St, Mandela Road, Mafikeng, North West	<a href="mailto:admin@milaaccountants.co.za">admin@milaaccountants.co.za</a>	Y	Financial business	Transactional	9788600888019	83 564.00	Sandi Mathebula	9857984758979	Y	42 320.00

ABC Bank must include the account balance as the qualifying balance and covered deposit of every FBA with unknown beneficiaries in its SCV calculations.

**Table 22: ABC Bank's qualifying balance and covered deposits for FBAs with unknown beneficiaries**

Account holder	Account holder identifier	Type of depositor	Qualifying deposit balance	Covered deposits
ABC Properties	6091843304669	FBA	23 400.00	23 400.00
ABC Properties	6091843304669	FBA	46 789.00	46 789.00
Mila Accountants	7699937262245	FBA	83 564.00	83 564.00

## Step 16: Applying applicable indicators

The next step is for the bank to apply the relevant status indicators to the account, account holder, signatory or FBA holder. Regulation 1 defines an indicator as a marking that provides information about the status of a qualifying depositor, formal beneficiary account holder, signatory, or account. There are two types of indicators mentioned in regulation 1:

- **'NRP'** means that a bank has marked a qualifying depositor, FBA holder, signatory, or account with one or more indicators reflecting the need for additional documentation or actions before CODI can reimburse a qualifying depositor; and
- **'RFP'** means that a bank has marked a qualifying depositor, FBA holder, signatory, or account with an indicator reflecting that CODI can reimburse a qualifying depositor.

In terms of regulation 37(4), a bank must use one or more NRP indicators where—

- (a) a qualifying depositor, formal beneficiary account holder, or signatory has not been reliably identified in accordance with the requirements of the FIC Act;
- (b) the legal right of a qualifying depositor or signatory to receive a reimbursement is not established, or a covered deposit is the subject of a legal dispute;
- (c) a qualifying depositor, formal beneficiary account holder, signatory, or an account is subject to restrictive measures imposed by the local authorities or international organisations;
- (d) a qualifying depositor, formal beneficiary account holder, or signatory has been charged with an offence arising out of or in relation to money laundering as defined in the FIC Act or any other financial crime;
- (e) an account is pledged for any purpose at the bank, for the same or a different person, or at another bank for the same or different person;
- (f) a qualifying depositor or a formal beneficiary account holder is deceased; or
- (g) other cases determined by the Corporation.

Based on the requirements of regulation 37(4), CODI will provide banks with the different NRP indicators and guidance about their application for reporting to CODI.

It is important to note that an indicator does not mean the bank can exclude a qualifying depositor, signatory, FBA holder or account, marked as NRP, from the bank's SCV calculations. An NRP indicator provides CODI with additional information on the status of a qualifying depositor, signatory, FBA holder or account that it must consider during a resolution. In terms of regulation 10(1), CODI may defer the reimbursement of a qualifying depositor or signatory with an NRP indicator until the reason for the indicator has been resolved.

ABC Bank's FBA record for each FBA with unknown beneficiaries

The only indicator applicable to ABC Bank's FBAs with unknown beneficiaries is an NRP indicator for the FBAs where the beneficiaries are unknown.

Account holder	Account holder identifier	Account holder address	Account holder email address	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Beneficiary 1	Beneficiary 1 identifier	Beneficiary 1 balance
ABC Properties	6091843304669	1415 Dickens St, Kempton Park,1619	<a href="mailto:properties.abc@yahoo.com">properties.abc@yahoo.com</a>	Y	Non-financial business	Trust account	Transactional	2156689657668	23 400.00	-	-	-

Account holder	Account holder identifier	Account holder address	Account holder contact number	Reliably identified	Type of depositor	Product name	Product type	Account number	Account balance (ZAR)	Beneficiary 1	Beneficiary 1 identifier	Beneficiary 1 balance
ABC Properties	6091843304669	1415 Dickens St, Kempton Park,1619	086 788 1120	Y	Non-financial business	Trust account	Transactional	2156689657668	23 400.00	-	-	-

Account holder	Account holder identifier	Account holder address	Account holder email address	Reliably identified	Type of depositor	Product type	Account number	Account balance (ZAR)	Indicator	Reason for indicator
Mila Accountants	7699937262245	89 Fox St, Mandela Road, Mafikeng, North West	<a href="mailto:admin@milaaccountants.co.za">admin@milaaccountants.co.za</a>	Y	Financial business	Transactional	9788600888019	83 564.00	NRP	Beneficiaries of the FBA are unknown.

### Step 17: Calculating the bank's total qualifying deposits and total covered deposits

Regulation 1 defines total covered deposits as the total of all covered deposits at a bank and total qualifying deposits as the total of all qualifying deposit balances at a bank. Therefore, a bank must sum the qualifying deposit balances of all records of FBAs with unknown beneficiaries and the covered deposits from all qualifying depositors' SCV records to get the total qualifying deposits for the bank. Similarly, a bank must also sum the covered deposits of all its records of formal beneficiary accounts with unknown beneficiaries and the covered deposits from the qualifying depositors' SCV records to get the total covered deposits for the bank.

In terms of regulation 28(1), a bank must submit these two balances to CODI monthly. In terms of regulation 28(2), a bank must submit these two balances, along with its SCV calculations, to CODI on a quarterly basis or at a frequency specified by CODI. For both of these submissions, CODI will officially specify the manner and form in a *Government Gazette*.

#### ABC Bank's total qualifying deposits and total covered deposits

ABC Bank sums the qualifying deposit balances of all its records of formal beneficiary accounts for which a bank cannot generate an SCV record for the beneficiaries and its qualifying depositors to get the total qualifying deposits for the bank. Similarly, it sums the covered deposits of all its records of formal beneficiary accounts for which a bank cannot generate an SCV record for the beneficiaries and qualifying depositors to get the total for the bank. In terms of regulation 28(1), banks must make monthly and quarterly submissions to



CODI. A bank must submit its total qualifying deposits and total covered deposits to CODI monthly using month-end balances. CODI will use the bank's monthly covered deposits to calculate its financial contribution and liquidity tier contribution.

**Table 23: ABC Bank's total qualifying deposits and covered deposits as at 31 March 2024**

Account holder	Account holder identifier	Type of depositor	Total qualifying deposits	Total covered deposits
Paul Steyn	8112269622085	Individual	44 000.00	44 000.00
Paul Steyn	8112269622085	Non-financial business	40 000.00	40 000.00
Arthur Lambert Crafts	4310059890086	Non-financial business	86 230.00	86 230.00
Mark Mathebula	7105293826087	Individual	227 500.00	100 000.00
Mary Mathebula	6012170438088	Individual	61 500.00	61 500.00
Mary Mathebula	6012170438088	Non-financial business	78 000.00	78 000.00
Maynard Hayn	6007177600086	Individual	0.00	0.00
Mohale Attorneys	6110318338085	Non-financial business	103 343.00	100 000.00
Motang Mechanics	6704213242184	Non-financial business	77 000.00	77 000.00
Quillet Properties	6610070713086	Non-financial business	174 030.00	100 000.00
Share Hairdressers	9303156876087	Non-financial business	188 000.00	100 000.00
Thabile Home Improvements	9210257490082	Non-financial business	32 000.00	32 000.00
Savings CFI	7003631999048	IBA	200 000.00	100 000.00
Tau Stokvel	7783013743748	IBA	119 300.00	100 000.00
Sithembile Stokvel	2083199241884	IBA	450 000.00	100 000.00
Razia Hendriks	7700225VH	Individual	165 050.00	100 000.00
Ashraf Mohamed	7606122284182	Individual	23 000.00	23 000.00
Jenny Baloyi	4966398217310	Individual	67 342.00	67 342.00
Kenneth Montero	9210196018085	Individual	31 000.00	31 000.00

Kenneth Montero	921019601808	Individual	14 000.00	14 000.00
Priscilla Naidoo	8319054804707	Non-financial business	178 600.00	100 000.00
JD Security	8801534431568	Non-financial business	528 000.00	100 000.00
ABC Stokvel Savings	2649531979818	IBA	105 000.00	100 000.00
Peter Ndlela	8319054804707	Individual	47 000.00	47 000.00
Peter Ndlela	5762313710958	Individual	60 000.00	60 000.00
Tania Smith	7758238421533	Individual	103 000.00	100 000.00
Debra Cronje	8412269622085	Individual	75 000.00	75 000.00
Paul Cronje	7410059890086	Individual	55 000.00	55 000.00
ABC Properties	6091843304669	FBA	23 400.00	23 400.00
ABC Properties	6091843304669	FBA	46 789.00	46 789.00
Mila Accountants	7699937262245	FBA	83 564.00	83 564.00
<b>ABC Bank's totals</b>			<b>R 3 393 948.00</b>	<b>R 2 055 125.00</b>

### Step 18: Calculation of the bank's financial contribution and fund liquidity tier contribution

Regulation 36 states that CODI must use a bank's monthly total covered deposits, submitted to it in accordance with regulation 28 and containing the information prescribed by CODI, to calculate the bank's financial contribution and fund liquidity contribution to CODI. In terms of regulation 1, a financial contribution includes—

- (a) a deposit insurance levy imposed under section 9 of the Financial Sector and Deposit Insurance Levies Act 11 of 2022; and
- (b) a deposit insurance premium imposed by legislation, in accordance with section 166BG of the Act.

Furthermore, regulation 1 defines a fund liquidity contribution as the minimum amount maintained by a bank in the account of the Fund in accordance with section 166BH of the Act and any adjustments to the minimum amount. Therefore, CODI will use the bank's submission of its total covered deposits to calculate the bank's financial contribution and the fund liquidity contribution.

#### Calculating ABC Bank's financial contribution and fund liquidity contribution

CODI has processed the bank's submission and calculated the bank's financial contribution and Fund liquidity tier contribution as follows:

##### **Premiums**

The Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Act 12 of 2022 specifies that the premium will be 0.2% of a member's covered deposits per year, but payable monthly (0.2% / 12 x bank's total covered deposits). For banks that do not have any covered deposits, there is no premium amount payable.

- ABC Bank has reported its total covered deposits as R2 055 125.00 at the end of March 2024, its premium for March will be calculated as follows:  $R2\ 055\ 125.00 \times 0.2\%/12 = \mathbf{R342.52}$

##### **Levies**

The Financial Sector and Deposit Insurance Levies Act 11 of 2022 (Levies Act) provides for the levy percentage at 0.015% per year of a bank's covered deposits, with a minimum levy amount of R1 000 per year. A bank with no total covered deposits for a reporting period must pay a fixed levy of R1 000 for the year to CODI. If a bank has total covered deposits resulting in a levy calculation amount of less than R1 000, the minimum amount of R1 000 will be payable by the bank for that year.

- ABC Bank has reported its total covered deposits as R2 055 125.00 at the end of March 2024, its annual levy will be calculated as follows:  $R2\ 055\ 125.00 \times 0.015\% = R308.27$ . Since the levy calculation has resulted in an amount less than R1 000, ABC Bank will pay the minimum levy amount of **R1 000** in accordance with the Levies Act.

#### **Fund liquidity contribution**

Fund liquidity contributions are based on contractual loans granted by banks to CODI which consists of 3% of a bank's total covered deposits. The loans comprising the liquidity tier will be rolled over monthly and adjusted for changes in banks' total covered deposits. If the bank's total covered deposits increased from one month to the next, the bank will need to top up the loan it granted to CODI. A decrease in the bank's total covered deposits will result in the bank receiving a repayment on the loan from CODI. If a bank did not report a total covered deposit balance in its deposit insurance submission, no loan amount will be required.

- ABC Bank has reported its total covered deposits as R2 055 125.00 at the end of March, its fund liquidity contribution will be calculated as follows:  $R2\ 055\ 125.00 \times 3\% = \mathbf{R61\ 653.75}$

## The way forward

CODI will provide targeted training sessions on SCV calculations to the relevant staff members at banks. CODI will provide the details about these sessions in due course. These sessions will assist banks to familiarise themselves with the SCV calculations they must apply to calculate their total qualifying deposits and total covered deposits that banks must submit to CODI from 1 April 2024.

## Annexure A

Completed example for calculating a bank's total qualifying and covered deposits.