



Corporation for Deposit Insurance:
Proposed coverage and reporting rules

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

Version control:

0.1	3 September 2021	Initial draft for the 2021 deposit insurance survey
1.0	3 April 2023	Updated document based on updated proposals in the draft secondary legislation
1.1	26 June 2023	Correction to the coverage of balances due to a depositor on transmission accounts (27) under 2.2.

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

The following table provides an overview of the Corporation for Deposit Insurance's (CODI) latest reporting requirements.

Summary of latest reporting requirements (June 2023)		
Number	Description	CODI reporting requirement
1.	Single-customer-view (SCV) reporting	SCV reporting of depositor information to CODI is mandatory for all: <ul style="list-style-type: none">• simple accounts;• informal beneficiary accounts (IBAs); and• formal beneficiary accounts (FBAs) where a bank can identify the underlying beneficiaries to an FBA.
2.	Inability to report information in SCV format	Where a bank is initially unable to report depositor information to CODI in SCV format, the bank can apply to CODI for condonation from this requirement. Upon assessing the bank's request, CODI may grant the bank condonation and give the bank more time to comply with the SCV reporting requirement. The condonation will allow the bank to report depositor information to CODI in a granular format during the transition period. The granular reporting option is no longer available as a reporting option.
3.	Monthly aggregated submissions to CODI	Banks must submit their total qualifying deposits and total covered deposits to CODI on a monthly basis, using month-end balances.

Summary of latest reporting requirements (June 2023)		
Number	Description	CODI reporting requirement
4.	Quarterly SCV submissions to CODI	Banks must submit the supporting SCV calculations ¹ with the total qualifying deposits and total covered deposits to CODI on a quarterly basis or at a frequency specified by CODI.
5.	Conversion of foreign currency balances	CODI will provide banks with a data file containing the South African Reserve Bank (SARB) exchange rates to use for the conversion of foreign currency balances for reporting to CODI. The format of this file will be decided on in consultation with banks.
6.	Reporting of branch information	Banks must report to CODI the residential/business address of a client and the branch closest to this address. This information will be used for the development of payout plans and to determine if a payout agent bank (PAB) can cater for a failed bank's depositors.
7.	Not-ready-for-payout (NRP) indicators	<p>The NRP indicators proposed by CODI include:</p> <ul style="list-style-type: none"> • not identifying the depositor using the minimum criteria specified by CODI; • legal disputes; • a pledged account; • a money-laundering conviction; • attachment by a sheriff; • sanctions or foreign blocking;

¹ 'SCV calculations' means the calculation of a bank's total qualifying deposits and total covered deposits based on the SCV records of its qualifying depositors, where 'SCV record' means a consolidated view of a qualifying depositor's accounts and associated balances in qualifying products for the purposes of calculating the qualifying depositor's qualifying deposit balance and covered deposits.

Summary of latest reporting requirements (June 2023)		
Number	Description	CODI reporting requirement
		<ul style="list-style-type: none"> • suspicion of fraud; and • death.

2. Coverage and reporting proposals for specific types of depositors

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

2.1 General principles for determining coverage

In general, CODI will cover deposits where the capital amount is guaranteed and repayable at par to a qualifying depositor².

² A 'qualifying depositor' includes:

- (a) an account holder of a simple account;
- (b) a beneficiary of a formal beneficiary account (FBA); and
- (c) an informal beneficiary account (IBA) holder that holds a qualifying product.

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

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

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
1.	Financial institution	N	<p>Financial institutions' deposits are not covered.</p> <p>Financial institutions include all financial intermediaries regardless of their form of business, including financial sole proprietors, financial companies, banks, money market unit trusts, non-money market unit trusts, insurers, pension funds, fund managers, private financial corporate sector institutions, monetary authorities, and public non-financial corporations.</p>	
2.	Co-operative financial institution (CFI)	Y	<p>Deposits held by CFIs will be covered as IBAs for R100 000 coverage for the CFIs' accounts.</p> <p>CFIs will be treated as FBAs if they are</p>	<p>CFIs must be reported as IBAs to CODI.</p> <p>If a bank collects the details, identifies, and maintains records of all the depositors of a CFI on a monthly basis, the bank can report the</p>

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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			accountable institutions or have an account that meets the criteria of an FBA.	CFI's account as an FBA to enable CODI to cover every beneficiary up to R100 000. In this instance, the bank acts as the accountable institution, responsible for the record keeping of the account's beneficiaries. Currently, CFIs are not accountable institutions.
3.	Government	N	<p>Deposits by the following government entities are not covered: national government, provincial government, local government, public non-financial corporations, monetary authorities, and organs of state.</p> <p>Private universities qualify for deposit insurance protection for qualifying accounts held. Public universities do not. Banks must differentiate between private and public institutions using the South African Reserve Bank's Institutional Sector Classification</p>	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
			Guide. The same principle applies to other types of entities where a distinction is made between private and public, such as schools, colleges, and hospitals.	
4.	Entities listed in schedule 2 of the Public Finance Management Act 1 of 1999 (PFMA)	N		
5.	The Corporation for Public Deposits (CPD) established by section 2 of the Corporation for Public Deposits Act 46 of 1984 (CPD Act)	N		

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
6.	The Public Investment Corporation (PIC) established by section 2 of the Public Investment Corporation Act 23 of 2004 (PIC Act)	N		
7.	Retail depositors	Y	Qualifying depositors holding accounts in qualifying products ³ will be covered.	
8.	Non-financial corporate depositors	Y	Qualifying depositors holding accounts in qualifying products will be covered. Non-financial corporate depositors include all businesses that operate in a non-financial industry. These include all forms of non-	

³ A 'qualifying product' means a product included in depositor protection, namely a deposit, a qualifying deposit or a product where the capital amount is guaranteed and repayable at par, regardless of its term or currency.

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
			financial businesses, including sole proprietors, partnerships, companies and so on.	
9.	Foreign depositors	Y	Qualifying foreign depositors (i.e. retail and non-financial corporates) holding accounts in qualifying products will be covered.	
10.	Minors	Y	Qualifying depositors holding accounts in qualifying products will be covered.	<p>Qualifying accounts in the name of a minor will be reported to CODI in the name of the minor and will be covered by CODI.</p> <p>The Banks Act 94 of 1990 (Banks Act) allows for young adults aged 16 and older to open bank accounts themselves. Legally speaking, a minor is under 18 years old. For reporting to CODI, depositors under the age of 16 will be considered a minor. A minor's identification to CODI is no longer required.</p>

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
11.	Legally incapacitated depositors	Y	Qualifying depositors holding accounts in qualifying products will be covered.	Legally incapacitated identification to CODI is no longer required.
12.	Deceased depositors	Y	Qualifying depositors holding accounts in qualifying products will be covered.	A deceased depositor's accounts must be reported to CODI as NRP accounts. The liquidator will determine to whom CODI can pay the balances.
13.	Charitable organisations	Y	Qualifying depositors holding accounts in qualifying products will be covered.	
14.	Religious entities	Y	Qualifying depositors holding accounts in qualifying products will be covered.	
15.	Trade unions	Y	Qualifying depositors holding accounts in qualifying products will be covered.	
16.	Consumer associations	Y	Qualifying depositors holding accounts in qualifying products will be covered.	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
17.	<p>Formal beneficiary accounts (FBAs) are defined in the Deposit Insurance Regulations as:</p> <p>‘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:</p> <p>(a) the account</p>	Y	<p>CODI applies coverage using a look-through approach to FBAs.</p> <p>Qualifying beneficiaries are covered up to R100 000 for all their account balances held in qualifying products, including their portion of an FBA.</p>	<p><u>All</u> FBAs must be reported to CODI, except when, on a monthly basis:</p> <ul style="list-style-type: none"> • a bank can identify every beneficiary to an account and not one of the beneficiaries identified is a qualifying depositor; or • the FBA holder confirms to the bank that not one of the beneficiaries is a qualifying depositor. <p>If a bank cannot identify the beneficiaries to an FBA, it must report the FBA to CODI even if the account holder is not a qualifying depositor, since a beneficiary to the FBA may be a qualifying depositor. The FBA would have to be included in the bank’s covered deposit calculation to allow CODI sufficient funds to pay out the beneficiary if the bank were to fail.</p>

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
	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			<p>There are <u>only two</u> reporting options for FBAs:</p> <ul style="list-style-type: none"> • Where a bank can identify beneficiaries and their balances on a monthly basis, SCV reporting <u>must</u> be used for that specific account. • Where a bank cannot identify beneficiaries and their balances on a monthly basis, the FBAs' full account balance must be reported to CODI. <p>A bank can choose which reporting option to use per FBA based on the information the bank has available on the beneficiaries, i.e. if the bank has the details of the beneficiaries and their balances to a specific FBA, it <u>must</u> use SCV reporting for that specific account.</p>

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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	<p>account where the account holder is not an accountable institution but manages funds on behalf of one or more beneficiaries'.</p> <p>Therefore, if the account holder is not an accountable institution and/or the bank does not keep record of the beneficiaries to the FBA account, the account must be reported as a simple account.</p>			

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
18.	<p>Informal beneficiary accounts (IBAs) are defined in the Deposit Insurance Regulations as:</p> <p>‘an account in a qualifying product offered by a bank to an informal beneficiary account holder who is not an accountable institution and whose members elect signatories to manage the account on their behalf in accordance with the</p>	Y	Each account will be covered up to R100 000.	<p>If a bank (as an accountable institution) maintains formal records of the beneficiaries and their associated balances in the account <u>on a monthly basis</u>, the account can be reported to CODI as an FBA. In such a case, reporting options 1 or 2 can be followed, and the specific IBA member or contributor will qualify for up to R100 000 for all their qualifying accounts, which will then include their IBA balance.</p> <p>Where a bank only has the account holders’ and signatories’ details, any accounts held by the account holders will be aggregated (an SCV will be created) and the account holders will qualify for deposit insurance coverage of up to R100 000 for all the accounts held by them.</p>

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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	<p>rules specified in the constitution document’.</p> <p>CODI’s proposed definition of an ‘informal beneficiary account holder’ is:</p> <p>‘an informal group established by individuals as members to collectively save for a purpose specified in a constitution document’.</p> <p>Examples of IBAs include stokvels and informal group</p>			

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
	savings accounts.			
19.	Electronic money products, including electronic payment products through an app (not linked to a bank account), foreign or local currency wallets/remittances, prepaid travel or transit cards and digital vouchers	N	Electronic money products do not qualify for deposit insurance coverage since the depositors cannot be identified as per the Financial Intelligence Centre Act 38 of 2001 (FICA).	When a qualifying depositor has initiated a payment transaction from a qualifying account using an electronic money product (e.g. sending money to a recipient's cellphone number), but the recipient has not taken/received the funds, the sender remains the owner of the funds until settlement has taken place. These balances qualify for deposit insurance coverage and should be included under the qualifying depositor's (sender's) qualifying deposit balances. If the funds lie in a suspense account for processing, item 67 applies.
20.	Authorised signatories	N		
21.	Joint accounts	Y	Qualifying depositors holding accounts in	The account balance will be split between the account holders of a joint account according to

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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			qualifying products will be covered.	the ratio recorded by the bank when the account was opened. If no split was recorded, the account balance will be split equally between the number of account holders.
22.	Sharing accounts	Y	Qualifying depositors holding accounts in qualifying products will be covered. If the primary account holder of a sharing account is a qualifying depositor, they will be included in the scope of deposit insurance cover for their qualifying sharing account.	
23.	Dormant and inactive accounts	Y	Qualifying depositors holding accounts in qualifying products will be covered.	Dormant, inactive, and escheatable accounts must be reported to CODI. Banks need to follow the same principles as for reporting other accounts, i.e. these accounts must be reported as simple accounts, FBAs or IBAs, depending on their deposit insurance

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
				<p>classification.</p> <p>Compliance with FICA is not a requirement for including a qualifying depositor or account in a bank's reporting to CODI. Accounts which have not been FICA-ed recently or fully must be reported to CODI as NRP accounts.</p>
24.	Accounts with details of a power of attorney	Y	Qualifying depositors holding accounts in qualifying products will be covered.	CODI will no longer require banks to report details of representatives.
25.	Club accounts	Y	Qualifying depositors holding accounts in qualifying products will be covered.	Club accounts must be reported as simple accounts in the name of the account holder.
26.	Term deposits	Y	Term deposits will be covered if they are held by qualifying depositors.	
27.	Balances due to the depositor on transactional, transmission and	Y	Balances due to a qualifying depositor will be covered.	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
	cheque accounts			
28.	Balances due to the account holder on loan accounts	N		
29.	Offset mortgages and loans	Y	Mortgage loans do not qualify for CODI's coverage. Transactional/savings accounts will be covered if in the name of a qualifying depositor.	How a bank records offset mortgages and transactional/savings accounts determines their treatment. If the transactional/savings accounts and loan balances are combined into one account, the balance against the loan is set off to reduce the principal loan value and the interest due on the amount. In such a case, the depositor has made the choice to allow the two accounts to set off against one another to reduce the principal balance on which interest is calculated. Since this is 'one' account, differentiation between the deposit/transactional balance vs the loan balance cannot be made for

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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				<p>reporting to CODI as reporting to CODI is account-based.</p> <p>Where the mortgage account and the transactional/savings account are separate accounts, but the bank allows the transactional/savings account's balance to be offset against the mortgage loan, the transactional/savings account will be covered, but not the loan account.</p>
30.	Fixed-term deposits (mutual banks)	Y	<p>Fixed-term deposits will be covered only if they are not loss-absorbing shares, and they are held by qualifying depositors.</p> <p>This should not include any fixed-term deposits that are treated as capital by the reporting mutual bank.</p>	
31.	Indefinite period paid-up shares (mutual	N	These are loss-absorbing shares.	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
	banks)			
32.	Subscription shares (mutual banks)	N	These are loss-absorbing shares.	
33.	Fixed-period paid-up shares (mutual banks)	N	These are loss-absorbing shares.	
34.	Deferred shares (mutual banks)	N		
35.	Mandatory shares (co-operative banks)	N	These are loss-absorbing shares.	
36.	Voluntary shares	N		
37.	Islamic Wadi'ah product	Y	This product qualifies if the account is held by a qualifying depositor.	
38.	Islamic Qard product	Y	This product qualifies if the account is held by	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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			a qualifying depositor.	
39.	Islamic Murabahah product	Y	This product qualifies if the account is held by a qualifying depositor.	
40.	Islamic Mudarabah product	N	<p>This product can include investment products but also savings accounts, current accounts and other short-term deposits.</p> <p>This product's capital amount is only guaranteed where there is negligence by a bank. This conditionality does not make the capital/principal amount guaranteed at all times. This, together with its nature as a possible investment product, means that this product will not qualify for deposit insurance coverage.</p>	
41.	Islamic Wakalah product	N	This investment product involves the account holder empowering the bank to invest funds	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
			<p>on their behalf in a list of approved investments. The profit is shared between the account holder and the bank. It can be used for different investment instruments, such as structured products and investment accounts, but also savings accounts and current accounts.</p> <p>As an investment product, this product does not qualify for deposit insurance coverage (the capital amount is not guaranteed by the bank).</p>	
42.	Accounts combining multiple products	Possibly	Accounts held in qualifying products by qualifying depositors will possibly be covered.	
43.	Structured products consisting of different types of investments	Possibly	<p>Where a structured product consists of a cash deposit and an equity-linked investment, several factors will determine the coverage:</p> <ul style="list-style-type: none"> • If the cash is held in a qualifying product 	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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			<p>(with its own account number in the records of the bank) by a qualifying depositor, it will qualify for deposit insurance coverage.</p> <ul style="list-style-type: none"> • The equity-linked deposit will not qualify for deposit insurance coverage even if it is in the name of a qualifying depositor since it is an investment account which does not qualify for deposit insurance coverage. • If the cash and equity-linked funds are held in one account in the name of a qualifying depositor, the account will not qualify for deposit insurance coverage because of the non-qualifying component. 	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
44.	Pledged deposits	Y	The pledged amount is not covered unless the loan has been fully repaid.	<p>Qualifying accounts that are held by qualifying depositors but have been pledged as collateral against any other loan or facility, either at the reporting bank or at another bank, must be included in the reporting bank's submission to CODI. The unpledged balance of the pledged account must be included in the qualifying balance of the qualifying depositor, but the account will be tagged as an NRP account. If the reporting bank fails, the NRP reporting of the account will require CODI to work with the liquidator or resolution practitioner to review the status as well as the terms and conditions of the pledge before the balance is paid out to the qualifying depositor.</p> <p>Example:</p> <p>Unpledged balance: total account balance –</p>

Summary of coverage and reporting proposals for specific types of depositors (June 2023)												
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal								
				<div>total pledged balances</div> <table><tr><td>Savings deposit</td><td>Pledge A</td><td>Pledge B</td><td>Pledge C</td></tr><tr><td>R160 000</td><td>R40 000</td><td>R30 000</td><td>R50 000</td></tr></table> <div>Total unpledged balance: R160 000 – R40 000 – R30 000 – R50 000 = R40 000 Reporting to CODI: <ul style="list-style-type: none">• Qualifying balance: R40 000• Covered balance: R40 000</div>	Savings deposit	Pledge A	Pledge B	Pledge C	R160 000	R40 000	R30 000	R50 000
Savings deposit	Pledge A	Pledge B	Pledge C									
R160 000	R40 000	R30 000	R50 000									
45.	Alliance banking	Y	Qualifying depositors holding accounts in qualifying products will be covered.	The information of the qualifying depositors of qualifying alliance banking products will be								

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
				combined with the qualifying depositors of the reporting bank when the bank submits information to CODI. If the qualifying depositor has qualifying alliance banking and other qualifying products with the reporting bank, their qualifying accounts and balances will be consolidated for reporting to CODI as these accounts are held by the reporting bank.
46.	Investment accounts	N	Products where the capital/nominal amount invested is not guaranteed (i.e. where there is a risk of loss to the qualifying depositor/beneficiary) are not covered for deposit insurance purposes. This includes derivatives, shares, indices, exchange-traded funds, debt instruments, bearer instruments, annuities, insurance products, unit trusts, private equity investments by individuals and non-financial corporates as well as	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
			repurchase agreements.	
47.	Savings accounts	Y	Savings accounts will be covered if the account is held by a qualifying depositor.	
48.	Cheque accounts	Y	Cheque accounts will be covered if the account is held by a qualifying depositor.	
49.	Fixed-term deposits	Y	Fixed-term deposits will be covered if the account is held by a qualifying depositor.	
50.	Notice deposits	Y	Notice deposits will be covered if the account is held by a qualifying depositor.	
51.	Tax-free deposits	Y	Tax-free deposits will be covered if the account is held by a qualifying depositor.	
52.	Tax-free accounts invested in unit trusts	N	Investment products where there is a risk of loss to the qualifying depositor/beneficiary are not covered. This includes derivatives, shares, indices, exchange-traded funds, debt	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
			instruments, bearer instruments, annuities, insurance products, unit trusts, private equity investments by individuals and non-financial corporates as well as repurchase agreements.	
53.	Tax-free accounts invested in shares	N	Products where there is a risk of loss to the qualifying depositor/beneficiary are not covered.	
54.	Money market deposits	Y	Money market deposits will be covered if the account is held by a qualifying depositor.	
55.	Money market funds	N	Products where there is a risk of loss to the qualifying depositor/beneficiary are not covered.	
56.	Cash management schemes	Y	If cash management schemes are seen as a functionality instead of a specific type of account where funds are placed prior to	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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			<p>transferring them to different accounts, then the funds will always remain in either a qualifying or a non-qualifying account in the name of a depositor. If the depositor is a qualifying depositor, all qualifying accounts that are part of a cash management scheme will qualify for deposit insurance coverage.</p> <p>If the cash management scheme requires funds to be placed into a specific account before being transferred to investment accounts, the funds in this account will only be covered if the account holder and product type are both qualifying for deposit insurance.</p> <p>Only the gross balances held by qualifying depositors in qualifying products will qualify for deposit insurance coverage. Net balances cannot be used when reporting deposit balances to CODI unless the cash</p>	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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			management scheme underlying the agreement explicitly specifies that a set-off applies – in such a case, a bank can report the net balance to CODI.	
57.	Reward programmes	N		
58.	Gold	N		
59.	Items in safety deposit boxes	N		
60.	Cashier's cheques	N		
61.	Crypto-related products	N		
62.	Digital vouchers	N		
63.	Accrued interest	Y	Accrued interest will be covered for accounts held in qualifying products by qualifying	Banks should be capable of calculating the accrued interest balance on any reporting date,

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			depositors.	irrespective of whether the interest payment term of the deposit has been reached or not. Accrued interest should be included when reporting to CODI as accrued interest on qualifying accounts held by qualifying depositors is covered by CODI.
64.	Account fees	Y	Account fees will not be deducted from qualifying depositors'/account holders' qualifying account balances.	
65.	Gross coverage	Y	<p>Negative balances held by a qualifying depositor will not be deducted from the positive balances held by the qualifying depositor.</p> <p>The exception to this would be the set-off accounts where a transactional/savings account is automatically set off against a loan account in the records of the bank.</p>	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
Number	Type of depositor	Covered (Y/N)	Coverage proposal	Reporting proposal
66.	Temporary high balances (THBs)	N	CODI will not provide deposit insurance coverage for THBs.	
67.	Temporary suspense accounts	N	These accounts include accounts where funds are held temporarily until processed and allocated to a specific depositor and/or account.	These accounts need not be reported to CODI. Where a customer is identified before a bank's submission to CODI, the amounts in suspense accounts due to them should be added to their qualifying deposit balances and covered deposit balances for the month.
68.	Accounts used for agency services	Possibly	'Agency services' refers to accounts used to settle funds for agency services such as cash-in-transit (CIT) or cheque-clearing services. These would possibly be covered if the account were held (a) by a corporate whose primary bank account is at another bank or (b) by another bank participant. The account holder will determine whether	

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			the account is covered or not. If the account holder is another bank or financial corporate, the account will not be covered. If the account holder is a non-financial corporate, such as a transport company, the account will qualify for coverage up to the maximum coverage of R100 000, together with other accounts held by the same account holder.	
69.	Sole proprietors	Y	Sole proprietors that are non-financial corporates will be covered separately for qualifying personal and business accounts, provided that the bank can identify the business accounts of the sole proprietor.	
70.	Funds temporarily held in an account to be invested on behalf of a qualifying	Y	When qualifying depositors place funds in the account of a financial institution or financial broker who would then transfer the funds to investments on their behalf, the account is in	

Summary of coverage and reporting proposals for specific types of depositors (June 2023)				
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	depositor		the name of a non-qualifying depositor and will not be covered by CODI. If, however, the account meets the conditions for an FBA account, the underlying beneficiaries could be covered since CODI will apply the look-through approach to such accounts. If the account is in the name of the financial institution or financial broker but does not meet the conditions to be defined as an FBA, the account will not be covered.	
71.	Money orders	N		

3. Published discussion papers

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

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