2026 Market Practitioners Group

South African Reserve Bank

Enhancing the functioning and resilience of the repo market



Bafundi Maronoti
Head: Market Operations and Analysis
SARB



Farzana Khan
Head: Collateral Services and Trade Repository
Strate



Tshepo Hlongwane
Head: Treasury Portfolio and Risk Management
Standard Bank



Bhulesh Singh
Group Treasurer
FirstRand

Moderator: Bafundi Maronoti

2026 Market Practitioners Group

South African Reserve Bank

Enhancing the functioning and resilience of the repo market



Farzana Khan

Head: Collateral Services and Trade Repository
Strate



What will be covered

- Repo markets and benchmark reform
- An overview of the South African repo market and how we compare to selected peers
- What is needed to support classic and triparty repos
- Reform agenda priorities

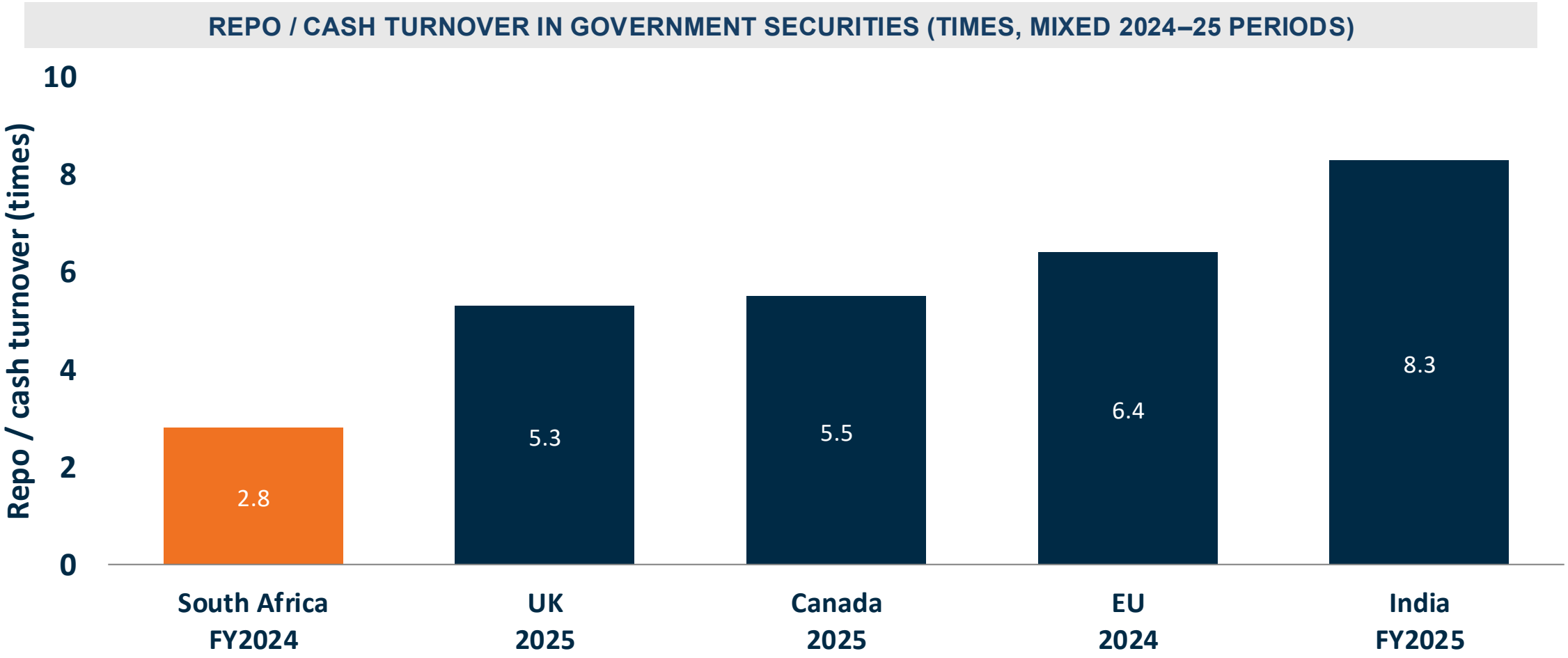
Repo markets supported benchmark reform

- US: Treasury repo transactions underpin SOFR and its transparent daily publication.
- Switzerland: repo transactions and binding quotes underpin SARON.
- Lesson: liquid markets and reliable data strengthen benchmark credibility.
- South Africa: ZARONIA is unsecured. Repo reform complements the transition.

Conclusions from the ICMA Guide to Repo in South Africa

- Most developed repo market on the African continent, anchored by liquid government bond and active derivatives markets.
- Banks intermediate funding and securities flows for domestic and foreign investors.
- Buy-sellbacks remain the established form, with growing demand for repo.
- Cash-driven trades support funding and liquidity transmission – different to SARB repo and secured interbank activity.
- Securities-driven trades support bond trading, covering shorts, preventing fails or collateral transformation

Repo activity trails selected peers



ICMA (2026)

South African Reserve Bank

Classic and triparty repo: what changes

Dimension	Buy/sell-back	Classic repo	Triparty classic	Reform focus
Contract	Can be 2 contracts	Always 1 contract	Operational overlay	GMRA consistency
Income	Adjust repurchase price	Manufactured payment	Agent administers, usually substituted	Tax clarity
Term / rate	Fixed term and rate	Open / floating possible	Open / floating possible	Platform and market readiness
Collateral	Specific securities	Specific or GC Substitution possible	Eligible GC basket only	Agreed criteria
Margin	Possible under GMRA	Lifecycle margining	Agent manages	Daily controls
Risk owner	Counterparties	Counterparties	Counterparties	Credit limits
Processing	Often manual	Bilateral operations	Delegated lifecycle management	Platform and market readiness

Requirements for an effective repo market

Requirement	Indicator	How South Africa fares	Area of improvement
Legal framework	Supports title transfer and close-out netting	🟢	Strengthened by recent case law, legislation and use of GMRA
Credit risk management	Haircuts and margining	🟡	Not very prevalent, possibly due to short tenors
Financial market infrastructure	1. CSD, SSS and RTGS 2. Triparty service 3. CCP 4. Exchange infrastructure	🟢 🟡 🟡 🔴	1. Strong basis 2. Partially available, full roll-out delayed 3. Available imminently, market readiness not yet there 4. Partially supports classic and triparty repos
Regulatory framework and market function	1. Clarity on regulatory treatment of repos 2. Broad market access and participation	🟡 🔴	1. Section 24 of FMA is ambiguous – FMA Review underway 2.1 Restricted access for money market funds. 2.2 Dominant exchange position due to interpretation of section 24 requirements 2.3 Tier 1 banks dominate through intermediation
Price discovery	Transparent pricing supported by observable data	🔴	Pricing is opaque
Tax framework	Enables the efficient use of a broad range of securities	🟡	Equity repos are not economically viable. Securities received outright under a collateral arrangement cannot be used in a repo.

Broader participation needs tailored rules

- Life companies: build on the 2024 relaxation of asset-encumbrance limits.
- Money market funds: resolve reverse-repo eligibility under BN90.
- Access needs workable mandates, counterparty limits and collateral controls.
- Triparty can lower operating barriers, while investors retain credit and liquidity risk.

Resilience must grow with market access

- Data: distinguish cash funding from securities-driven activity and track concentration.
- Risk: apply sound haircuts, daily valuation and reliable margin processes.
- Liquidity: test rollover stress, redemptions and collateral liquidation together.
- Operations: ensure strong controls and exception management.
- Bond CCP available imminently



Reform agenda

- Regulatory clarity on treatment of repos and reporting obligations.
- Agree standard GMRA and collateral terms.
- Pilot classic and triparty repo with diverse institutions.
- Scale against participation, settlement and risk measures.

Enhancing the functioning and resilience of the repo market



South African Reserve Bank



Q&A

South African Reserve Bank



South African Reserve Bank