



19 May 2021

Invitation from the South African Reserve Bank to comment on a discussion document on the proposed requirements and principle for Flac instruments

The South African Reserve Bank (SARB) has published, for public comment, a discussion paper titled 'Proposed principles and requirements for Flac instruments'. This discussion paper sets out the SARB's proposals on the characteristics, calibration and implementation period for Flac instruments.

The discussion paper expands on the proposals set out in the 2019 discussion paper published by the SARB on 'Ending too big to fail: South Africa's intended approach to bank resolution'.

The discussion paper is part of a series of discussion papers on the key elements of the envisaged resolution framework for South Africa. The proposals set out in the discussion papers will be adopted into regulatory instruments upon conclusion of the consultative process and after promulgation of the [Financial Sector Laws Amendment Bill \(FSLAB\)](#). The FSLAB was tabled in Parliament in August 2020. The promulgation of the FSLAB will establish the SARB as a resolution authority and empower it to manage the orderly resolution or winding down of failed or failing designated institutions.

Contact details and deadline for comments

Comments on this discussion paper should be addressed to:

Head: Financial Stability Department
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Tel.: +27 12 313 3601
Email: FST-RPD@resbank.co.za

Please state your affiliation or whether you are commenting in your personal capacity.

Please also note that a summary of the comments received may be published, unless respondents explicitly request otherwise.

The closing date for comments is: 30 June 2021.