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SOUTH AFRICAN RESERVE BANK



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Financial Stability Department

## **Invitation to comment on a discussion document on the proposed requirements for stays on early-termination rights and resolution moratoria on contracts of designated institutions in resolution**

The South African Reserve Bank (SARB) published on 18 November 2021, a discussion document titled 'Stays on early-termination rights and resolution moratoria on contracts of designated institutions in resolution', for public comment.

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

This discussion document outlines proposals for: (i) stays on early-termination rights; (ii) a statutory stay on early-termination rights; and (iii) contractual recognition in contracts that are governed by non-South African law(s).

The proposals in the discussion document take into account applicable international standards as well as country-specific characteristics, and are aimed at improving the resolvability of designated institutions.

The SARB will publish a series of discussion papers focusing on the key aspects that will affect and facilitate the implementation of a resolution framework in South Africa. These discussion papers will be adapted into a regulatory instrument upon conclusion of the consultative process and after the promulgation of the [Financial Sector Laws Amendment Bill \(FSLAB\)](#). The promulgation of the FSLAB will establish and empower the SARB as a resolution authority to achieve the orderly resolution or winding down of a failed or failing designated institution.

## Contact details and deadline for comments

Comments on the discussion document should be addressed to:

Head: Financial Stability Department

South African Reserve Bank

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Please indicate 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 **31 January 2022**