

Joint Communication 8 of 2024

Determination of regulatory reporting in terms of Joint Standard 2 of 2020 – Margin requirements for non-centrally cleared over the counter derivative transactions

1. PURPOSE

The purpose of this Communication is to:

- (a) Notify all interested persons that today, the Financial Sector Conduct Authority and Prudential Authority (the Authorities) published Joint Notice 2 of 2024: Determination of regulatory reporting in terms of Joint Standard 2 of 2020. This Notice determines the mechanisms by which, information that must be contained in, the format, manner and frequency at which regulatory reporting returns must be submitted in terms of paragraphs 6A (1) and (2) of Joint Standard 2 of 2020: Margin requirements for non-centrally cleared over the counter derivative transactions (Joint Standard); and
- (b) confirm that regulatory reporting in terms of the Joint Standard will take effect from 1 April 2025.

2. BACKGROUND

- 2.1 On 31 August 2022, the Authorities published the Joint Discussion Document¹ on regulatory reporting requirements applicable to providers and counterparties in terms of Joint Standard 2 of 2020. The comments received on the Joint Discussion Document were considered as part of the development of suitable reporting metrics to be determined by the Authorities.
- 2.2 The Authorities subsequently issued Joint Communication 5 of 2023² on 11 December 2023, stipulating the reporting metrics that would be contained in the determination of regulatory reporting for purposes of the Joint Standard in order to grant providers and counterparties sufficient time to prepare for the implementation of the regulatory reporting requirements, particularly in terms of metric extractions from the relevant source systems.

¹ See: Prudential Authority website at <https://www.resbank.co.za/content/dam/sarb/publications/prudential-authority/pa-public-awareness/covid-19-response/2022/joint-communication-2-of-2022/Joint%20Discussion%20Document%20Eligible%20collateral%20and%20regulatory%20reporting%20requirements%20for%20publication%20to%20PA.pdf> and on Financial Sector Conduct Authority website at [Joint Discussion Document - expansion to eligible collateral and regulatory reporting requirements](#)

² See Prudential Authority website at <https://www.resbank.co.za/en/home/publications/publication-detail-pages/prudential-authority/pa-public-awareness/Communication/2023/Joint-Communication-5-of-2023-Regulatory-reporting-in-terms-of-Joint-Standard-2-of-2020> and on Financial Sector Conduct Authority website on [Joint Communication 5 of 2023](#)

3. REGULATORY REPORTING REQUIREMENTS IN JOINT NOTICE 2 OF 2024

- 3.1 The Joint Notice determines the form, manner, and frequency of the regulatory reporting requirements as well as the date by which the regulatory reporting return must be submitted to the Authorities via the Umoja portal.
- 3.2 The information must be reported by both a provider that enters into a non-centrally cleared over the counter derivative transaction with a counterparty or a foreign counterparty, and a financial institution that is a counterparty as defined in the Joint Standard.
- 3.3 Reporting must be done daily on a **T+1 basis** by no later than 16:00 South African time.
- 3.4 The requisite information must be submitted using one of the following mechanisms via the Prudential Authority's Umoja portal:
 - (a) Excel upload;
 - (b) In-portal submission; or
 - (c) Machine-to-machine submission using the Umoja portal's application programming interface.
- 3.5 In preparation for the commencement of the regulatory reporting, a provider that enters into a non-centrally cleared over the counter derivative transaction with a counterparty or a foreign counterparty, and all financial institutions that are counterparties as defined in the Joint Standard, must ensure technological readiness by ensuring that their institutional profiles are set up on the Prudential Authority's Umoja portal.
- 3.6 All impacted institutions are encouraged to ensure that testing related to the transmission of the proposed regulatory data is conducted and completed prior to the 1 April 2025- effective date of Joint Notice 2 of 2024. Impacted institutions may contact the Authorities and the Umoja team as per the details set out in paragraph 5.3 below for further assistance.

4. FAILURE TO SUBMIT REGULATORY RETURNS

- 4.1. As the Joint Standard constitutes a financial sector law in terms of the Act, the Authorities may, if a person has contravened a financial sector law-
 - (a) in terms of section 120 and 121 of the Act, by notice suspend or revoke a licence, as the case may be;
 - (b) in terms of section 167(1) of the Act, by order served on a person, impose on the person an appropriate administrative penalty, that must be paid to the financial sector regulator;
 - (c) in terms of section 144 of the Act, by written directive, require a financial institution to take action specified in the directive;
 - (d) in terms of section 145 of the Act, by written directive, require the removal of a person from a specified position or function in or in relation to the financial institution; and
 - (e) in terms of section 153 of the Act, make a debarment order in respect of a natural person if the person has contravened a financial sector law, or attempted, or conspired with, aided, abetted, induced, incited or procured another person to contravene a financial sector law in a material way.

5. ENQUIRIES

- 5.1 All information regarding the transmission protocols referred to in paragraph 3.4 and the build specifications may be found on the PA Transformation page³.
- 5.2 This Joint Communication and Joint Notice 2 of 2024 is available on the Authorities' websites at www.fsca.co.za and www.resbank.co.za.
- 5.3 Requests for further information on this Joint Communication, the Joint Notice, and the Joint Standard may be submitted via email to queries.otc@fsca.co.za, marginrequirements@resbank.co.za and pa-transformation@resbank.co.za.



Unathi Kamlana
Commissioner
FINANCIAL SECTOR CONDUCT AUTHORITY

DATE: 11 December 2024

Fundi Tshazibana
Chief Executive Officer
PRUDENTIAL AUTHORITY

DATE:

³<https://www.resbank.co.za/en/home/what-we-do/Prudentialregulation/PA-Transformation-Programme>