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Regulatory Updates for the week ended 01 July 2022

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Find the latest edition of **FinWatch** which provides a gist of all regulatory developments impacting the financial services industry in South Africa.

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Regulatory developments

South Africa

NCR says violated affordability assessments required under the NCA

According to a Supreme Court of Appeal ruling issued last week, the National Credit Regulator (NCR) has the jurisdiction to investigate the fast loan provider Dacqup Finances based on a reasonable suspicion that it was breaking the National Credit Act (NCA). [Link](#)

Prudential Authority Annual Report 2021–2022

The Prudential Authority has released its FY21–22 annual report. [Link](#)

SARB Annual Report 2021–2022

The South African Reserve Bank (SARB) has released its FY21–22 annual report. The Report offers an evaluation of its capacity to successfully carry out its duty. It gives readers a succinct explanation of the SARB's approach, results, and social effect. [Link](#)

SARB Annual financial statement 2021–2022

The South African Reserve Bank (SARB) has released its Group Annual Financial Statements for the year ended 31 March 2022. [Link](#)

SARB Occasional Bulletin of Economic Notes June 2022

The South African Reserve Bank (SARB) has released its Occasional Bulletin of Economic Notes that includes short economic analyses. June 2022 version includes the contents as below:

- Surging commodity prices explain a lot by Theo Janse van Rensburg and Erik Visser

- Should we worry about the high producer prices? Yes, but ... by Susan Knox, Palesa Mnguni, Pieter Pienaar and Witness Simbanegavi
- Policy lessons from global retail CBDC projects by Nic Spearman
- Revisiting EM economic development and convergence by Jean-François Mercier

[Link](#)

Directive issued in terms of section 6(6) of the Banks Act 94

The South African Reserve Bank (SARB) has relapsed a directive as part of the auditors' respective reporting obligations regarding Regulations 46. The directive is to describe in detail the regulatory returns that must be audited, evaluated, or decided upon within a restricted assurance framework. This proposed Directive considers the modifications made as a result of the completion of the large exposures framework and the requirements of the total loss absorbing capacity (TLAC) holdings standard. [Link](#)

Guidance Note issued in terms of section 6(5) of the Banks Act 94

The Prudential Authority (PA) has suggested that unfinished regulatory reforms in South Africa be put into effect, according to Guidance Note 4/2022, issued 09 May 2022. The updated market risk and credit valuation adjustment (CVA) frameworks are expected to go into effect on 01 January 2024. [Link](#)

SA banks resilient and healthy

The Prudential Authority's annual report reveals that as of the end of March, the total assets of the banking industry increased by 5.6 percent from the previous year. [Link](#)

SARB releases quarterly bulletin June 2022

The South African Reserve Bank (SARB) has released its June 2022 Quarterly Bulletin. The Report offers an evaluation of its capacity on topics such as money and banking, capital market, public finance, balance of payments, national accounts, business cycle and integrated economic accounts. [Link](#) [Link](#)

South Africa's quarterly international investment position (IIP)

The publication shows that South Africa's positive net international investment position (IIP) decreased significantly from a revised ZAR1,666.0 billion at the end of December 2021 to ZAR310.0 billion at the end of March 2022. [Link](#)

Issuance of a floating-rate note

The South African government will continue to support the development of South African debt capital markets through a diversified portfolio of debt instruments. Going forward, the portfolio will comprise a floating-rate note. The first floating-rate note auction has been scheduled for 06 July 2022. [Link](#)

International

BIS Annual Report 2021–2022

The Bank of International Settlements (BIS) has published its FY21–22 annual report. The Annual Report summarises the actions the BIS has made to carry out its Innovation BIS 2025 plan and to tackle the problems central banks are experiencing, such as the consequences of the Covid-19 epidemic, higher-than-expected inflation, and the implications of the war in Ukraine. [Link](#)

BIS Annual Economic Report 2022

The Bank of International Settlements (BIS) published its 2022 annual economic report at its annual general meeting. [Link](#)

BIS publishes speech on role financial institutes play in green economy

Governor of the Central Bank of the Republic of Kosovo, Fehmi Mehmeti, gave a speech at the launch ceremony of the Green Recovery and Opportunity Window, Pristina. The topic covered the role financial institutions play in financing the green economy. [Link](#)

ASIC warns super trustees to be transparent in their underperformance communications to members

The Australian Securities and Investment Commission's (ASIC) results of investigation into how trustees of superannuation organisations communicated with their members after the first MySuper product performance test of the year were made public today. The test compares MySuper product performance to predetermined benchmarks in accordance with a trustee's own strategic asset allocation. According to the assessment, trustees whose products failed largely adhered to their legal requirements to inform their members of the failure and to make that information available on their website. However, some trustees may have run the danger of confusing or misinforming members about the effectiveness of their product through their communication techniques. [Link](#)

ASIC encourages submissions to the ISSB consultation on climate and sustainability disclosures

The Australian Securities and Investment Commission (ASIC) appreciates the International Sustainability Standards Board's substantial advancements in creating international sustainability reporting standards (ISSB). ASIC urges all pertinent parties to submit comments on the two draught standards that the ISSB has released as exposure draughts for comment by 29 July 2022, for submission. [Link](#)

Public consultation on the prudential treatment of banks' cryptoasset

The Basel Committee on Banking Supervision has published a second public consultation on the prudential treatment of banks' cryptoasset exposures. The consultation builds on the preliminary proposals set out in the Committee's June 2021 consultation and the responses received from stakeholders. [Link](#)

Agenda Consultation Report 2021

The Financial Accounting Standards Board (FASB) today issued its 2021 FASB Agenda Consultation Report. The report summarizes the robust stakeholder feedback obtained during the 2021 agenda consultation project and how that feedback has influenced the Board's technical and research agendas and standard-setting process as of 29 June 2022. [Link](#)

Market developments

South Africa

Discovery to start trading on A2X

Discovery shares to begin trading on A2X Markets, bringing the total number of trading options on the alternative exchange to 69. [Link](#)

Standard Bank at the forefront of business development

Standard bank has teamed up with small companies in Southern Africa to offer financing, consulting, and equity participation services. Small, medium, and big businesses are being utilised by Standard Bank's business & commercial customers (BCC) section in an endeavour to increase inclusive domestic business growth in Africa. [Link](#)

Standard Bank Group to host influential stakeholders in London to drive Africa's long term growth

Standard Bank Group is bringing together institutional investors, policymakers, and leading African corporations to debate Africa's growth and investment prospects, at its premier international event, the Africa Investors' Conference. [Link](#)

International

Deutsche amongst lenders under investigation by authorities on use of personal applications

Deutsche Bank's executive management agreed to bear financial cost after receiving criticism from authorities over the extensive usage of staff members' private messaging services like WhatsApp. [Link](#)

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