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Regulatory Updates for the week ended 10 June 2022

[FinWatch – A Weekly Newsletter](#)

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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B-BBEE advisory council in play

The B-BBEEAC (Broad-Based Black Economic Empowerment Advisory Council) has been established as a measure to improve social initiatives in South Africa. Responsibilities of the council include:

- advising on black economic empowerment;
- reviewing progress toward black economic empowerment;
- advising on draft codes of good practice;
- advising on the development, amendment, or replacement of the strategy referred to in section 11 of the Act; and
- advising on draft transformation charters

[Link](#)

SARB issues a directive regarding the inclusion of excess cash reserves in high-quality liquid assets

The South African Reserve Bank (SARB) is replacing the shortage system with a tiered floor, based on an assessment of worldwide standards. Rather than creating a shortage, the SARB would allow an excess supply of bank reserves under the amended framework, and then manage this additional liquidity by paying interest on reserves at the repo rate. [Link](#)

SARB releases notice on the official gold and foreign exchange reserves of the Bank
The South African Reserve Bank (SARB) released a notice detailing the US dollar equivalent of the SARB's official gold and foreign exchange reserves, Special Drawing Rights, and foreign currency deposits as of May 31, 2022. [Link](#)

Annual Improvement Project 2021 — Amendment Schedule May 2022 release
The Financial Sector Conduct Authority (FSCA) released the May 2022 Amendment Schedule for the Annual Improvement Project. [Link](#)

Ismail Momoniat appointed as the Acting Director-General
National Treasury has appointed Ismail Momoniat as the new Acting Director-General. He has served National Treasury for 27 years. [Link](#)

IMF staff meet to SA
The International Monetary Fund (IMF) staff held meetings with South Africa from 26 May to 6 June, 2022 as part of their routine economic surveillance function, as prescribed in the IMF's Articles of Agreement. The IMF staff discussed economic developments in the country with government, the South African Reserve Bank, state-owned enterprises (SOEs), business and academia. [Link](#)

International

ASIC releases draft Cost Recovery Implementation Statement 2021–22
The Australian Securities and Investments Commission (ASIC) released its draft Cost Recovery Implementation Statement (CRIS) for 2021–22. The draught CRIS details ASIC's projected regulatory expenditures for 2021–22, as well as how these costs are expected to be collected through levies under the industry funding model. [Link](#)

Third meeting of the CBDC Engagement Forum
The Bank of England presented a discussion on Central Bank Digital Currency (CBDC). The article discusses minutes of the forum and highlights that the objective of the session was to discuss opportunities that CBDC could present for retail payments in the UK. [Link](#)

Cecilia Skingsley appointed as Head of Innovation Hub
The Bank of International Settlements (BIS) announced Cecilia Skingsley, First Deputy Governor of Sveriges Riksbank, as the head of the BIS Innovation Hub. [Link](#)

Should UK have its own CBDC?
The Bank of England has released an article discussion on the decision to have a Central bank digital currency (CBDC) for the UK. The piece talks about why the bank is considering CDBC's, the advantages and risks and its difference from other crypto assets amongst other things. [Link](#)

Insurance insights regarding CBES
Stefan Claus talks about the results of the Climate Biennial Exploratory Scenario (CBES) exercise at the Association of British Insurers Climate Summit 2022. He discussed how well the UK's top insurers are prepared to deal with the financial threats posed by climate change. He claims that the results of recent testing suggest that they are improving their risk management. However, to close gaps in accessible climate data, the Prudential Regulation Authority and insurers must collaborate. [Link](#)

Market developments

South Africa

Standard Banks chief engineer quits after system outages

Standard Bank, Africa's largest lender by assets, has announced that its engineering officer has resigned following recent system disruptions that prevented consumers from using several of the bank's services. The bank's system issues arise as it tries to transform into a comprehensive digital financial services platform that serves clients all throughout Africa.

[Link](#)

Santam offer cost benefit analysis on cyber risk

Santam highlights that the average monthly cybercrime instalment premium from Santam is generally less than ZAR1,000 whereas cyber-attacks on small businesses can cost significantly more and result in financial hardship. [Link](#)

Santam acquired 49 percent of JaSure

Santam has purchased the remaining shares of insurance technology startup JaSure, to enhance its digital solutions for business and personal clients. JaSure sold its initial 51 percent interest to Santam in 2020. [Link](#)

Standard Bank's dedication towards climate change in the African context

Standard Bank Group's CEO Kenny Fihla explains how and why the bank has evolved its climate change policy in this Africa.com interview. [Link](#)

Discovery pays nearly ZAR12.0 billion in claims

Discovery Life, in 2021 paid out a record ZAR11.79 billion in claims to individuals and participants of group life plans. According to Discovery, the total amount of life insurance claims paid out to individuals in 2021 was nearly three times the amount paid out in 2020.

[Link](#)

International

Credit Suisses describes 2022 as a 'transition' year over second quarter losses

Credit Suisse warned of a likely group-wide second-quarter loss as volatility hits its investment bank. It stated that the investment bank would likely lead to a group-wide loss in the second quarter because of the Russia-Ukraine war and significant monetary tightening.

[Link](#)

Citigroup to employ 3,000 staff in Asia

Citigroup's Asia institutional business will reportedly add around 3,000 new employees in the next several years, strengthening its focus in a fast-growing area. [Link](#)

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