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KPMG in South Africa

Regulatory Updates for the week ended 1 April, 2021

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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Regulatory Developments

Publication of Joint Standard 1 of 2021 - Requirements relating to Central Counterparty Licence Applications

The Financial Sector Conduct Authority (FSCA) and the Prudential Authority (PA), published Joint Standard 1 of 2021 - Requirements relating to Central Counterparty Licence Applications, with an aim to prescribe the requirements that an applicant applying for a Central Counterparty licence in terms of the Financial Markets Act, 2012 and its regulations needed to comply with in order to be licensed, and the information that must be contained in such an application. [Link](#)

The Minister of Finance approves Access Bank's acquisition of Grobank

The Minister of Finance, on the recommendation of the Prudential Authority (PA), has approved the proposed acquisition of the controlling interest in Grobank by Access Bank Plc (Access Bank). Grobank will subsequently be renamed and rebranded as Access Bank (South Africa) Limited. The first tranche subscription shall constitute no more than a 48.95 percent ownership stake. A further subscription of additional shares will be made, which together with the first-tranche subscription, shall constitute approximately 90.35 percent of the issued ordinary shares of Grobank. [Link](#)

Market Developments

International

Banking sector regulatory capital - 2020 Q4

The Bank of England released quarterly statistics which shows levels of capital and risk-weighted assets for the UK banking sector. It includes breakdowns of the movements in different tiers of capital and risk exposure types, and overall capital ratios. [Link](#)

Letter from David Bailey, Sarah Breeden and the FCA: 'Transition from LIBOR to Risk Free Rates'

The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) issued a letter to CEO's talking about the final and critical phase of the transition from LIBOR to Risk Free Rates (RFR). The letter states the PRA's and FCA's expectations to meet the milestones of the Working Group on Sterling Risk Free Reference Rate, along with providing a list of priority areas where further action by firms is necessary to prepare for the cessation of LIBOR. [Link](#)

PS21/3 Building operational resilience

The Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) issued a Policy Statement setting out final rules and guidance on new requirements to strengthen operational resilience in the financial services sector, which will come into force on 31 March 2022. By 31 March 2022, firms are required to identify their important business services, set impact tolerances for the maximum tolerable disruption and carry out mapping and test necessary level of sophistication. [Link](#)

FCA publishes feedback to Call for Input on open finance

The Financial Conduct Authority has published the feedback to the Call for Input on Open Finance. Responses show that Open Finance could potentially offer significant benefits to consumers, including increased competition, improved advice and improved access to a wider and more innovative range of financial products and services [Link](#)

ASIC sues CBA for misleading conduct over monthly access fees

ASIC commenced civil penalty proceedings against the Commonwealth Bank of Australia (CBA), alleging incorrectly charging of monthly access fees to customers entitled to fee waivers due to systems and processes that were inadequate or improperly configured in 30 different ways, as well as due to manual errors. [Link](#)

A global database on central banks' monetary responses to Covid-19

BIS has established a novel database that provides information on central banks' responses to COVID-19 in 39 economies, including both advanced and emerging market economies. [Link](#)

IFRS Foundation publishes 2020 Annual Report

The IFRS Foundation published its annual report and audited financial statements for the year ended 31 December 2020. The report showcases the resilience and responsiveness of the International Accounting Standards Board, the Foundation's staff and the Trustees in their efforts to deliver on the mission to bring transparency, efficiency and accountability to the world's capital markets. [Link](#)

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