



# KPMG Regulatory Centre of Excellence

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## KPMG in South Africa

*Regulatory Updates for the week ended 24 September, 2021*

### FinWatch – A Weekly Newsletter

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### Regulatory Developments

#### **General Exemption from the Default Regulations for Terminating Funds, 16 of 2021**

The Financial Sector Conduct Authority has exempted retirement funds who have applied for cancellation of their registration under section 27(1) prior to 1 March 2019 from the provisions of Regulations 37, 38 and 39 for the period 1 March 2021 to 28 February 2023. This is subject to the conditions of not having any members, assets, liabilities and any litigation pending. [Link](#)

#### **Revised market risk and credit valuation adjustment frameworks - implementation roadmap**

The Prudential Authority (PA) has set up revised minimum capital requirements for market risk, and a revised Credit Valuation Adjustment Framework (CVA), which is due for implementation on 1 January 2024. It addresses structural, technical, and operational milestones and is designed to guide project planning initiatives within the PA and across supervised banks ahead of and slightly before the implementation date. [Link](#)

#### **International**

#### **Exercise by the Bank of England and Prudential Regulation Authority of sub-delegated powers under the European Union (withdrawal) Act 2018**

The Prudential Regulation Authority (PRA) and the Bank of England are instructed to report to Parliament annually if they exercise their relevant sub-delegated powers, which include making onshore changes to the PRA rulebook and binding technical standards and making directions to exercise temporary transitional power to help in adjustment to onshore changes made to financial services legislation. [Link](#)

## APRA determines Superannuation Data Transformation reporting standards

The Australian Prudential Regulation Authority (APRA) has determined the reporting standards developed under the first phase of its multi-year Superannuation Data Transformation (SDT) which includes expanding the collection to include all products and investment options, improved data on performance, fees and costs, asset allocation classifications, insurance arrangements, expenses and member demographics. This is expected to enhance data reporting to APRA. [Link](#)

## ASIC publishes guidance on hawking reforms

The Australian Securities and Investment Commission has published updated regulations on the prohibition of hawking financial products which are due to come into effect from 5<sup>th</sup> October, 2021. Under this prohibition, no financial product must be offered to retail clients if there is unsolicited, real-time contact. The consumer's consent to being contacted must be positive, voluntary and clear. [Link](#)

## APRA releases updated schedule of policy priorities for 2021

The Australian Prudential Regulation Authority has reprioritised the policy agenda to improve focus on key policy reforms and managing covid-19 impact while strengthening financial resilience. These priorities are primarily completing bank capital reforms; consulting on reforms with the insurance capital framework; consulting on updated standards for financial contingency planning and updating superannuation standards. [Link](#)

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## Market Developments

### RMI to unbundle Discovery, Momentum Metropolitan stakes

Rand Merchant Investment (RMI) has announced the distribution of its shares from Discovery and Momentum Metropolitan directly to its shareholders. It is expected that it will unlock 'material shareholder value' by reducing the discount at which RMI presently trades to its underlying intrinsic value. [Link](#)

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