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Regulatory developments

South Africa

SA Reserve Bank takes a step closer to a national digital currency

The South African Reserve Bank, in collaboration with the Intergovernmental Fintech Working Group has released a report focusing on the use of a distributed ledger technology (DLT) for interbank payments settlement which is just a step towards a national digital currency. As a part of project Khoka 2, the next step towards digitalization is tokenization of transactions. The project highlighted the policy and regulatory implications of the application of DLT in financial markets. [Link](#)

Crypto asset related activities performed by FSPs

The Financial Sector Conduct Authority (FSCA) has requested financial service providers (FSPs) to provide information regarding the crypto asset related activities that they carry out. This will help the FSCA make informed decisions pertaining to the possible future regulation of crypto asset related activities. [Link](#)

South Africa launches its first national Green Finance Taxonomy

The Taxonomy Working Group, as part of South Africa's Sustainable Finance Initiative, launched the country's first national Green Finance Taxonomy on 1 April 2022. Investors, issuers, lenders, and other financial sector players can use the taxonomy to manage, monitor, and establish the legitimacy of their green operations. The taxonomy provides an

official categorisation of a minimal set of assets, initiatives, and industries that can be classified as "green" or environmentally friendly. [Link](#)

International

Weakness in challenger banks' financial crime control

The Financial Conduct Authority (FCA) has published a report that focus on how challenger banks ought to strengthen how they evaluate financial crime risk, with a few failing to properly examine their clients' income and employment. In certain cases, challenger banks failed to conduct financial crime risk assessments for their clients. [Link](#)

Consultation published on PRA's 'Review of Solvency II' statement

The Prudential Regulation Authority (PRA) welcomes the launch of HM Treasury's (HMT) consultation on the Solvency II Review by the Prudential Regulation Authority (PRA) (the Review). The PRA supports the Review's goals and continues to collaborate with HMT on proposed improvements. The PRA's current views on several important areas of the possible reform package are outlined in this statement and the Discussion Paper (DP) that accompanies it. [Link](#)

International banking statistics and global liquidity indicators

The Bank of International Settlements (BIS) released its international banking statistics and global liquidity indicators ending December 2021. Key findings include:

- Global cross-border claims changed little in Q4 2021
- Claims on all EMDE regions expand in Q4 2021
- Banks' exposures to Russia — European banks account for most of the outstanding claims.
- Issuance of international debt securities drive growth

[Link](#)

ASIC publishes quarterly update

The Australian Securities and Investments Commission (ASIC) has issued its quarterly report for the period 1 January to 31 March 2022. This report gives an update on ASIC's efforts including: combating fraud, maintaining market integrity, enacting additional duties and safeguarding consumers and investors [Link](#)

Market developments

South Africa

ESG Controller: The position you didn't know you needed

The Securities and Exchange Commission (SEC) proposed climate change disclosure rules, which will require publicly-traded companies to share investor grade data around climate risks. It has also proposed the position of an ESG controller, a person who will have authority to implement ESG capabilities. This will establish business requirements in alignment with expectations, develop measurement and reporting policies and perform risk assessments for framework of internal control and governance. [Link](#)

Barclays to lower stake in Absa

According to the article, Barclays is selling off 7.4 percent i.e. 63 million shares of Absa valued at as much as ZAR11.1 billion to institutional shareholders. [Link](#)

International

Axel Lehmann appointed as chairman of Credit Suisse

Axel Lehmann has been appointed as the chairman of the Swiss bank, Credit Suisse. [Link](#)

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