



KPMG Regulatory Centre of Excellence

Be on the **inside**

[Important Links](#)

[Contact Us](#)

[Subscribe](#)

[Previous Editions](#)

KPMG in South Africa

Regulatory Updates for the week ended 14 January, 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.

- [Regulatory Developments](#)
- [Market Developments](#)

Regulatory Developments

FSCA Regulatory Strategy 2021-25

The Financial Sector Conduct Authority (FSCA) has published the Regulatory Strategy for 2021-2025. [Link](#)

Directive issued in terms of section 6(6) of the Banks Act, 1990

This directive directs banks to consider the adequacy and robustness of the banks' current policies, processes and practices related to operational resilience. The principles mentioned in the Basel Committee on Banking Supervision (BCBS) paper must not be considered in isolation, but in a combination of a bank's enterprise-wide risk management framework. [Link](#)

Financial Sector and Deposit Insurance Levies Bill Drawn Up

National Treasury has published the draft Financial Sector and Deposit Insurance Levies Bill for comment. The bill seeks to aid the funding of financial sector regulators, ombuds and other bodies, to ensure effective regulation of the financial sector for the benefit of financial customers. [Link](#)

How planned new crypto rules aim to protect the vulnerable in SA

South African regulators plan to unveil a regulatory framework that covers cryptocurrencies among other assets to help protect members from high risk assets. The regulators will also

examine how currencies are traded and interact with traditional financial products, risks they pose to balance sheets, and if they threaten fiscal stability. [Link](#)

Cyber-attacks and data breaches rank first on the top 10 risks of 2021

Aon's 2021 Global Risk Management Survey states that cyber-attacks and data breaches top the list for risks. Long-tail risks have become an important part of the risk landscape and have magnified due to excess reliance on technology. [Link](#)

Five FAIS Ombud lessons for 2022

The FAIS Ombud Annual Report 2020-21 has outlined five trends which need to be avoided in the year 2022-23. These trends include an increase in cryptocurrency complaints, homeowners' insurance failings, processes and procedures of product providers, failure of recommendation making, using risk analysis against complainants and warning about unrealistic returns. [Link](#)

Prudential Authority in South Africa issues the Prudential Standards for audit requirements which commence on 1 January 2022

The Prudential Authority has published certain standards for audit requirements in respect of insurers, branches of foreign reinsurers, insurer groups, Lloyd's and microinsurer. These standards set out-

- Information for supervisory purposes that is audited, reviewed and reported by insurers
- The period within which insurers must submit the audited statements to the Prudential Authority and disclose to the public
- Expressly record that the board of directors of an insurer is responsible for ensuring that requirements of the standards are met by the insurer. [Link](#)

Financial services fines drop 49 percent in 2021

Enforcement authorities have witnessed a drop in the value of penalties against global financial services firms in 2021. As per Fenergo's Global Director of Financial Crime, this reduction is largely due to reduced number of multi-billion-dollar fines as compared to previous years. [Link](#)

Guidance on changes to banking reporting requirements

The Prudential Regulation Authority (PRA) has introduced certain changes in the banking regulatory reporting requirements. The changes implemented are in line with PS22/21 'Implementation of Basel Standards'. [Link](#)

Statement on supervision of commodity derivatives position limits

The Financial Conduct Authority (FCA) published a supervisory statement in December 2020 setting out the approach to operating the MiFID markets regime after the end of the EU withdrawal transition period. The approach was earlier intended to be in use till 1st January 2022, however, it is now being extended until the scope is considered under the Treasury's Wholesale Market Review. [Link](#)

Changes to LIBOR as of end-2021

In a Financial Conduct Authority (FCA) communication, the changes to LIBOR that have been implemented have been outlined – including the ending of 24 LIBOR settings, and the 6 most widely used sterling and Japanese yen settings using a different methodology. [Link](#)

FCA to review competition concerns in wholesale data markets

The Financial Conduct Authority (FCA) will be looking into complexities of contracts for benchmarks and indices via a market study. As a part of another study, the FCA will be assessing whether access to high-quality credit ratings are expensive and limiting new entrants. [Link](#)

Please [click here](#) to access the previous issues of the external edition of FinWatch



Michelle Dubois
Senior Manager, Africa Regulatory CoE
Email ID: Michelle.Dubois@kpmg.co.za

kpmg.com/socialmedia



[Unsubscribe](#) | [Privacy](#) | [Legal](#)

You have received this message from KPMG in South Africa.

© 2022 KPMG Services Proprietary Limited, a South African company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ('KPMG International'), a Swiss entity. All rights reserved.

kpmg.com/app

