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KPMG in South Africa

Regulatory Updates for the week ended 11 September, 2020

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

SARB releases asset and liabilities statement: August 2020

The South African Reserve Bank (SARB) released its asset and liabilities statement for the period of July–August 2020. [Link](#)

National Treasury releases a speech by its Director-General at the launch of AGSA's 'Preventive Control Guides' during the COVID-19 pandemic

National Treasury released a media statement featuring the recently delivered speech by its Director-General, Dondo Mogajane, at the launch of the Auditor General SA's (AGSA's) 'Preventive Control Guides' during the COVID-19 pandemic. These guides are targeted towards ensuring compliance related to culture, environment and institutional regulations.

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[Link Link Link](#)

FSCA media release: Cash and contactless payments during COVID-19

The Financial Sector Conduct Authority (FSCA) published an article on possible methods of cash and contactless payments available for South Africans during the COVID-19 pandemic. A few such options include:

- Online payments: Electronic Funds Transfer (EFT) for immediate money transfer
- QR code or Zapper payments: Scans a code and it syncs to customer's bank account or credit card which allows online transactions
- Mobile payment applications for store specific purchases
- Card tapping-based payments at pay-points [Link](#)

PA releases guidance note on Continued provision of a committed liquidity facility and introduction of its restricted usage by the SARB

The Prudential Authority (PA) released Guidance Note No 8/2020 under section 6(5) of the Banks Act, 1990 (Act 94 of 1990), on the continued provision of a committed liquidity facility (CLF) and introduction of a restricted usage of CLF by the SARB. The guidance note has specified revised guidelines and conditions relating to the continued provision and the phase out of the CLF and the provisions relating to the restricted-use committed liquidity facility (RCLF). [Link Link](#)

Double deductions caused by a technical issue on Nedbank's system, says Capitec

According to the article, South Africa-based banking group, Capitec, alerted its customers to double deductions experienced due to technical issue on Nedbank's system, which has affected the billing process of a few point of sales terminals. [Link Link](#)

Market Developments

International

FCA appoints Amerdeep Somal as its new Complaints Commissioner

The Financial Conduct Authority (FCA), the Prudential Regulation Authority (PRA) and the Bank of England have jointly announced the appointment of Amerdeep Somal as the new Complaints Commissioner. [Link](#)

FCA publishes its Annual Report and Accounts for FY19–20

The FCA published its Annual Report and Accounts for FY19–20, that discusses the key highlights for the regulator in the financial year. A few highlights include:

- It has provided immediate support for over 3.4 million consumers and thousands of businesses in the UK, affected due to the COVID-19 pandemic
- It has driven change in the culture of financial firms with the extension of the Senior Managers and Certification regime
- It has imposed 15 financial penalties on firms for misconduct of over GBP224 million (about ZAR4.8 trillion) in total [Link Link Link](#)

Bank of England features a speech by Elisabeth Stheeman on the financial policy committee

The Bank of England published a media release featuring the speech of an external member of its Financial Policy Committee, Elisabeth Stheeman, where she has examined the possible risks of cyberattacks associated with the technological developments in the payments system of the UK's financial services sector. [LinkLink](#)

Basel Committee announces the 2020 International Conference of Banking Supervisions

The Basel Committee on Banking Supervision (BCBS), the Office of the Superintendent of Financial Institutions (OSFI) and the Bank of Canada announced its 21st International Conference of Banking Supervisors (ICBS), to be held during 19–22 October 2020. [Link](#)

Citigroup announces its new CEO — first female head of a big global bank

US-based banking group, Citigroup, announced appointment of Jane Fraser as its next CEO, placing the first woman atop any major global bank. She will succeed Mike Corbat, who would be retiring in February 2021. [Link](#)

Impact of the COVID-19 pandemic on business interruption claims

The global impact on businesses due to the COVID-19 pandemic has impacted over 1,000 companies across the US and UK and are stuck in arguments with their insurers on business interruption (BI) claims. For example, the US-based Century 21 has fallen into bankruptcy after the pandemic has forced it to close its departmental stores in March 2020. The chain claims to have saved about 1,400 jobs if it would have received BI claims from its insurers against its existing policies. [Link](#)

APRA issues letter to ADIs in response to consultation on loans impacted by COVID-19

The Australian Prudential Regulation Authority (APRA) issued a letter to authorised deposit-taking institutions (ADIs) outlining its response to the consultation on capital measures and reporting requirements for loans impacted by the COVID-19 pandemic. [Link](#)

ASIC updates the fees and costs disclosure regime

The Australian Securities and Investments Commission (ASIC) has released a major update of its 'Regulatory Guide (RG) 97' on disclosure of fees and costs in product disclosure statements (PDSs) and periodic statements, to achieve better outcomes for consumers by providing greater clarity on disclosure obligations for product issuers of superannuation and managed investment products. ASIC has made further minor amendments to RG 97 and the associated legislative instrument, including implementation timing — due to the COVID-19 pandemic. [Link Link](#)

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