



SOUTH AFRICA

FINANCIAL SECTOR ASSESSMENT PROGRAM

June 2022

TECHNICAL NOTE ON BANKING REGULATION AND SUPERVISION

This technical note on Banking Regulation and Supervision was prepared by a staff team of the International Monetary Fund and World Bank in the context of a joint IMF-World Bank Financial Sector Assessment Program (FSAP). It is based on the information available at the time it was completed in June 2021.

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TECHNICAL NOTE

BANKING REGULATION AND SUPERVISION

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This Technical Note was prepared by IMF and WB staff in the context of the Financial Sector Assessment Program in South Africa, led by Jennifer Elliott, IMF and Eva Gutiérrez, World Bank, and overseen by the Monetary and Capital Markets Department, International Monetary Fund, and the Finance, Competitiveness and Innovation Global Practice, World Bank. It contains technical analysis and detailed information underpinning the FSAP's findings and recommendations. Further information on the FSAP program can be found at <http://www.imf.org/external/np/fsap/fssa.aspx>, and www.worldbank.org/fsap.



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Glossary

ASF	Available Stable Funding
ALM	Asset and Liability Management
AML/CFT	Anti-Money Laundering/Combating the Financing of Terrorism
BA or Banks Act	Banks Act 1990 (Act No.94 of 1990, as amended)
BCBS	Basel Committee on Banking Supervision
BCP	Basel Core Principles for Effective Banking Supervision
BSD	Bank Supervision Department
CEO	Chief Executive Officer
CP	Core Principle
CRO	Chief Risk Officer
D-SIB	Domestic Systemically Important Bank
EWI	Early Warning Indicator
FATF	Financial Action Task Force
FIC	Financial Intelligence Centre
FSAP	Financial Sector Assessment Program
FSCA	Financial Sector Conduct Authority
FSCF	Financial Sector Contingency Forum
FSCR	Financial System Council of Regulators
FSMC	Financial Sector Inter-Ministerial Council
FSLAB	Financial Sector Law Amendment Bill
FSOC	Financial Stability Oversight Committee
FSR Act	Financial Sector Regulation Act 9 of 2017
FSRB	Financial Sector Regulation Body
GDP	Gross Domestic Product
HQLA	High Quality Liquid Assets
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IRB	Internal Ratings-based Approach
IRBA	Independent Regulatory Board for Auditors
IRRBB	Interest Rate Risk in the Banking Book
ISA	International Standards on Auditing
JSE	Johannesburg Stock Exchange

LCR	Liquidity Coverage Ratio
MIR	Management Information Report
MOF	Minister of Finance
MOU	Memorandum of Understanding
NCR	National Credit Regulator
NPSD	National Payment System Department
NSFR	Net Stable Funding Ratio
NT	National Treasury
OECD	Organization for Economic Co-operation and Development
PA	Prudential Authority
PA MANCO	Prudential Authority Management Committee
PAJA	Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000)
PARAC	Prudential Authority Regulatory Action Committee
Regulation(s)	Regulations Relating to Banks
RCAP	Regulatory Consistency Assessment Program
ROSC	Report on the Observance of Standards and Codes
SAICA	South African Institute of Chartered Accountants
SARB	South African Reserve Bank
SME	Small and Medium Size Enterprise
SREP	Supervisory Review and Evaluation Process
U.K.	The United Kingdom
WB	World Bank