



SOUTH AFRICAN RESERVE BANK
Prudential Authority

JOINT NOTICE 1 OF 2022

FINANCIAL SECTOR REGULATION ACT, 2017 (ACT NO. 9 OF 2017)

NOTICE OF EXTENSION OF PERIODS REFERRED TO IN PARAGRAPH 4.2(3) AND 5(3)(b) OF JOINT STANDARD 2 OF 2020 – MARGIN REQUIREMENTS FOR NON-CENTRALLY CLEARED OVER THE COUNTER DERIVATIVE TRANSACTIONS

The Financial Sector Conduct Authority and the Prudential Authority, under section 279(1) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), hereby extend the periods referred to in paragraphs 4.2(3) and 5(3)(b) of Joint Standard 2 of 2020 as set out in the Schedule.

**UNATHI KAMLANA
COMMISSIONER
FINANCIAL SECTOR CONDUCT AUTHORITY**

**KUBEN NAIDOO
DEPUTY GOVERNOR AND CEO
PRUDENTIAL AUTHORITY**

DATE: 11.02.2022

DATE: 2022-02-11

SCHEDULE

1. Definitions

In this Schedule, “**the Act**” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), any word or expression to which a meaning is assigned in the Act shall have that meaning, and unless the context otherwise indicates –

“**Authorities**” means the Financial Sector Conduct Authority and the Prudential Authority;

“**Counterparty**” means a counterparty as defined in the Joint Standard;

“**Joint Standard**” means Joint Standard 2 of 2020 – Margin Requirements for non-centrally cleared over the counter derivative transactions; and

“**Provider**” means a provider as defined in the Joint Standard.

2. Extension

- (1) Section 279(1) of the Act empowers the Authorities to, for a valid reason, extend any period for compliance with, or a period prescribed by, a provision of a financial sector law.
- (2) The definition of financial sector law in the Act includes a regulatory instrument made in terms of the Act or made in terms of a law referred to in Schedule 1 of the Act.
- (3) The Joint Standard is a regulatory instrument made in terms of the Act, and paragraphs 4.2(3) and 5(3)(b) of Joint Standard 2 of 2020 are, therefore, provisions of a financial sector law.
- (4) The periods prescribed in paragraphs 4.2(3) and 5(3)(b) of the Joint Standard are accordingly, for the reason set out in paragraph 3 of this Joint Notice, extended for a period of 12 months as follows:
 - (a) the period of 1 September 2022 to 31 August 2023 prescribed in paragraph 4.2(3) is extended to 1 September 2023 to 31 August 2024;
 - (b) the period of March, April and May 2022 prescribed by paragraphs 4.2(3) is extended to March, April and May of 2023; and
 - (c) the period of 16 February 2022, prescribed in paragraph 5(3)(b) read with Joint Notice 1 of 2021, is extended to 16 February 2023.

3. Reason for extension

- (1) The Authorities have been approached by providers and other market participants requesting more time to finalise and operationalise certain requirements related to the implementation of the Joint Standard.
- (2) In the interest of continued financial stability, and to allow further time for providers to comply with the Joint Standard, the Authorities have jointly agreed to extend the periods referred to in paragraph 4.2(3) in relation to the exchange of initial margin by another 12 months. Similarly, and to ensure coherence in the implementation of the Joint Standard, it was agreed to extend the 6- month period prescribed in

paragraph 5(3)(b) of the Joint Standard in relation to the exchange of variation margin by another 12 months.

- (3) The Authorities are therefore satisfied that a valid reason exists for granting an extension of the periods prescribed in paragraphs 4.2(3) and 5(3)(b) of the Joint Standard in terms of section 279(1) of the Act.

4. Short title and commencement

This Joint Notice is called the Extension of the periods in Joint Standard 2 of 2020, 2022 and comes into effect on the date of publication.