

JOINT COMMUNICATION 4 OF 2024

Publication of Draft Joint Standard - Minimum requirements for the recovery plans of market infrastructures – for public consultation

1. The purpose of this communication is to inform stakeholders that today the Financial Sector Conduct Authority (FSCA) and the Prudential Authority (PA), hereafter referred to as the Authorities, published for public consultation on their websites a draft Joint Standard setting out proposed minimum requirements for the recovery plans of market infrastructures (Joint Standard) and related supporting documents.
2. The main objective of the Joint Standard is to propose minimum requirements to be complied with by market infrastructures in the formulation and implementation of their recovery plans, which are expected to provide a reasonable prospect of recovery following a threat. The minimum requirements are designed to aid market infrastructures in developing recovery plans that -
 - (a) ensure that a stress scenario or shock event does not impair the prudent management of that market infrastructure's business; and
 - (b) enable the market infrastructure to recover from such a threat while continuing to provide its critical services, without requiring the use of resolution powers.
3. The Authorities are not prescriptive in respect of the recovery tools a market infrastructure may use. Instead, a principle-based approach is followed, supported by a draft Joint Guidance Notice published alongside the draft Joint Standard for comment. The Joint Guidance Notice is aimed at providing guidance on the range of proposed recovery tools that a market infrastructure may use. In addition, each market infrastructure must ensure that the recovery options in its recovery plan remain commensurate with its risk profile.
4. In this regard, the following documents are published for public consultation:
 - (a) a draft Joint Standard - Minimum requirements for the recovery plans of market infrastructures;
 - (b) a draft Joint Guidance Notice – Recommended recovery tools for market infrastructures;
 - (c) the Statement of need, expected impact, and intended operation of the Joint Standard;
 - (d) a draft questionnaire on the need, expected impact and intended operation of the Joint Standard; and
 - (e) Comments template.
5. These documents are available for review on the websites of the Authorities.
6. Submissions on the draft Joint Standard and accompanying documents must be submitted in writing, using the submission template available on the websites of the Authorities, on or before **18 July 2024**, to the Financial Sector Conduct Authority at

FSCA.RFDStandards@fsca.co.za and the Prudential Authority at PA-Standards@resbank.co.za. Any enquiries on this Joint Communication may also be sent to the aforementioned e-mail address.



Unathi Kamlana
Commissioner
FINANCIAL SECTOR CONDUCT AUTHORITY

DATE: 27.05.2024



Fundi Tshazibana
Chief Executive Officer
PRUDENTIAL AUTHORITY

DATE: 31.05 .2024