

To: All banks, controlling companies, branches of foreign institutions and auditors of banks or controlling companies

Guidance Note 5/2020 issued in terms of section 6(5) of the Banks Act 94 of 1990

Suspension of the flavour-of-the-year topics for the remaining 2020 meetings with boards of directors of banks and controlling companies

Executive summary

This guidance note serves to inform all banks, controlling companies and branches of foreign institutions (hereinafter collectively referred to as ‘banks’) of the suspension of the flavour-of-the-year topic that was to be discussed with banks’ boards of directors (boards) during 2020.

The topic of ‘new technologies’ will be reinstated at a suitable later date.

The findings from prudential meetings that have already been concluded with the respective boards on the flavour-of-the-year topic will be utilised by the Prudential Authority (PA) for supervisory purposes.

1. Introduction

In order to assist the PA to discharge its supervisory responsibilities, it annually communicates the scope of the meetings with the banks’ boards to be held during the calendar year by identifying the flavour-of-the-year topic(s). Guidance Note 2 of 2020 issued on 3 March 2020, communicated the topic of ‘new technologies’ for banks.

2. Suspension of the flavour-of-the-year topic

The coronavirus pandemic (COVID-19), the declaration of a national state of disaster and the resultant lockdown has resulted in an unprecedented impact on banks and the economy at large. Due to the focus by banks on financial resilience, soundness and operational stability, the PA has taken a decision to suspend the flavour-of-the-year topics for upcoming meetings with the respective boards.

The topics will be reinstated at a suitable later date.


The allocated time for the presentation may be used by the said board to address key areas of concern and plans of the board to address these areas.

The findings from prudential meetings that have already been concluded with the respective boards on the flavour-of-the-year topic will be utilised by the PA for supervisory purposes.

The PA will continue to engage with the banking industry and all other relevant stakeholders during this time and will issue further guidance or any additional measures as and when necessary.

3. Acknowledgement of receipt

Kindly ensure that a copy of this guidance note is made available to your institution's independent auditors. The attached acknowledgement of receipt, duly completed and signed by both the chief executive officer of the institution and the said auditors, should be returned to the PA at the earliest convenience of the aforementioned signatories.



Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 15 May 2020

The previous guidance note issued was Guidance Note 4/2020, dated 6 April 2020.