



## Guidelines in respect of engagements with regulators and regulatory requests

### Supporting Document to the Contact with Regulators Policy

INTERNAL ONLY

Ownership	
<b>In Support of</b>	Conduct Risk Management Framework & Contact with Regulators Policy
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## 1. Purpose and key elements of establishing Trust with Regulators

Absa Group Limited (AGL) engages with regulatory authorities in various jurisdictions regularly. To ensure a consistent and aligned approach on engagements with Regulators, this document provides the guidelines on meeting the requirements and expectations of the [Contact with Regulators Policy.pdf](#)

In addition, guidance is provided in respect of the process to be followed by Absa mandated representatives when interacting with the regulators. This guideline will address the following:

- Communication Protocol with regulators;
- Role of Absa Group Regulatory Relations (AGRR);
- Mandated officials to communicate with regulators;
- Submission of periodic mandatory reports to regulators;
- Submission of ad hoc reports to regulators
- Request for extension of timelines;
- Post-engagement Requirements with Regulators;
- Internal requests for previous correspondence with the Regulators;
- Requests for ad-hoc meetings with Regulators
- Absa Regional Offices (ARO)
- Complaints Management Processes
- Communication Protocol for dealing with Regulators

Building an internal culture of compliance within the organisation is priority for Regulators. The key element in establishing this is Trust. There are underlying principles to consider in how we build and maintain such regulatory engagements, more so demonstrating we take accountability.



This document must be read with the following policies:

- a) The Absa Contact with Regulators Policy: [Contact with Regulators Policy.pdf](#)
- b) The Absa Conflict of Interest Policy: [Conflicts of Interest Policy](#)
- c) [Compliance Breach Management Standard.pdf](#)
- d) [The Absa Way Code of Ethics](#)

## 2. Mandatory Approach in Communication Protocol with Regulators

### 2.1 Protocol to be followed:

- a) When corresponding with a Regulator, the specified Central Regulatory Mailbox provided to Absa by the respective Regulator must be copied in all correspondence. **Addendum A** herein sets out the specific protocols to be followed with specific regulators.
- b) It is a mandatory request from the Regulators that the [africaregulatoryrelations@absa.africa](mailto:africaregulatoryrelations@absa.africa) central mailbox must be copied in **ALL** correspondence with regulators in line with the Contact with Regulators Policy.
- c) There are several departments within the Regulator that has both a supervisory and non-supervisory function. All mandated employees who make contact with either of these departments within the regulator is to comply with the requirements set out in the Contact with Regulators Policy and guidelines contained herein. The [africaregulatoryrelations@absa.africa](mailto:africaregulatoryrelations@absa.africa) is to be copied on ALL correspondence sent to other departments within the Regulator.
- d) Any significant regulatory interaction, expected or unexpected, should be brought to the immediate attention of the Group Regulatory Relations team or the country Head of Compliance.
- e) All significant regulatory interactions and related issues, commitments and requests must be captured on Absa Regulatory Engagement System (ARES) within five (5) working days to ensure that records are up-to-date and reliable, therefore supporting accurate reporting to relevant board and executive committees. To ensure the quality and right level of information is being provided to the Regulator as requested, prior to submission of the information, the mandated colleague must obtain relevant sign off from their respective mandated accountable executive and send to the AGRR Team before the regulatory due date i.e. (minimum of five (5) working days prior to submission due date) to review and assess the content of information will meet the requirements and standards of the Regulator as requested.
- f) The AGRR team will identify, provide and furnish all BU's who are required to make a submission to the Regulator with approved internal deadlines to ensure that the Regulator receives submissions timeously. Appropriate notifications and reminders will be triggered from the Regulatory Relations Central Calendar to the owners of the submission to ensure compliance with internal deadlines.
- g) Prior to submission to the Regulator, all necessary internal governance sign off processes must be fulfilled per Business Unit("BU") mandates;
- h) All engagements must be uploaded onto the Absa Regulatory Engagement System ("ARES").
- i) Where guidance is sort from a specific Regulator, communication to the Regulator must meet the requirements set out in the Contact with Regulators Policy, and the [africaregulatoryrelations@absa.africa](mailto:africaregulatoryrelations@absa.africa) mailbox must be included in all correspondence.
- j) Should an extension of an existing deadline be required, the BU must ensure that this request for extension is facilitated through the AGRR team, who will manage all correspondence related to the deadline extension request.
- k) It is expected that regulatory due dates are to be tracked. Where there is a risk of a regulatory due date being missed or overdue. The accountable executive for the specific BU; Head of Compliance, AGRR Team and depending on materiality of the issue, the respective AGL Exco member is to be informed immediately, prior to informing the Regulator or requesting for an extension.
- l) Please note, regulators expect that their regulatory due dates are to be met timeously. Missing regulatory due dates impacts the overall engagements with Regulators. These are closely tracked and monitored by the respective Regulators.

### 2.2 Protocol not to be followed:

- a) No BU, member or employee will communicate with any Regulatory authority unless mandated to do so per the Contact with Regulators Policy and associated supporting documents;

- b) If a colleague who is not mandated, engages with a regulator without approval will be breached in accordance with the Compliance Breach Standard
- c) No BU within AGL will request a direct extension or condonation from the Regulator, **ALL** requests for extension or condonations will be managed through the AGRR team
- d) No ad hoc meetings to seek clarity or guidance from a Regulator shall be scheduled without informing the AGRR team, all arrangements to meet with or correspond with the Regulator **WILL** be facilitated through the AGRR team. More guidance is provided on this point under section 10.
- e) Where a breach of any of the above protocol is identified, management must ensure that an appropriate breach notification is logged, and AGL dispensation process followed.

### 3. Role of Absa Group Regulatory Relations

The AGRR Function are the custodians of the relationships with regulators and are responsible for the following:

- a) Reporting on the status of all regulatory issues and commitments to the Absa Board and Executive Committee (Exco), therefore the status of issues and commitments must be accurately reflected on ARES.
- b) To ensure that relationships between Absa Group and Regulatory Authorities are maintained and strengthened at all times.
- c) To create and maintain a rapport with the Regulatory Authorities and act as point of contact for engagement with each Regulator where a SME or relationship owner has not been identified
- d) To facilitate strategic and ad hoc requests for engagements with ALL Regulators;
- e) To provide an oversight role wherein submissions to Regulators are reviewed for quality, accuracy, both when responding to regulatory request or in general written submissions to the Regulator.
- f) To facilitate and provide advice in respect of the s52, s54 & s55 process for AGL.
- g) To maintain all records related to engagements with the Prudential Authority and Financial Conglomerate Supervisory Department
- h) To maintain a list of mandated individuals authorized to engage with regulatory authorities across AGL.
- i) The AGRR Team or the country Head of Compliance must be invited to attend ALL meetings with Regulators. However, it is at the discretion of the Group Regulatory Relations Team or the country Head of Compliance to attend meetings as and when required or nominate a delegate to attend on their behalf.
- j) In some instances, confidential/legally privileged discussion takes place between AGL and the Regulators. In these instances, details of the discussion are not required to be shared with the Group Regulatory Relations Team or country Head of Compliance. However, the scheduled engagement must be brought to the relevant attention of the Group Regulatory Relations Team or country Head of Compliance for governance reports and record-keeping purposes.

### 4. Mandated Officials to Communicate with Regulators

AGL Executive Committee (Exco) members of Absa, and Exco members of Absa subsidiaries in all jurisdictions where Absa has a presence are mandated and authorized to have contact with specified regulators. Specific colleagues (i.e. Names of the relevant AGL members and direct reports) to the specific supervisory engagements will be articulated in a specific plan under the ratification process.

All other employees across the Group will require a signed mandated delegation of authority to make contact with a Regulator. Such signed mandated delegation of authority is required only from the respective managing principal/director or member of the AGL Exco of the employee's respective area.

The Group Regulatory Relations team will undertake a full ratification process and will keep a record of the signed off mandated employees who can engage with respective regulators.

It is expected of the mandated employee to adhere to the requirements within the Contact with Regulators Policy, associated supporting documents and guidelines.

Communication with regulatory authorities can be via the following forms, but are not limited to these engagement methods:

- face-to-face meetings,
- a letter,
- email correspondence,
- Virtual engagement, or
- telephonically.

Engagement methods and requirements have been unpacked further within the Contact with Regulators Policy.

## **5. Submission of periodic mandatory reports: Regulatory Submissions**

Where AGL is required to submit regulatory returns to Regulators specifically in respect of Financial Conglomerate Supervisory requirements, business must ensure that the following key requirements are met sufficiently to fulfill the regulatory process:

- a) Attestations accompanying submissions of any regulatory return must be completed appropriately and signed by the relevant Accountable Executive (AE), Exco member (BA020's Annual Compliance Reports, Compliance Returns, BA returns etc.)
- b) The Africa Regulatory Relations Mailbox ([africaregulatoryrelations@absa.africa](mailto:africaregulatoryrelations@absa.africa)) must be copied on ALL regulatory return submissions to all regulators who fall under the Financial Conglomerate Supervisory Department and the Financial Sector Conduct Authority
- c) Regulatory returns must be submitted timeously to ALL Regulators.
- d) Where there is a risk of late submission or the deadline not being met or missed, the accountable executive of the area, Head of Compliance and the AGRR team must be notified immediately. A request for extension must first be discussed with the mandated accountable executive of the area, Head of compliance and the AGRR Team. The process to obtain an extension or condonation must be followed. AGRR must be kept informed and will facilitate the correspondence process.
- e) ALL regulatory returns/regulatory submissions must be diarized appropriately, the Africa Regulatory Relations inbox must be sent a calendar notification of when submissions are due. These will be tracked and monitored by the AGRR team to ensure compliance with submission deadlines and quality of submissions.

## **6. Submission of ad hoc or requests to regulators**

Mandated colleagues are to follow the same process as outlined in the contact with regulators policy. AGRR will oversee such submissions of information/updates/packs committed to regulators. BU's will be reminded via email triggers of deadline dates for both internal and external submission as required. BU's are required to implement and follow a robust governance process that involves 2nd line support from relevant functions and sign-off by the AE.

It is the responsibility of BU and AE to ensure that all engagements and related commitments have been captured on ARES.

Mandated Accountable Executives are responsible for ensuring that commitments are monitored and tracked within the BU to closure and that submission timelines are met prior to or on deadlines provided by the Regulator to prevent reputational damage, avoid regulatory censure and potential levies or fines issued to AGL as a result of non-compliance with deadlines provided by the Regulator.

#### **7. Request for extension of timelines:**

- a) When an AE or Business Unit Compliance Officer (“BUCO”) determines that a date communicated to the Regulator to close out a commitment/submission is at risk of becoming overdue or where a date set by the Regulator to close out a commitment/submission is at risk of becoming overdue, the AE or BUCO has to, in conjunction with the AGRR, Head of Compliance or the Country Head of Compliance, notify the Regulator of the risk;
- b) The Regulator must be provided with reasons for the commitment/submission date being at risk, the steps being taken to mitigate the risk, and the revised date to meet the commitment;
- c) AGRR must be notified of the commitments that are “at risk” of meeting due dates and the [africaregulatoryrelation@absa.africa](mailto:africaregulatoryrelation@absa.africa) mailbox must be copied on all correspondence to the Regulator;
- d) Once all internal governance requirements have been fulfilled, the AE or BUCO may proceed to seek approval for a revised/extension date.
- e) The onus rests on the AE and BUCO to communicate to the Regulator as early as possible (at a minimum this notification must be sent to the Regulator depending on the nature of the submission at least 5 working days prior to submission/deadline date) of when the risk first becomes evident; and
- f) Any extension of commitments due date must be subject to prior approval of the regulator, however it should be noted that extensions should be applied as an exception.
- g) No colleague can approach the regulator directly without following due process set out.
- h)
- i) Once again it’s the expectation from the Regulator that AGL meets its regulatory due dates, and minimizes the request for extensions.

#### **8. Post-engagement Requirements with Regulators**

- a) BUCO’s across AGL are responsible for ensuring that all significant interactions/ commitments are captured on the ARES and any conditions of approval and Regulatory Reporting Obligations are captured onto the Absa Supervisory Compliance Operating Tool (ASCOT).
- b) Commitments must be specific, and achievable within the time frames communicated with the Regulator and must fully address the regulatory issue raised. Each issue and commitment must have an AE assigned.
- c) Commitments made by management in response to findings emanating from regulatory exams, reviews or inspections, etc. must be confirmed with the Regulators within the regulatory timeframes provided. Where timeframes are not specified the commitments must be communicated within four (4) weeks of the conclusion of the findings.
- d) Delivery of a commitment or reporting obligation remains the responsibility of the relevant AE.

#### **9. Internal requests for previous correspondence with the Regulators**

- a) AGRR is not at liberty to share or circulate correspondence that relates to a different BU, with another BU. In these instances, the requesting BU will be directed to the relevant BU to request such correspondence.
- b) In addition, please be advised that AGRR will prioritize requests for information or previous correspondence on a urgency basis determined by the team.

## 10. Requests for ad-hoc meetings with Regulators

- a) AGL employees are reminded to refrain from requesting meetings with regulators, to discuss matters that could have been resolved via email communication. This is depending on the materiality of the issue at hand. Where there is a substantial impact to the business, processes or emerging risk, the AGRR Team is to be contacted on the potential engagement with the Regulator for guidance on the approach. Where there is an issue of interpretation on a guideline, directive, regulatory instrument or overall regulations issues by the Regulator that requires clarity, an email should be the first approach to the regulator who will also assess the request and also guide on scheduling a meeting with the respective BU.
- b) Where a request to a regulator is submitted by a non-mandated official, the breach management process will be followed; and
- c) AGL will follow the supervisory programmes managed by the regulators and only accommodate requests for meetings with regulators if warranted. This decision will be taken by the Head of AGRR and the AGL Chief Compliance Officer(CCO).

## 11. Absa Regional Offices (ARO)

- a) Regulatory Relations Teams in various jurisdictions are required to align with the communication approach adopted at AGL level, however, consideration should be taken based on the uniqueness of each jurisdiction. It is therefore advisable for each business area to develop and adopt guidelines that is feasible for both business and their relevant Regulatory Authorities.
- b) ARO engagements and reports/response to the PA requests are to be submitted by the AGRR team through the central mailbox ([africaregulatoryrelations@absa.africa](mailto:africaregulatoryrelations@absa.africa)) or secured platforms were necessary.

## 12. Complaints Management Processes

The complaints management process is managed within AGL through dedicated areas and via defined processes.

The processes listed below have been embedded for the various forms of receiving compliant from the following Regulatory Authorities.

- **South African Reserve Bank:** Group Regulatory Relations receives complaints via the central mailbox, and forwards to the Lead Internal Ombud/Customer Dispute Adjudicator for resolution.
  - **Various Ombud Agencies:** Received via a dedicated central mailbox managed by the Lead Internal Ombud/Customer Dispute Adjudicator
  - **Financial Sector Conduct Authority:** Received by the Group Compliance Market Conduct team and forwarded to the Lead Internal Ombud/Customer Dispute Adjudicator for resolution
- AGL customers:** Received via a dedicated central mailbox.

### 13. Definitions

Definition	Explanation
Absa Group Regulatory Relations system (ARES)	A platform used enterprise wide for the capturing of all significant interactions with regulators
Breach	A breach is an identified instance of non-conformance to all or parts of a Policy (e.g. non-conformance revealed via an audit observation, as a result of investigation following a risk event, monitoring and oversight activity etc.).
Business	Retail and Business Bank (RBB), Corporate and Investment Banking (CIB), and all countries where Absa has a presence.
Commitment	Action plans that Absa has explicitly agreed with a regulator, to perform particular action/s by a certain date, usually in response to a regulatory issue.
Signed mandated delegation of authority to make contact with Regulator	A person who is given authority to make decisions; has full knowledge of the issue; has the requisite subject matter expertise and can manage or track the matter to closure.
Finding/Regulatory Issue	A conclusion reached after the completion of an examination/review/ onsite visit/inspection whereby the regulator summarizes deficiencies, issues or areas for improvement and where the regulator expects remedial action to be taken. <b>Note: Also known as 'regulatory issues' and usually emanate in the form of a feedback letter from the regulator.</b>
Regulator	A regulator has specific licensing, supervisory, legislative and enforcement powers in terms of the laws of the country.
Regulatory issue	Any issue or event identified by Absa or raised by a regulator regarding Absa's compliance with or application of regulations, rules or guidance; or Absa's conformance to industry best practice, in respect of its governance, structure, technology, risk framework or approach.
Regulatory Relations team or the country Head of Compliance	Refers to the in-country Head of Compliance and/or Regulatory Affairs and/or Group Regulatory Relations or equivalent.
Significant Regulatory Interactions	A significant regulatory interaction is any interaction with a regulator (initiated either by the Regulator or by Absa) that may have a positive or negative impact on Absa's relationship with that regulator.

#### 14. Record Of Version Control / Updates

Date	Author / Source	Change
December 2022	Keshika Maharaj <a href="mailto:Keshika.Maharaj@absa.africa">Keshika.Maharaj@absa.africa</a>	New document. Next review date December 2023

## 15. Addendum A - Protocol for dealing with Regulators

Please note : in all engagements with the Regulators highlighted, the AGRR team through the central mailbox ([africaregulatoryrelations@absa.africa](mailto:africaregulatoryrelations@absa.africa)) is to be copied.

The detail below summarizes the communication protocols between AGL and the various local regulatory authorities:

### 15.1 The Prudential Authority: Financial Conglomerate Supervision Department (FCSD):

AGRR manages the engagement model between the PA and AGL. The following communication protocol has been agreed upon and embedded between AGL and the FCSD:

- a) All letters initiated by AGL to the FCSD must be addressed as follows:

Head: Financial Conglomerate Supervision Department  
Prudential Authority  
370 Helen Joseph Street  
Pretoria  
0002

- b) All email correspondence sent by AGL mandated officials to the FCSD must be emailed to the following points of contact
- o Manager: FCSD and
  - o Copy FCSD frontline team – [PA-AGL-Frontline@resbank.co.za](mailto:PA-AGL-Frontline@resbank.co.za).
- c) Correspondences to other divisions or departments within the South African Reserve Bank should be addressed to the respective Heads of the divisions or departments, copying the PA frontline team - [PA-AGL-Frontline@resbank.co.za](mailto:PA-AGL-Frontline@resbank.co.za) in all instances.
- d) All email correspondence sent by AGL mandated officials to the FCSD must copy the primary contact of the Insurance Supervisory Team. The Manager of the Insurance Supervisory Team is the initial and primary contact for the Product Solution Cluster (PSC) Insurance Business. The mandated colleagues of the insurance business within PSC are requested to also copy [SARB-AFS-FrontlineInsurance@resbank.co.za](mailto:SARB-AFS-FrontlineInsurance@resbank.co.za).
- e) Effective April 2021, all applications, notifications, and licensing queries to the PA must be sent via the secured mailbox from [PA.apps@absa.africa](mailto:PA.apps@absa.africa) to
- i. [PA.Notifications@resbank.co.za](mailto:PA.Notifications@resbank.co.za) for notifications submitted in terms of the Banks Act 94 of 1990 or
  - ii. [PA.Applications@resbank.co.za](mailto:PA.Applications@resbank.co.za) for applications submitted in terms of the Banks Act 94 of 1990.

## 15.2 Financial Sector Conduct Authority (FSCA)

- a) The Group Compliance Market Conduct team manages the relationship between AGL and the FSCA, in collaboration with the AGRR team. All letters initiated by AGL to the FSCA must be addressed as follows:

Financial Sector Conduct Authority  
Riverwalk Office Park  
41 Matroosberg Road  
Ashlea Gardens Ext 6  
Pretoria 0181

- b) All email correspondence sent by AGL to the FSCA must be emailed to the following points of contact:
- Head: Conduct of Business Supervision
  - Head: Banks and Payment Providers Supervision
  - Manager Banks and Payment Providers Supervision
  - Analyst Banks and Payment Providers Supervision
- c) The primary contact between the FSCA and AGL is through the Conduct of Business Supervision Department that is a subordinate department of the Banks and Payments Providers Supervision division within the FSCA.
- d) The primary relationship between the FSCA and AGL is co-owned and managed by the AGL Market Conduct team and AGRR within Absa Group Compliance. Please ensure that any engagement to be made with the FSCA needs to be brought to the attention with the Group Compliance Head of Conduct Risk and the AGRR team.

## 15.3 National Credit Regulator (NCR):

- a) All letters initiated by AGL to the NCR must be addressed as follows:

Chief Executive Officer  
National Credit Regulator  
P.O. Box 209  
Halfway House, 1685

- b) All email correspondence sent by AGL to the NCR must be emailed to the following points of contact:
- i. Senior Compliance Officer
  - ii. Compliance Supervisor CP Compliance Department
  - iii. Compliance Manager
  - iv. (AGRR *should be copied in on all correspondence to the NCR*)
- c) Core engagements that take place between the NCR and AGL include reviews initiated by the NCR, quarterly updates on key open regulatory commitments, submission of the annual NCR report and complaints.

- d) The relationship is primarily managed by Compliance colleagues in Everyday Banking, Relationship Banking and Product Solutions Cluster however as per annual NCR regulatory reporting the appointed NCR specialist should be copied in on all correspondence to the NCR.

#### **15.4 Information Regulator (IR):**

- a) All correspondences between AGL and the IR are managed through a Group Head of Data Privacy (Information Officer) who is mandated to manage the relationship with the IR.
- b) The information officer serves as a point of entry for all correspondences between AGL and the IR.
- c) Guidelines when engaging with the IR are documented in the AGL Group Data Privacy standards published on the policies and procedures portal.
- d) Correspondence from AGL to the IR is sent to the IR central mailbox: [infoereg@justice.gov.za](mailto:infoereg@justice.gov.za)
- e) The AGL central mailbox ( [privacy@absa.co.za](mailto:privacy@absa.co.za) ) is used internally for business units within AGL to channel requests that need to be escalated to the IR.

#### **15.5 Financial Intelligence Centre**

- a) All email correspondence between AGL to the FIC is managed through the FinCrime team within Group Compliance.
- b) Correspondence is emailed to the following points of contact:
  - i. Executive Head: Compliance and Prevention
  - ii. Compliance and Prevention
  - iii. Compliance and Prevention
- c) The primary contact between the FIC and AGL is through the Compliance and Prevention division.
- d) The primary relationship between the FIC and AGL is owned and managed by AGL colleagues in the Financial Crime Compliance team within Group Compliance.