



Umoja Industry Engagement



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Disclaimer

Please note that the contents of this presentation are for information purposes. Financial institutions must adhere to formalised issuances related to all the information communicated in the presentation.



AGENDA

Opening and welcome

Discussion points

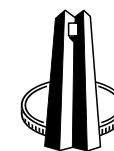
Phase 2 Recap And Scope

Umoja Unpacked

Machine to Machine Readiness

Trial & Parallel Runs

Next Steps

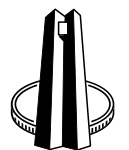
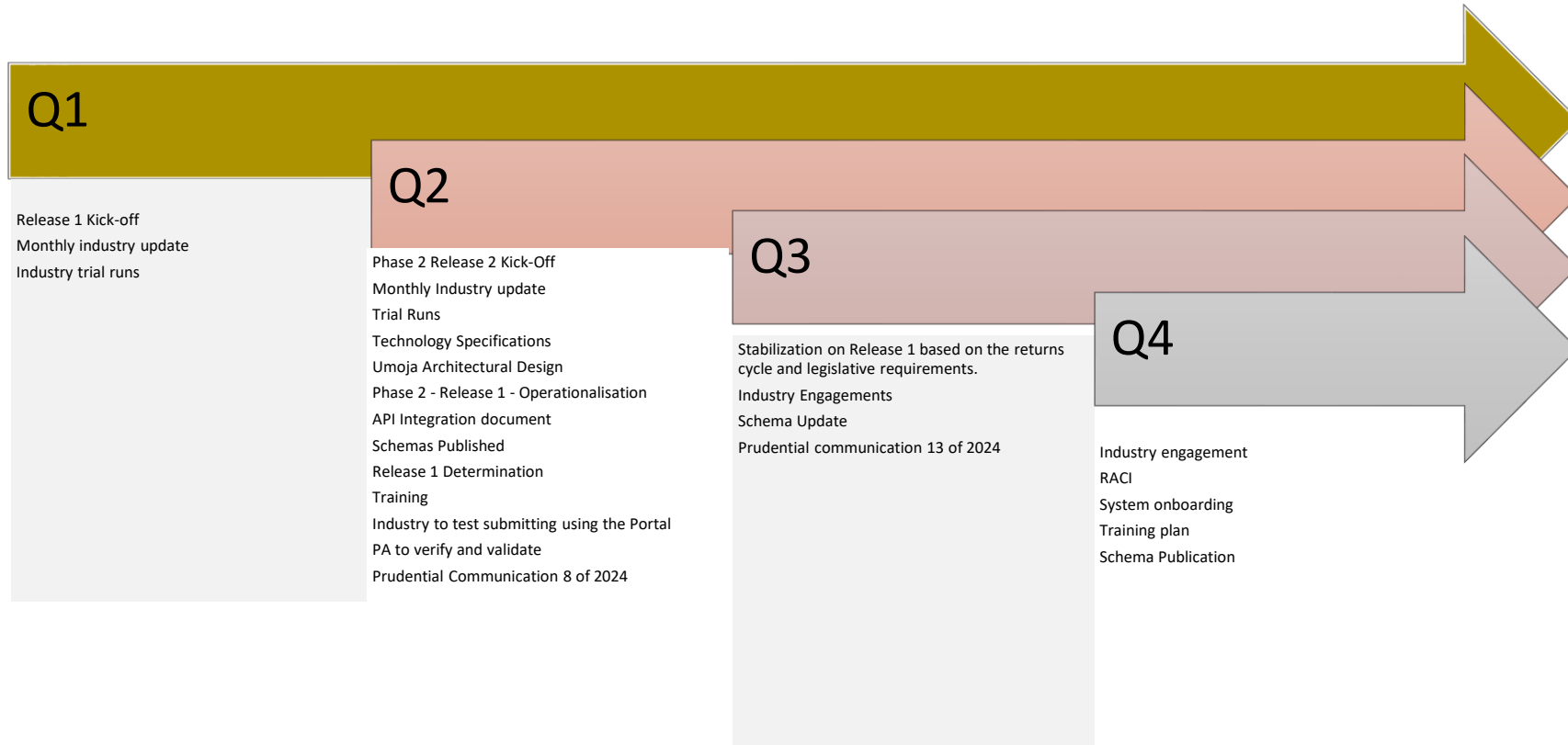


Phase 2 Recap And Scope



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Phase 2 Recap



Umoja Unpacked/Demo



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Umoja Unpacked

Enumerations and Validation rules

Submission Methods



Manual Input

| | Line No. | C0010 | |
|-------------------------|----------|-------|-------|
| ASSETS | | | |
| EARNING ASSETS | | | |
| Loans to members | | | |
| Short term (<= 1 year) | R0010 | | 823 |
| Medium term (1-3 years) | R0020 | | 2222 |
| Long term (>3 years) | R0030 | | 41869 |
| Other special loans | R0040 | | 1041 |
| Loan loss allowance | R0050 | | 938 |
| Total net loans | R0060 | | 44025 |

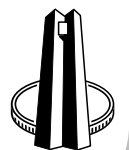
Excel



Automated Upload. (API Connections)

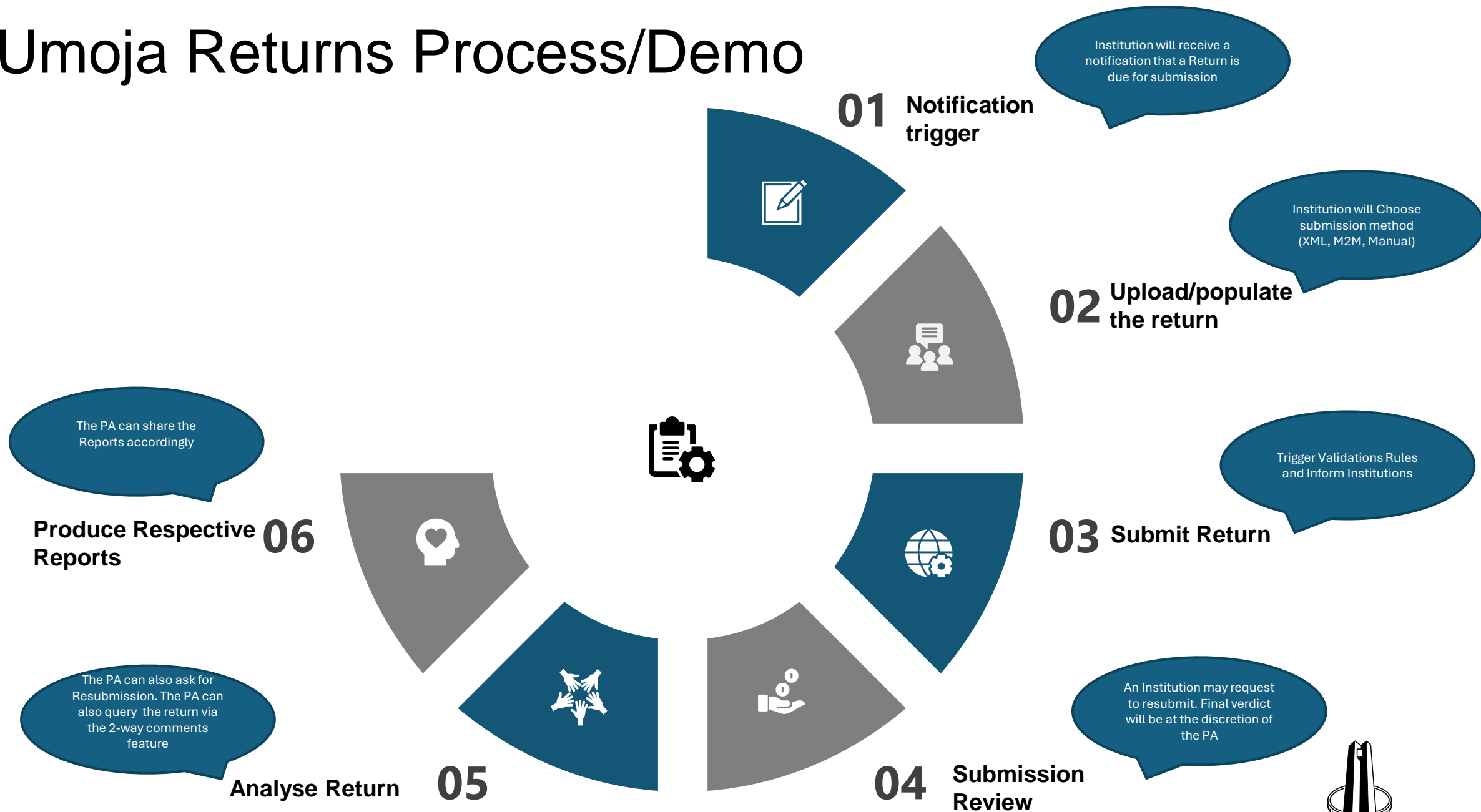
User Access and Roles

- PA Online Administrator** – Responsible for granting and removing permissions within the PA-Online
- Application Notification User** – Responsible for submitting applications or notifications to the PA.
- PA Online Profile Manager** – Responsible for managing the institution's profile (e.g., related party s
- Return User** – Responsible for return submissions(User will only see Returns).



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Umoja Returns Process/Demo



Machine to Machine Readiness



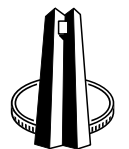
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Recommended Approach for Machine to Machine

- Some Institutions *may build* machine to machine capabilities to submit regulatory returns to the Prudential Authority (PA) against the PA's new regulatory submission system ('Umoja').
- This is not mandatory and will not be enforced.

The Approach emphasise on

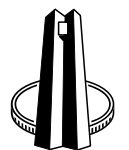
- 1. Foundation Component:** The build a foundation using a specific (institution preferred) test case of returns. This phase will involve working with that return to refine processes and systems without complexities of specific risk types. The details for the foundational component were published on the SARB website in May 2024
- 2. Specific Returns Development:** The focus on scaling up the submission of the other returns



Why?

- Institutions are complex, returns are at times completed by different departments and different people.
- It has come to our attention that development efforts may have been isolated to specific returns, which would reduce the industry benefit that the PA is trying to expose to the environment.
- The approach is being proposed to highlight and encourage a pattern of development that will contribute to the reduce cost and implementation time of meeting the needs of the new Umoja solution.

To identify and address potential challenges early, ensuring a smooth transition to the new frameworks



Pilot Objective & scope

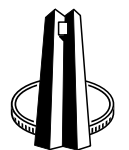
Conceptual view



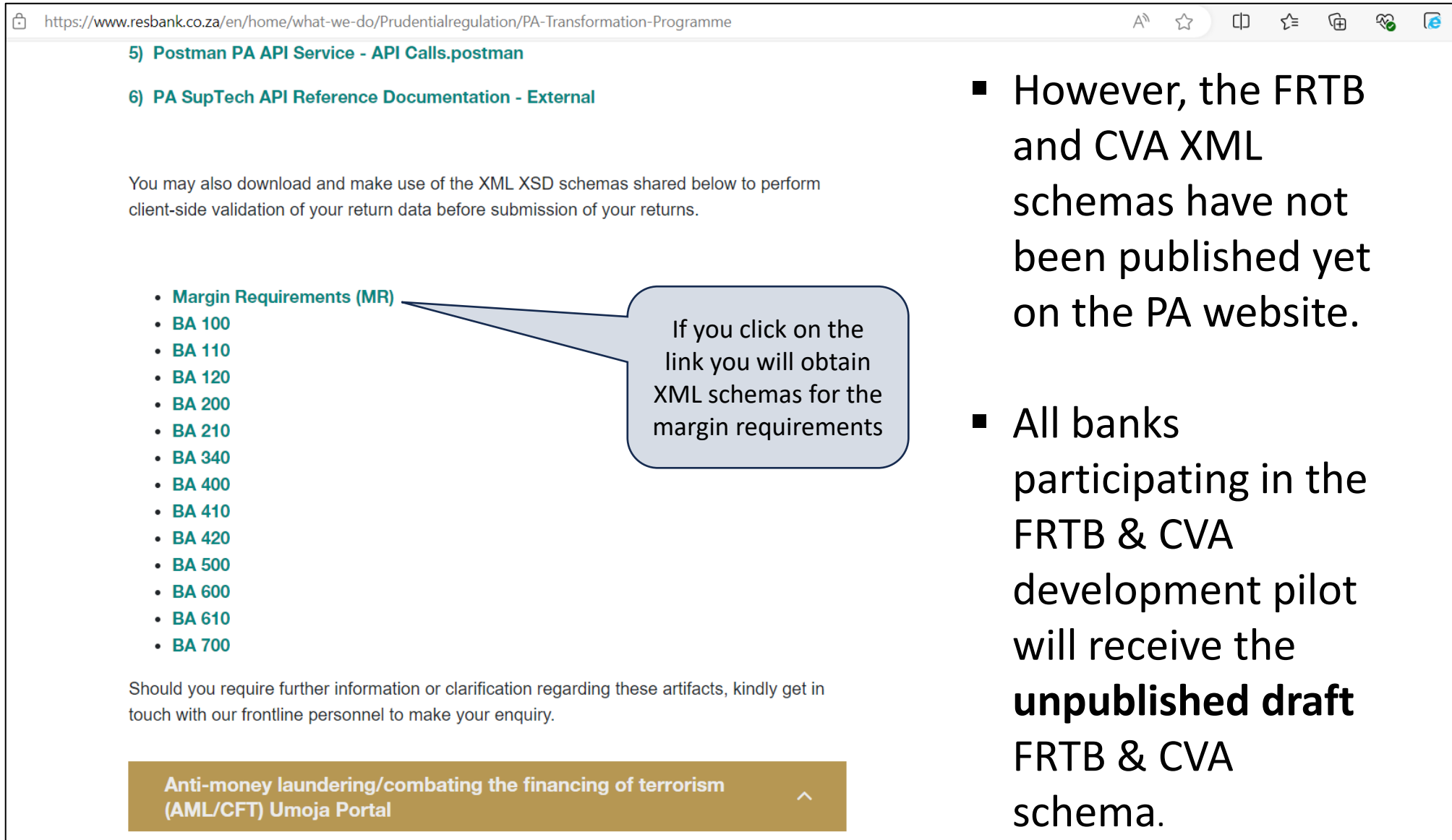
FOUNDATIONAL COMPONENT

(BASED ON THE MAY 2024 RELEASE OF THE GENERIC DATA POINT MODELS AND TRANSMISSION PROTOCOL ON THE SARB WEBSITE)

In summary, the development by FIs against the submission requirements of Umoja and specific returns **must be done in an integrated manner, even if certain returns may be not known yet.**



On the website currently



The screenshot shows a web browser window with the URL <https://www.resbank.co.za/en/home/what-we-do/Prudentialregulation/PA-Transformation-Programme>. The page content includes:

- 5) [Postman PA API Service - API Calls.postman](#)
- 6) [PA SupTech API Reference Documentation - External](#)

You may also download and make use of the XML XSD schemas shared below to perform client-side validation of your return data before submission of your returns.

- [Margin Requirements \(MR\)](#)
 - [BA 100](#)
 - [BA 110](#)
 - [BA 120](#)
 - [BA 200](#)
 - [BA 210](#)
 - [BA 340](#)
 - [BA 400](#)
 - [BA 410](#)
 - [BA 420](#)
 - [BA 500](#)
 - [BA 600](#)
 - [BA 610](#)
 - [BA 700](#)

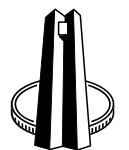
Should you require further information or clarification regarding these artifacts, kindly get in touch with our frontline personnel to make your enquiry.

[Anti-money laundering/combating the financing of terrorism \(AML/CFT\) Umoja Portal](#)

Callout box: If you click on the link you will obtain XML schemas for the margin requirements

- However, the FRTB and CVA XML schemas have not been published yet on the PA website.

- All banks participating in the FRTB & CVA development pilot will receive the **unpublished draft** FRTB & CVA schema.



Trial & Parallel Runs



Trial-Runs and Parallel Runs

Why Trial-Runs and Parallel Runs

- **Design:** Validate and check that the solution's architecture is efficient and effective, and that all institutions can capture return data, allowing the PA to confidently execute the analysis. Verify that the institutions can submit the returns within the regulatory timelines and frequency requirements.
- **Analyse:** Analyse whether the data collected offers the intended insights, and whether PA has the necessary mechanisms in place to respond with technological or regulatory changes. Examine whether the institutions are supplying the proper data within the specified timeframes. Confirm if the PA is ready for the regulatory reforms.
- **Act:** Use the insights gathered to alter or maintain the design, ensuring that the Umoja implementation provides an exact Return on Investment for all stakeholders. Institutions are prepared for the July regulatory deadlines. PA is ready to continue with its mandate based on the reforms.



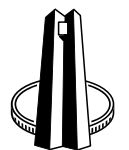
Trial-Runs

Trial runs are designed to ensure that the system and processes work as expected before going live on a full scale. This will allow institutions and stakeholders to familiarize themselves with the functionalities and workflows within Umoja, addressing any issues or adjustments needed in a controlled environment.



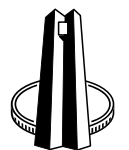
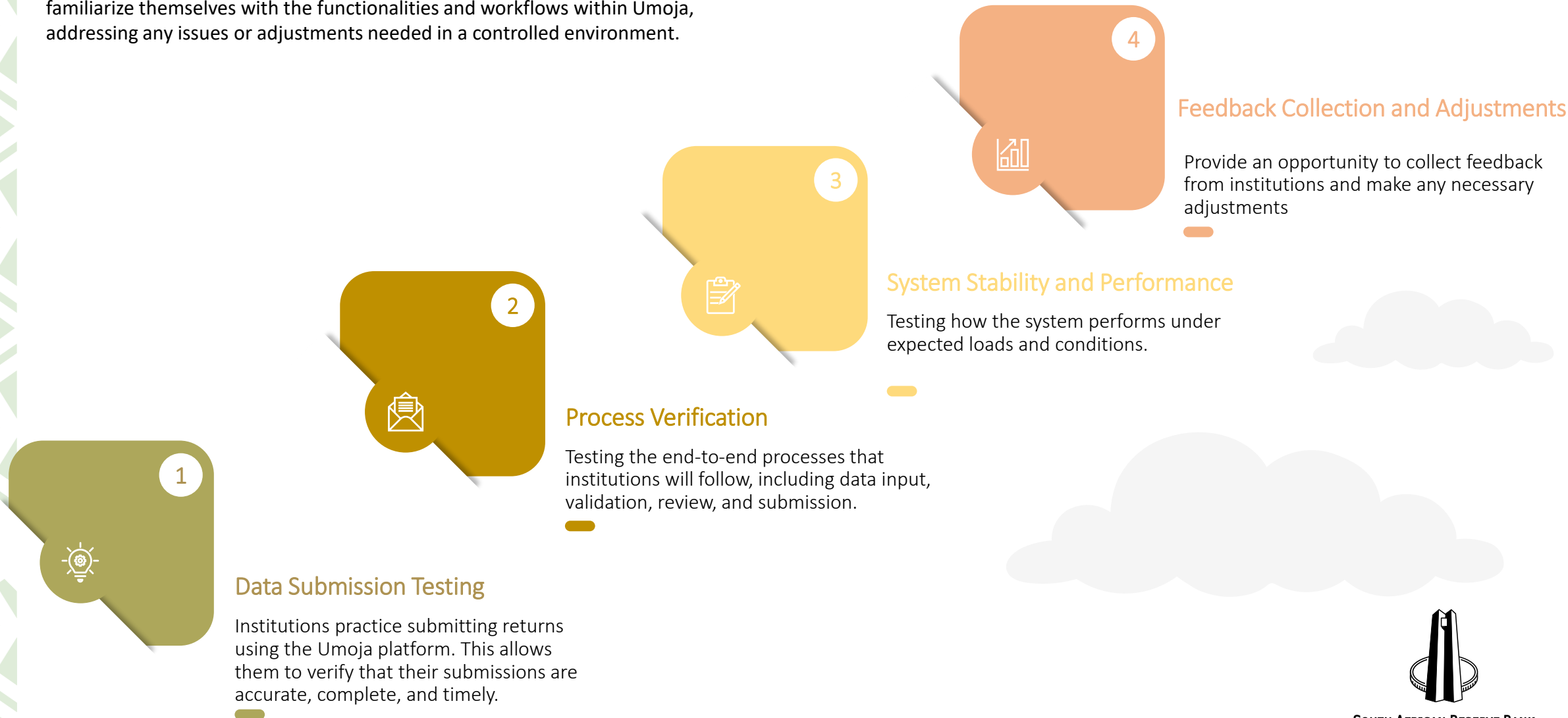
Parallel Runs

Parallel runs are a phase in system implementation where both the Umoja system and the existing system run concurrently. This allows for comparison and validation of results between the two systems before fully transitioning to the new system



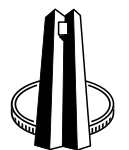
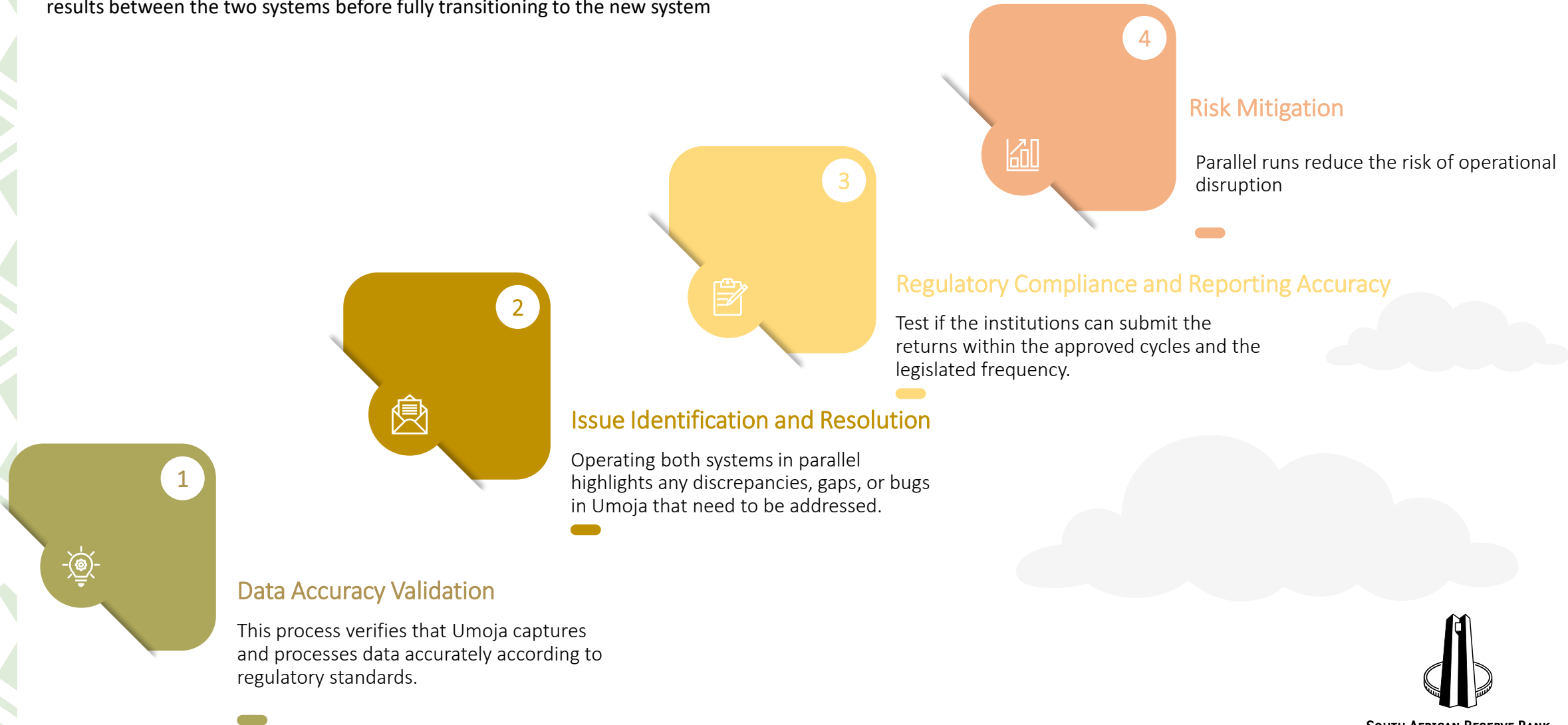
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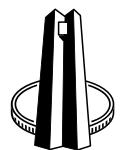
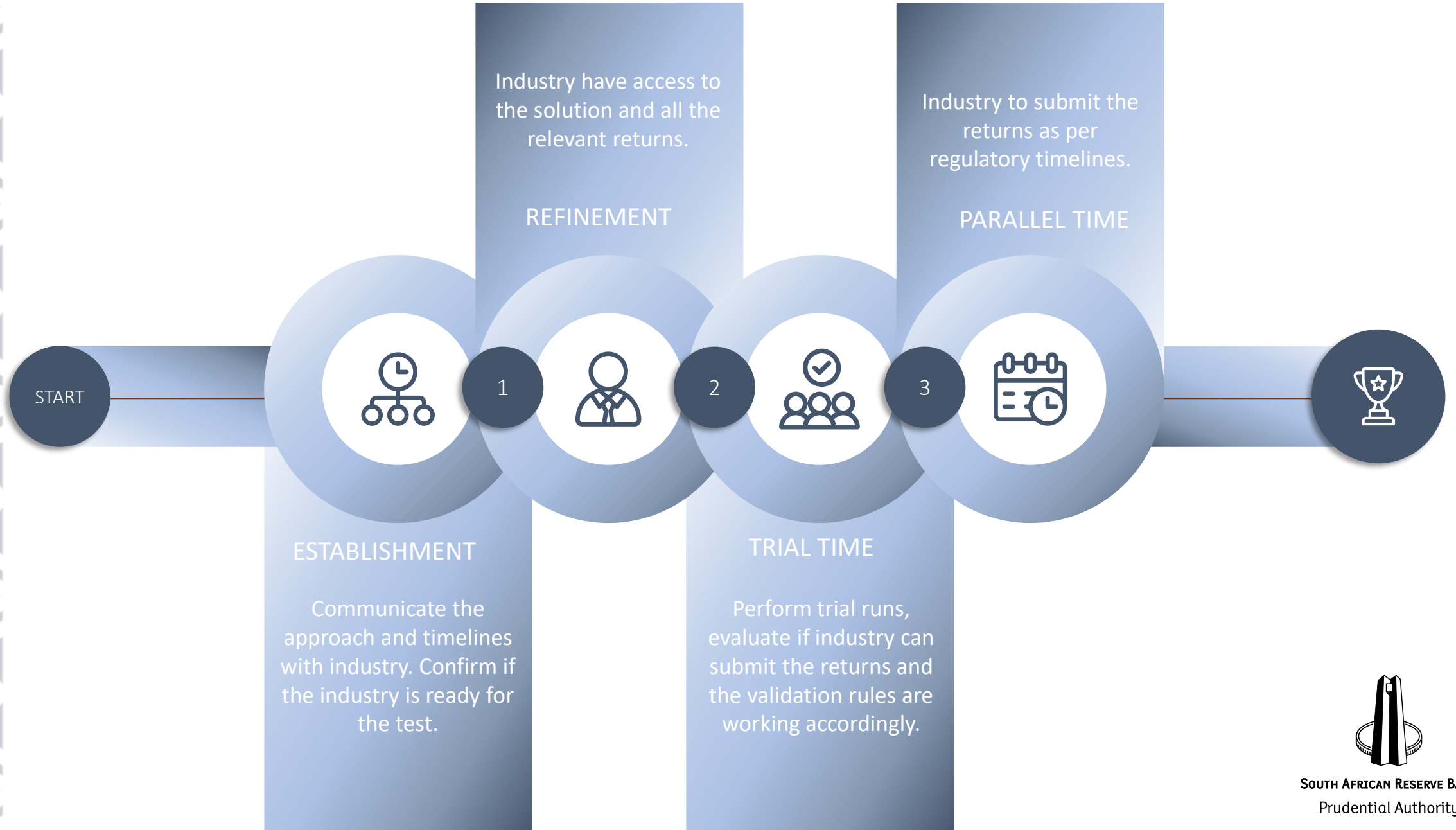


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Industry Readiness



Trial Run and Parallel Run Objective

Trial Run

Parallel Run

Jan

Feb

March

April

May

June

Solution QA

The goal is to determine whether banks can submit returns utilizing Umoja's available options. This includes determining whether the validation rules are performing as expected.

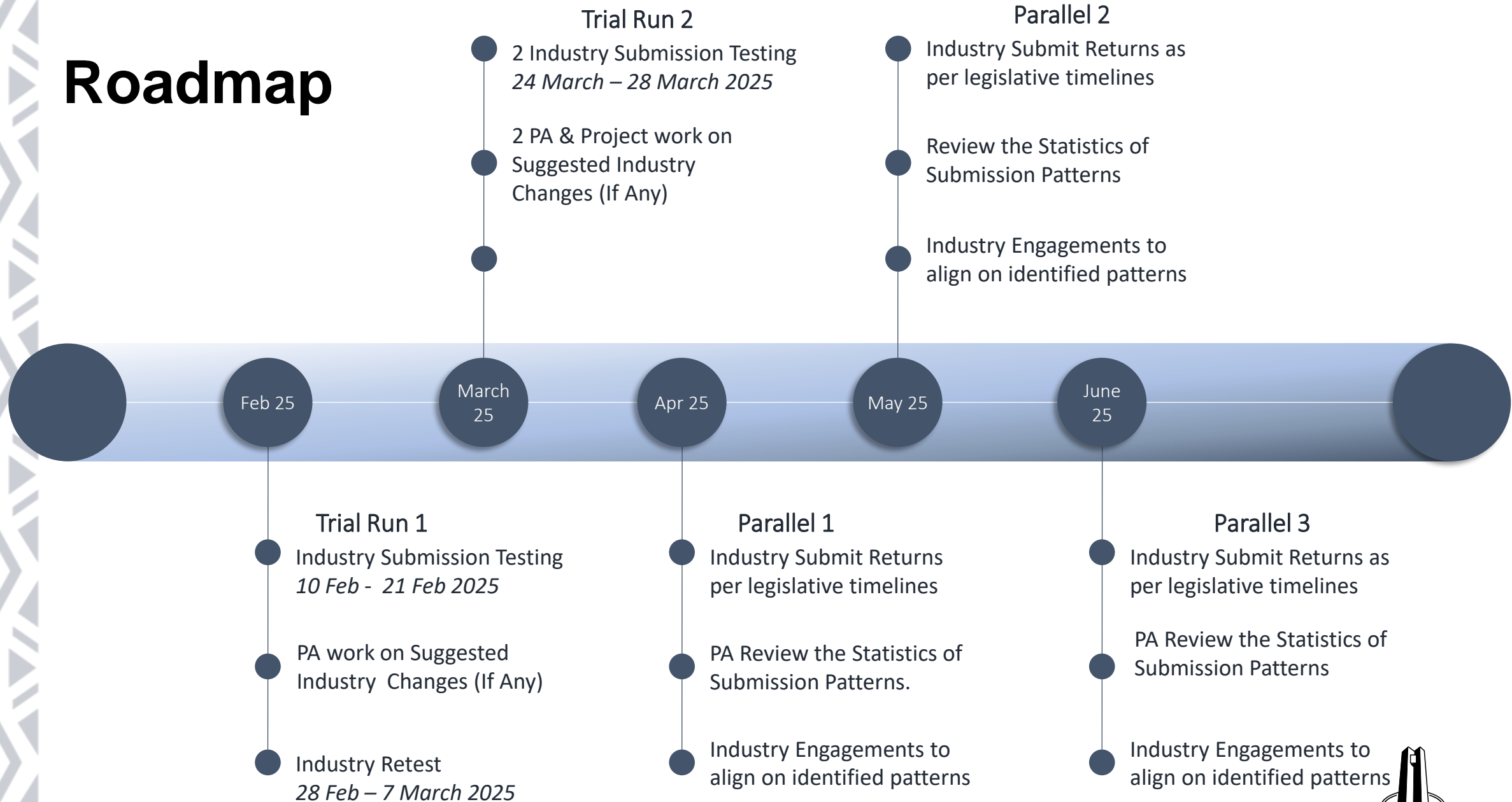
Legislative Runs

The goal is to test if the institutions can submit the returns within the approved cycles and the legislated frequency.

| | |
|----------|--------|
| BA100 | BA 125 |
| BA110 | BA 130 |
| BA120 | BA 300 |
| BA500 | BA 310 |
| BA340 | BA 320 |
| BA400 | BA 325 |
| BA410 | BA 330 |
| BA420 | BA 350 |
| BA700 | BA 701 |
| BA200 | BA 900 |
| BA210 | BA 920 |
| BA600 | BA 930 |
| BA610 | BA 941 |
| FRTB CVA | BA 942 |
| BA 944 | BA 943 |
| BA 220 | |
| BA 501 | |



Roadmap



Trial Run 1

- Industry Submission Testing
10 Feb - 21 Feb 2025
- PA work on Suggested Industry Changes (If Any)
- Industry Retest
28 Feb – 7 March 2025

Trial Run 2

- 2 Industry Submission Testing
24 March – 28 March 2025
- 2 PA & Project work on Suggested Industry Changes (If Any)

Parallel 1

- Industry Submit Returns per legislative timelines
- PA Review the Statistics of Submission Patterns.
- Industry Engagements to align on identified patterns

Parallel 2

- Industry Submit Returns as per legislative timelines
- Review the Statistics of Submission Patterns
- Industry Engagements to align on identified patterns

Parallel 3

- Industry Submit Returns as per legislative timelines
- PA Review the Statistics of Submission Patterns
- Industry Engagements to align on identified patterns



List of Returns for Trial and Parallel

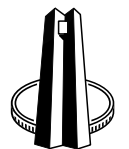


Starting in January

BA100; BA125; BA110; BA 130; BA120; BA300; BA500
BA310; BA340; BA320; BA400; BA325; BA410; BA330
BA420; BA350; BA700; BA701; BA200; BA210; BA600;
BA610; FRTB & CVA; BA501; BA202

Timelines to be advised

BA900; BA920; BA930; BA941; BA942; BA944; BA943



Looking Ahead



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Training

- Portal training
- Publish Training Material.
- Determine Key Learning Outcomes per Role.
- Manage GAPS.

- Key Messages to Target Audiences at right time through Frontline.
- What's in it for ME? (WIIFM)

Communication

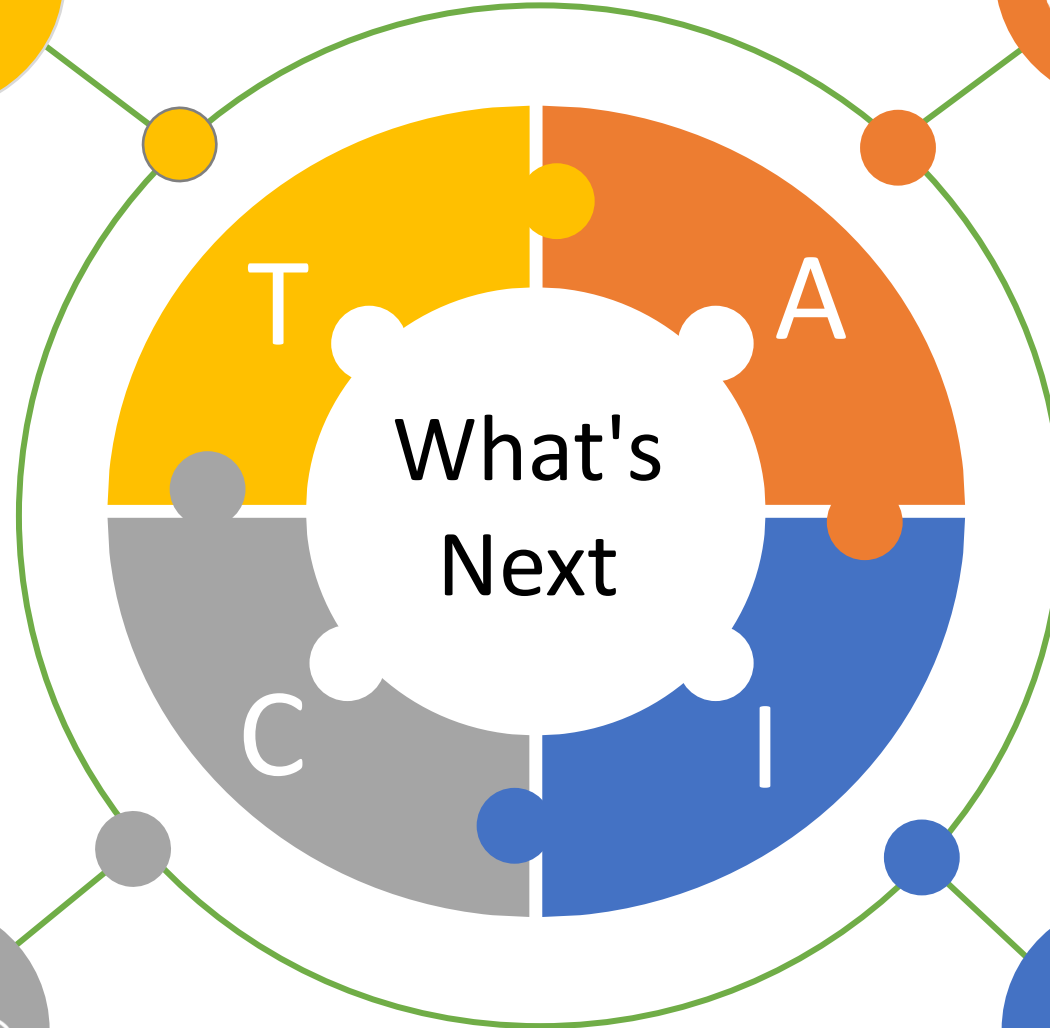


Stakeholder Management

- WHO will receive access to the Umoja Portal.
- Grant access to the Portal through Frontline
- Develop & Execute a Support Process.
- Establish Virtual Support Centre

- When will the scheduling be executed .
- Stop | Start | Continue

Impact Management



Reach us at

- Technical queries

PA-Transformation@resbank.co.za

- Compliance related

Please contact your PA frontline analyst

