

FSCA COMMUNICATION 25 OF 2022 (GENERAL)

PUBLICATION OF NOTICE OF AMENDMENT OF THE EXEMPTION BY THE FINANCIAL SECTOR CONDUCT AUTHORITY OF CERTAIN PERSONS FROM JOINT STANDARD 1 OF 2020

1 PURPOSE

The purpose of this Communication is to inform stakeholders that today the Financial Sector Conduct Authority (“FSCA”) published on its website the amendment to the Exemption by the Financial Sector Conduct Authority of Certain Persons from Joint Standard 1 of 2020, published originally under FSCA General Notice 3 of 2020.

2. BACKGROUND AND CONSULTATION PROCESS

- 2.1 On 5 August 2022, the FSCA published for public comment the draft Notice proposing to amend the Exemption by the Financial Sector Conduct Authority of certain persons from Joint Standard 1 of 2020 (“draft Amendment”). FSCA Communication 22 of 2022 (GENERAL)¹ that was published alongside the draft Amendment explained the background and rationale informing the draft Amendment
- 2.2 A total of 12 individual comments were received from 8 different commentators on the published draft Amendment Notice. All comments received as part of the public consultation process were considered and are set out in Annexure A to this communication, together with the FSCA’s responses to the comments received.
- 2.3 Based on the comments received, no amendments to the draft Amended Exemption were necessary.
- 2.4 In the main, commentators had no comments to submit on the wording of the draft Exemption. The comments received mostly related to a request for clarity on certain aspects of the exemption and Joint Standard 1 of 2020.

¹ “Publication of notice of draft amendment of the exemption by the financial sector conduct authority of certain persons from Joint Standard 1 of 2020 for comment”.

3. FINALISATION OF AMENDMENT TO EXEMPTION

3.1 The FSCA remains of the view that the withdrawal of the existing exemption applicable to significant owners of FSPs, insofar as it relates to honesty and integrity requirements, is a necessary step to ensure that:

- regulatory measures aimed at preventing criminals or their associates from controlling financial institutions are put in place; and
- the relevant finding reflected in the Financial Action Task Force Mutual Evaluation Report is addressed.

3.2 As such, the FSCA published the final amendment to the Exemption by the Financial Sector Conduct Authority of Certain Persons from Joint Standard 1 of 2020.

4. CONTACT

For further information regarding this Communication please contact the Regulatory Framework Department of the FSCA by emailing Hannelie Hattingh at Hannelie.hattingh@fsca.co.za.



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