



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Press Release: Financial Markets Bill, 2012

The Financial Markets Bill has been tabled in Parliament. The Bill updates the Securities Services Act (No. 36 of 2004), to take into account developments in international regulation and to strengthen our regulatory approach to financial markets and its participants. In particular, it enables a regulatory framework for unlisted securities, enables central reporting for derivative transactions, and takes additional steps to combat market abuse, including insider trading.

The Financial Markets Bill will govern the regulation of securities services in South Africa, including securities exchanges, central securities depositories, clearing houses, and their respective members. It consolidates the South African regulatory framework for capital markets and aligns the regulation and supervision of South African financial markets with prevailing international developments and regulatory standards.

In addition to the Bill, National Treasury is releasing documents to assist market participants to interpret the Bill. These include an Explanatory Memorandum to the Bill, with annexures discussing the main issues raised by stakeholders and explaining changes to the 4 August 2011 version that was released for public comment. It also includes a document describing the proposed approach to regulating over-the-counter (OTC) derivatives, supported by a detailed independent study that informs the approach. The key message of this paper is that OTC derivatives regulation will be implemented in a balanced and consultative way, and that standardisation, central clearing and central trading will only be required where appropriate and feasible. On this issue, stakeholders are requested to provide comments by 25 May 2012. A public workshop will be on 9 May 2012. Please email linda.vanzyl@treasury.gov.za to register.

Parliament will publish details in the press regarding its consultations shortly.

All the documents are available on the National Treasury (www.treasury.gov.za) and Financial Services Board (www.fsb.co.za) websites.

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