



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



PRESS RELEASE

THE REGULATION OF HEDGE FUNDS IN SOUTH AFRICA

Release of the Draft Regulations by the Financial Services Board and National Treasury

The National Treasury (“Treasury”) and Financial Services Board (“FSB”) release today, for public comment, the draft Regulations (“Regulations”) and related Explanatory Memorandum for hedge funds.

In 2012, South Africa, as a committed member of the G20, embarked on a process to enhance and expand the scope of regulation and oversight over hedge funds, following the Global Financial Crisis in 2008. This process culminated in the release for public comment, on 13 September 2012, of the Treasury and FSB proposed framework for regulating hedge funds in South Africa.

The extensive comments received from industry participants, industry bodies, regulatory bodies and other interested parties were carefully considered by the Treasury and FSB, and laid a good foundation for these draft Regulations. Industry participants and bodies were also invited to provide input during the Regulations drafting process.

The final Regulations will be effected through the existing Collective Investment Schemes Control Act, No. 45 of 2002 (“CISCA”), as a scheme declared by the Minister of Finance in terms of section 63 of CISCA. The declaration will also include those provisions of CISCA that will be applicable to hedge funds. These draft Regulations are issued for public comment by the Registrar of Collective Investment Schemes, as enabled and empowered by CISCA.

The intention is to still finalise the Regulations by the second quarter of this year. However, this will be dependent on the nature and extent of the comments received, which could necessitate the finalisation in the third quarter of 2014.

The draft Regulations are available on the official websites of the Financial Services Board (www.fsb.co.za) and National Treasury (www.treasury.gov.za) for public comment. Comments should be submitted by no later than Friday, **23 May 2014** to: Ms Tholoana Makhu (Senior Legal Advisor: Collective Investment Schemes), at email address tholoane.makhu@fsb.co.za or per facsimile to (012) 346 6533.

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