



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

DRAFT AMENDMENTS TO REGULATIONS IN TERMS OF FINANCIAL SECTOR REGULATION ACT, 2017

The Minister of Finance has published draft amendments to Financial Sector Regulations (“the Regulations”) for public comment. The Regulations were made in terms of sections 61(4), 288 and 304 of the Financial Sector Regulation Act No.9 of 2017 (FSR Act), published in Government Notice No.R405 of 29 March 2018, as amended, are set out in the Schedule.

The FSR Act established the regulatory architecture for a Twin Peaks model of financial sector regulation. The Prudential Authority and Financial Sector Conduct Authority (FSCA) are established in terms of that Act and have been operational since 1 April 2018.

Amendments are proposed to regulations 3, 9, 10 and 11 of the current regulations to streamline and simplify the process of finalising the appointments process for the Commissioner and Deputy Commissioners of the FSCA, so that the transitional phase may be terminated as soon as possible.

Amendments proposed to regulation 3 of the Regulations are intended to provide for a more effective transitional management committee during the transitional period until the Commissioner of the FSCA assumes office.

Amendments proposed to regulations 9 to 11 of the Regulations are intended to provide for a more efficient and streamlined appointment process for the Commissioner and Deputy Commissioners of the FSCA.

The process to appoint a Commissioner and Deputy Commissioner of FSCA commenced in April 2018, after the appointment of the Shortlisting Panel as per requirements of the Regulations. The Panel held several meetings to fulfil its requirement of shortlisting four candidates for consideration by the then Minister of Finance (Minister). Given the rigidity of the current regulated process, the Panel was not able to identify four candidates for recommendation to the Minister. The terms of office of two members, a Deputy Governor of the South African Reserve Bank and the National Consumer Commissioner, have also subsequently expired.

The above developments have necessitated amendments to the regulations. The revisions seek to:

- 1) Streamline the recruitment process for the Commissioner and Deputy Commissioners.
- 2) Empower the Minister to appoint additional persons to the Transitional Management Committee of FSCA, and to appoint one such person to act as Commissioner while the recruitment process is underway.
- 3) Clarify how vacancies to the Shortlisting panel should be handled.



Members of the public are invited to submit comments on the draft Regulations by 24 January 2020, via email to CommentDraftlegislation@treasury.gov.za and enquires may be directed to Jeannine.bednar-giyose@treasury.gov.za. After revising the draft Regulations to take account of the comments received, the proposed amended regulations will be submitted to Parliament in terms of section 288(4)(b) and (5)(b) of the FSR Act for consultation, after which the final amendments will be published.

While the proposed amendments to the Regulations are published for public comment, the National Treasury will in mid-January re-advertise the positions of Commissioner and Deputy Commissioners.

Issued by the Department of National Treasury

Date: 29 November 2019

