

TO: MINISTER OF FINANCE

FROM: FSCA SHORTLISTING PANEL

**SECOND REPORT OF THE SHORTLISTING PANEL:
RECOMMENDATIONS FOR THE APPOINTMENT OF ADDITIONAL
DEPUTY COMMISSIONERS OF THE FINANCIAL SECTOR CONDUCT
AUTHORITY (FSCA)**

Table of Contents

1. *Introduction*..... 2

2. *Background*..... 2

3. *Constitution of the Shortlisting Panel* 4

4. *Adoption of a Secretariat for the Shortlisting Panel*..... 5

5. *The selection process* 5

6. *Response to legal challenge on the recruitment process*..... 7

7. *Shortlisting process* 9

8. *Interviews* 10

9. *Suitability checks on the candidates*..... 11

9.1. *Standard reference checks*..... 11

9.2. *Competency testing* 11

9.3. *Enhanced reference checks* 11

10. *Invitation for public comments on the suitability of the two candidates*..... 12

11. *Considerations on the appointment of Deputy Commissioners* 12

12. *Disbandment of the Transitional Management Committee of the FSCA* 14

13. *Recommendation* 14

1. Introduction

This is the Second **Report** of the reconstituted Financial Sector Conduct Authority (FSCA) Shortlisting Panel to the Minister of Finance, and deals with the process undertaken by the Shortlisting Panel to recommend two candidates for the positions of Deputy Commissioners of the FSCA, for the consideration of the Minister.

The Shortlisting Panel submitted its first report to the Minister on 8 March 2021, in which it recommended that the Minister appoints either Mr Unathi Kamlana or Ms Astrid Ludin as the Commissioner of the FSCA. The Shortlisting Panel also recommended that the Minister appoints the candidate who is not appointed Commissioner between Mr Kamlana and Ms Ludin as one of the Deputy Commissioners of the FSCA. In a statement released on 22 April 2021, the Minister announced that he had accepted the Shortlisting Panel's recommendations, and that after consultation with the Director-General of National Treasury and the Deputy Minister of Finance, he had appointed Mr Kamlana as the Commissioner, and Ms Ludin as a Deputy Commissioner of the FSCA.

2. Background

The process to appoint a Commissioner and Deputy Commissioners of the FSCA commenced in April 2018, following the promulgation of the Regulations in terms of sections 61(4), 288 and 304 of the Financial Sector Regulation Act (FSR Act).

Subsequently, an advert for the Commissioner and Deputy Commissioner positions was placed in the media with a due date of 21 May 2018, and interviews for the Commissioner position were conducted on 2 February 2019. Given the inflexibility of the original Regulations, the first Shortlisting Panel was not able to identify a minimum of four candidates for interviewing by the Ministerial Panel (both these requirements of a minimum number and the Ministerial Panel are no longer in effect after the amendment of the Regulations). Furthermore, the original Regulations were so inflexible that they did not allow for the filling of vacancies on the Shortlisting Panel, when some of its members were automatically disqualified from serving on the Shortlisting Panel when they left their

employment (at the South African Reserve Bank (SARB) and the National Consumer Commission), making it difficult to continue with the recruitment process.

The vacancies on the 2018 Shortlisting Panel arose after the term of the SARB Deputy Governor, Mr Daniel Mminele, ended, and the retirement of the then National Consumer Commissioner, Mr Ebrahim Mohamed. The former Chairperson of the Financial Services Board, Mr Abel Sithole, who was also a member of the Transitional Management Committee (TMC) of the FSCA and the person designated in terms of the original Regulations to perform the functions of the Commissioner of the FSCA, also ceased to be a member of the Shortlisting Panel following his resignation from the FSCA and appointment as the Chief Executive Officer of the Public Investment Corporation.

The Financial Sector Regulations were subsequently amended to simplify the process of appointing the Commissioner and the Deputy Commissioners of the FSCA, and to clarify how vacancies on the Shortlisting Panel would be handled. The amendments were promulgated on 5 August 2020 (refer to a National Treasury media statement published

6 August 2020)

http://www.treasury.gov.za/comm_media/press/2020/20208006%20Media%20statement%20-%20Publication%20of%20Amended%20Regulations%20In%20Terms%20of%20the%20Financial%20Sector%20Regulation%20Act,%202017.pdf . The revised Regulations enabled the resumption of the recruitment process.

The Minister appointed the replacement members nominated by the two institutions to the Shortlisting Panel, and re-appointed all other previous members, in terms of Regulation 9(1) and (2) of the Financial Sector Regulations on 15 September 2020. At that stage, the Shortlisting Panel became properly constituted, and allowed the process for the shortlisting and recommending of candidates to proceed expeditiously (also refer to a National Treasury media statement published on 25 September 2020) http://www.treasury.gov.za/comm_media/press/2020/20200925%20Media%20statement%20-%20FSCA%20Commissioner%20and%20DCs.pdf .

3. Constitution of the Shortlisting Panel

The following persons were appointed as members of the Shortlisting Panel by the Minister:

(i) Mr Ismail Momoniat (Chairperson)

Mr Momoniat (the Deputy Director-General for Tax and Financial Sector Policy at the National Treasury) was, following his nomination by the Director-General of National Treasury, appointed in terms of Regulation 9(2)(a)(i) of the Regulations.

(ii) Ms Fundi Tshazibana

Ms Tshazibana was appointed in terms of Regulation 9(2)(a)(ii) of the Regulations. She is a Deputy Governor of the SARB responsible for Financial Markets and International.

(iii) Ms Thezi Mabuza

Ms Mabuza was appointed in terms of Regulation 9(2)(a)(iii). She is the Acting Commissioner of the National Consumer Commission.

(iv) Prof Deon Rossouw

Prof Rossouw was appointed in terms of Regulation 9(2)(a)(iv). He is an Extraordinary Professor in Philosophy at Stellenbosch University and the Chief Executive Officer of The Ethics Institute. He served as the President of the International Society of Business, Economics and Ethics (ISBEE), and is a member of the King Committee on Corporate Governance.

(v) Mr Sizwe Nxasana

Mr Nxasana was appointed in terms of Regulation 9(2)(a)(v) as a person with suitable experience and expertise in the financial sector, having been the Chief Executive Officer of the FirstRand Group from 2005 to 2015. He is currently a social entrepreneur with the Sifiso Learning Group and Future Nation Schools.

4. Adoption of a Secretariat for the Shortlisting Panel

At its meeting on 16 September 2020, the Shortlisting Panel adopted a Secretariat of three officials from National Treasury, comprising of National Treasury's Head of Human Resource Management (Ms Patricia Tomotomo), Ms Olaotse Matshane and Mr Ngoni Mangoyi. The Secretariat provides administrative and secretarial support to the Shortlisting Panel.

5. The selection process

The National Treasury advertised the Deputy Commissioner positions in the *Sunday Times* newspaper on 06 September 2020, with a closing date of 30 September 2020. The positions were also advertised online on the National Treasury website.

The original Shortlisting Panel that was appointed in 2018 followed the approach outlined in the report of the "*Commission of Inquiry into Tax Administration and Governance by SARS*" chaired by Judge Nugent for appointing the Commissioner of SARS, to guide the selection process for the FSCA Commissioner and the Deputy Commissioners. The new and reconstituted Shortlisting Panel confirmed this approach recommended by the Nugent Commission at its first meeting held on 16 September 2020, following the amendment of the Regulations. The Shortlisting Panel thus ensured that the process is open and transparent. The National Treasury also confirmed to the Shortlisting Panel that the Minister supported the Shortlisting Panel in adopting the approach of the Nugent Commission, and that the Minister took account of the need for members of the Shortlisting Panel to be of high standing and who inspire confidence with the public, and that both the members and the recruitment process be apolitical.

Paragraph 40 on page 186 of the final report of the *Commission of Inquiry into Tax Administration and Governance by SARS*:

“Our view is that the Commissioner of SARS should be appointed by the President, after consultation with the Minister of Finance, according to a transparent process. The process should be along the following lines:-

- 1. the President should of his own volition select, or upon nominations, select a candidate or candidates for appointment;*
- 2. following the selection by the President of the candidate or candidates it should be followed by an open and transparent process for the purposes of providing input to the President, or the Minister, as to the suitability for office of the candidate. This process should be apolitical and the persons providing the input should be selected on their personal merits including impeccable reputation and probity, and not on the basis of being a representative of any organisation;*
- 3. the candidate or candidates of the choice of the President or Minister, as the case may be, should be subjected to interview by an apolitical panel comprising persons of high standing who inspire confidence across the tax-paying spectrum;*
- 4. there should be criteria against which to evaluate the attributes of the candidate or candidates and the members of the panel;*
- 5. as regards the suitability of the persons to be considered as candidates for appointment as Commissioner the criteria against which the candidate or candidates should be evaluated for suitability should be:-*

first and foremost, he or she must be, and must be reputed to be, of unblemished integrity;

he or she must have proven experience of managing a large organization at a high level; and

he or she must not be aligned to any constituency, and if so aligned, he or she must renounce that alliance upon appointment.

- 6. once a candidate is appointed the recommendations of the panel should be made public.”*

Box 1: Extract from the Report of the *Commission of Inquiry into Tax Administration and Governance by SARS*

At a subsequent meeting, the Shortlisting Panel adopted a procedures’ document to guide its processes (Annexure A). The Shortlisting Panel committed itself to embracing *“the principle of transparency and appropriate public participation in its process for selecting and recommending suitably qualified and experienced candidates for the positions of*

Commissioner and Deputy Commissioners of the FSCA for appointment by the Minister of Finance". The Shortlisting Panel ensured that the procedures for the selection process are transparent, with regular reporting to the public.

This procedures' document outlines that the Shortlisting Panel would submit its recommendations to the Minister in a report recommending one or up to three recommended candidates, after it has shortlisted and interviewed the candidates who applied for the Commissioner position or Deputy Commissioner positions.

The Shortlisting Panel noted at one of its meetings that since the interviews are meant to select candidates who best fit into the positions of Commissioner (and Deputy Commissioners), *"(t)he interview processes will not be open to the public, in line with the process recommended by Judge Nugent in the appointment process for the Commissioner of SARS, to ensure that as many candidates as possible can be interviewed."*

The Shortlisting Panel notes that *"The Minister has the prerogative to appoint or not appoint any of the candidates that might be recommended by the Shortlisting Panel."* The Regulations make provision for the Minister to appoint another candidate that was not recommended by the Shortlisting Panel, and to publish his reasons for doing so.

The Shortlisting Panel recommends that the Minister makes the Report of the Shortlisting Panel public, as well as all public comments received, when making the announcement on the appointment of the Deputy Commissioners.

The Shortlisting Panel also developed selection criteria in line with the requirements of the FSR Act and Regulation 11 of the Financial Sector Regulations, which is outlined below.

6. Response to legal challenge on the recruitment process

The approach taken by the Shortlisting Panel also took account of the legal challenge to the process for the selection and shortlisting of candidates for the positions of

Commissioner and Deputy Commissioners of the FSCA, by Open Secrets and Unpaid Benefits Campaign filed on 22 October 2020 in the North Gauteng High Court. They were seeking interim relief, pending a review of the Financial Sector Regulations, in the following terms:

- (i) that the Shortlisting Panel be interdicted from shortlisting and interviewing candidates, or making recommendations to the Minister for the appointment of any candidates to the positions of Commissioner or Deputy Commissioners of the FSCA;
- (ii) that to the extent that there had been any shortlisting or interviewing process, that the respondents (i.e. the Minister and the Shortlisting Panel) be compelled to publish, within 3 days of the grant of an order, the schedule of interviews and candidates, including the criteria for shortlisting and interviewing; and
- (iii) that access be granted to the media and civil society to the shortlisting and interviewing process.

The National Treasury responded on 5 November 2020 in an answering affidavit, noting that the process for the shortlisting of candidates for the positions of Commissioner and Deputy Commissioners of the FSCA was not secretive, and that only the interview process was private and closed to the media and public. In the affidavit, National Treasury argued that conducting interviews in private ensures that candidates are able to freely express themselves, and to maximise the number of candidates prepared to be interviewed, as some applicants did not want their employers to know that they were applying for another job. In a judgment delivered on 17 November 2020, the High Court dismissed Open Secrets and Unpaid Benefits Campaign's application for urgent intervention, but the second part of the case challenging the validity of the Regulations continued on the normal court roll, and thus allowed the process for selecting and recommending candidates to continue. The hearing took place on 13 May 2021, and the matter is still pending as the Court reserved judgment.

7. Shortlisting process

Development of shortlisting criteria

The Shortlisting Panel developed shortlisting criteria that were used to select candidates who were shortlisted for interviews. In developing the shortlisting criteria, the Shortlisting Panel was guided by Regulation 11 (a) of the Financial Sector Regulations. Regulation 11 (a) requires the candidates to have at least 10 years' experience in a senior or executive position with—

- (i) a regulator (preferably a financial sector regulator);
- (ii) a financial institution;
- (iii) a financial sector industry body;
- (iv) a government department that is responsible for overseeing the regulation of the financial sector;
- (v) an international financial regulatory body; or
- (vi) any two or more of the institutions mentioned in subparagraphs (i) to (v).

The Shortlisting Panel received 38 applications for the Deputy Commissioner positions. At a meeting on 7 December 2020, the Shortlisting Panel worked on a final shortlist of candidates to be interviewed.

The 38 applications that were received were grouped into the following categories:

(i) Candidates who do not meet the minimum requirements in terms of qualifications (2 applications)

These candidates did not possess the minimum National Qualifications Framework Level 8 qualification as was required in the advert.

(ii) Candidates who do not meet minimum requirements in terms of management experience at executive level (11 applications)

These candidates had not gained adequate executive level experience or exposure, or developed requisite competencies, given the nature or level of their work experience.

(iii) Candidates who do not meet requirements relating to relevant experience in financial regulation / financial sector comparable scope (13 applications)

These candidates did not possess experience or exposure to the financial sector or financial sector regulation that would have prepared them adequately for the complexity of the operations of the FSCA.

(iv) Preliminary shortlist (12 applications)

Applicants whose credentials indicate that they had the requisite skills and experience relative to the advertisement.

Upon assessing each candidate's CV in detail, and based on the requirements in the advert and the selection criteria, the Shortlisting Panel agreed to shortlist 5 most suitably qualified candidates for interviewing. The three candidates who were interviewed for the Commissioner position on 21 November 2020 and not recommended to the Minister for appointment to the Commissioner or one of the Deputy Commissioner positions on 8 March 2021 were also considered as applicants for the Deputy Commissioner positions.

8. Interviews

The interviews were conducted on Thursday 14 January 2021 and on Friday 22 January 2021, on the MS Teams virtual platform.

The candidates were requested to prepare presentations on the following topic *"What are the key challenges facing the financial sector in the way it treats its customers? What should the FSCA do to ensure financial institutions treat customers better? How will you lead the FSCA to do so?"*.

As part of the selection and interview process, all candidates submitted their presentations prior to their respective interviews.

Taking into account the outcomes of the interviews and the competency assessments, two candidates, Ms Farzana Badat and Ms Katherine Gibson, emerged as the best fits for the Deputy Commissioner positions.

9. Suitability checks on the candidates

9.1. Standard reference checks

Before the interviews, National Treasury commenced standard pre-employment checks on all the shortlisted candidates. From the pre-employment checks, there was no adverse information that altered the preferences of the Shortlisting Panel. The required security checks by the State Security Agency were also completed, and no information emerged that altered the recommendations of the Shortlisting Panel.

9.2. Competency testing

Standard competency tests were performed to assess conceptual abilities to solve complex problems, behavioural patterns, personal preferences and work style, emotional intelligence and social stability. The psychometric tests elaborated on the aptitude of the candidates on conceptual and technical matters, as well as leadership capabilities. A report by *The Assessment Toolbox* informed the Shortlisting Panel's views on the suitability of the candidates. The tests did not reveal any matters that led to the disqualification of either candidate.

9.3. Enhanced reference checks

At the direction of the Shortlisting Panel, the National Treasury performed an additional set of reference checks, akin to a 360-degree review to obtain feedback from candidates' managers, peers, staff and stakeholders. Four references were received for each of the candidates.

From the enhanced reference checks, no information emerged that indicated that either of the two candidates would be unsuitable for appointment. It also aided the Shortlisting

Panel in assessing the candidates' strengths and areas for development, based on independent views.

10. Invitation for public comments on the suitability of the two candidates

The Shortlisting Panel invited public comments on the suitability of the two candidates, with the call for public comments being published on the National Treasury website on 7 June 2021, with a closing date of 14 June 2021. Commentators were expected to provide cogent reasons and documentary evidence if they sought to object to the recommendation for appointment of either of the candidates.

The Shortlisting Panel received 4 comments, with 3 comments supporting either of the candidates, and one comment querying the absence of a former Acting Commissioner of the FSCA from the list of candidates that the Shortlisting Panel intended to recommend to the Minister for appointment.

11. Considerations on the appointment of Deputy Commissioners

The FSR Act provides that the Minister can appoint up to four Deputy Commissioners of the FSCA. Depending on whether the Minister appoints both or either Ms Badat and Ms Gibson as Deputy Commissioners, there could be scope for the Minister to appoint additional candidates to the positions of Deputy Commissioners, taking into account the approved structure and the skills needs of the FSCA.

The Shortlisting Panel has noted that there is a need to consider the total set of skills and experience when appointing persons to the remaining Deputy Commissioner vacancies, taking into account the skills and experience of those already appointed. In this respect, the Shortlisting Panel anticipates that the new FSCA Executive Committee will probe the entire FSCA structure, and inform the Minister if there is a need for the Minister to make further appointments to the FSCA Executive Committee.

It is critical that the entire FSCA Executive Committee be as diverse as possible in terms of skills, expertise and demographics, and ideally that at least one Deputy Commissioner is skilled in at least one of the areas of banking, insurance, asset management, retirement funds, financial markets etc, and collectively that all these skills are found in at least one of the Commissioners. Whilst the Shortlisting Panel recognises that it will not be possible for all such skills and expertise to be represented in the entire Executive Committee, and that gaps may still exist, it recommends a strategy by the FSCA to address gaps as identified – whatever the composition of the Executive Committee. The challenge is to reduce and manage such gaps, and have processes in place to deal with them. In recommending the two candidates, the Shortlisting Panel has deliberately kept at least one position vacant, to enable the Minister and the new Executive Committee to determine what skills and expertise they may want to address when appointing additional Deputy Commissioners.

The Shortlisting Panel notes that the Minister has the discretion to fill one or two positions. Appointing at least one Deputy Commissioner is critical, as such appointment will also trigger the end of the transitional process, and the phasing out of the TMC within the next three months, as noted in point 12 below.

If the FSCA Executive Committee determines that the Minister needs to make further appointments to the Executive Committee of the FSCA, and makes a determination of the skills gaps, the Shortlisting Panel will reconvene again in the future and undertake the process of recommending additional candidates to the Minister. For future recommendations of candidates as Deputy Commissioners, the Shortlisting Panel believes that it will be optimal for a serving Commissioner to be part of the process to recommend appropriate candidates for the Deputy Commissioner positions. The Financial Sector Regulations may need to be amended if the Commissioner is to be formally part of the Shortlisting Panel for the process of recommending additional Deputy Commissioners in the future.

12. Disbandment of the Transitional Management Committee of the FSCA

Since its establishment in April 2018, the FSCA has been operating under the leadership of the TMC that was established in terms of the Financial Sector Regulations. The TMC performs the functions of the Executive Committee of the FSCA, and facilitates the functioning of the FSCA in an efficient and effective manner. The TMC continues to exist until its disbandment on a date to be determined by the Minister. In terms of the Financial Sector Regulations, the TMC will be disbanded after the Commissioner and at least two Deputy Commissioners have been appointed by the Minister. As such, if the Minister appoints at least one of Ms Badat and Ms Gibson as Deputy Commissioners of the FSCA, the Shortlisting Panel anticipates that the Minister will commence the process of disbanding the TMC.

13. Recommendation

The Shortlisting Panel recommends the two candidates for the consideration of the Minister, to appoint both (or either of them) as Deputy Commissioners. The Shortlisting Panel noted that the competency assessments confirmed that both candidates are suitable for appointment as Deputy Commissioners of the FSCA. No objections for the appointment of either candidate were received from the public comment process. The Shortlisting Panel noted the strengths of the two of candidates, based on their qualifications, experience, management style, track record and competencies. Ms Badat's strengths are in strategy development and formulation, regulatory and supervisory activities, governance, compliance and change management. Ms Gibson's strengths are in her understanding of financial sector policy and regulation, including the Twin Peak regulatory reforms, strategy formulation and policy analysis. *(Ms Badat and Ms Gibson's CVs are attached as Annexure B).*

In the Shortlisting Panel's considered view, the two candidates could effectively assist the Commissioner of the FSCA to successfully lead the FSCA to achieving the following objectives:

- Building a new and large organisation;
- An inclusive and transformed financial sector;
- A robust regulatory framework that promotes fair customer treatment;
- Informed financial customers;
- Strengthening the efficiency and integrity of South Africa's financial markets;
- Fostering and cultivating durable and symbiotic relationships with other regulators, and other key stakeholders, including the Minister of Finance and Parliament.

Date: 02 July 2021

FARZANA BADAT

• SUMMARY

Farzana Badat has over 15 years leadership, management and policy experience with direct exposure to financial sector regulation and financial consumer protection issues, spanning across various organisations including the International Association of Insurance Supervisors (IAIS), Financial Sector Conduct Authority (FSCA), former Financial Services Board (FSB), and several financial institutions.

She is currently a Senior Policy Advisor at the IAIS responsible for conduct risk, financial technology and digital transformation. In this role she is also involved in global financial sector coordination efforts with, among others, the Bank for International Settlements (BIS), Financial Stability Board (FSB), Financial Stability Institute (FSI), Organisation for Economic Co-operation and Development (OECD), and Islamic Financial Services Board.

She was previously the Divisional Executive responsible for Conduct of Business Supervision at the FSCA, prior to which she headed up the FSCA and FSB departments responsible for financial sector regulatory frameworks and insurance compliance supervision, respectively. Before joining the FSB, she established the second line regulatory risk and compliance function, data protection and combined assurance frameworks for a large local insurer. While working at a global audit and advisory firm, she also led and participated in several financial sector, consumer protection and technology risk regulatory assessment and implementation projects across several financial institutions, including banks, insurers and investment firms.

Farzana has a strong track record of participation on local and international coordinating structures and forums on financial consumer protection policy and supervision matters, and previously served on both the Board of the Short-term Insurance Ombudsman and the Council of the Long-term Insurance Ombudsman.

She graduated *summa cum laude* with an LLB degree from the University of Natal-Durban, holds an LLM degree in International Law from the University of Michigan Law School in Ann Arbor, USA, and completed her LLM coursework in Human Rights and Constitutional Litigation, Internet and E-commerce Law and Bioethics at the University of KwaZulu Natal. She has significant leadership and operational management experience and was previously selected for Directors' Development and High-Performance Leadership Programmes at two former employers.

• PROFESSIONAL EXPERIENCE

Bank for International Settlements (BIS) / International Association of Insurance Supervisors (IAIS) (2019 – present)

Senior Policy Advisor: Conduct of Business and FinTech

- Responsible for key strategic themes and accelerating trends relating to conduct, culture and the delivery of fair outcomes to financial customers, financial technology (FinTech) and digital transformation

- Coordinates supervisory dialogue and information exchange on the impact of digitalisation on insurers, financial market structures and financial customers
- Supports key projects on the role of culture in integrating oversight of prudential and conduct risks; the use of qualitative and quantitative risk indicators to assess fair customer outcomes and product value in different markets, including inclusive insurance; and responsiveness of existing financial sector business and regulatory models in adapting to increasingly virtual business and operating environments
- Facilitates co-ordination and analysis of global supervisory responses relating to the impact of Covid-19 on the insurance sector, policyholder protection and financial stability
- Represents the IAIS on various international forums focused on global financial consumer protection and technological innovation issues in the insurance, banking and payments sectors

Financial Sector Conduct Authority (FSCA) / Financial Services Board (FSB) (2014 – 2019)

Divisional Executive: Conduct of Business Supervision

- Executive oversight of financial sector conduct supervision across banks and payment providers, insurers and retirement fund benefit administrators, micro- and access product providers, intermediaries, financial advisors, and investment product providers

Departmental Head: Regulatory Frameworks

- Headed up department responsible for development of financial sector regulation falling within the mandate of the FSCA, including collaboration and co-ordination with the Prudential Authority, South African Reserve Bank, National Treasury and other regulatory authorities

Departmental Head: Insurance Compliance

- Headed up department responsible for supervising compliance of all life and non-life insurers with the Long- and Short-term Insurance Acts and the framework for treating customers fairly (TCF); introduced risk-based supervisory framework for conduct of insurers

Mutual and Federal Insurance Company / Old Mutual Insure (2012 - 2014)

Head: Regulatory Risk and Compliance

- Established the insurer's first fully fledged second line regulatory risk and compliance function and data protection office
- Developed and implemented a strategic and operating framework for monitoring and reporting of regulatory compliance risks across all business functions, including subsidiary entities

KPMG South Africa (2006 - 2012)

Senior Manager: Regulatory Compliance and Technology Risk Advisory

- Financial sector, consumer protection, technology and data protection, and public sector regulatory risk subject matter expert
- Responsible for design, implementation and effectiveness monitoring of Compliance Risk Management Plans (CRMPs) and Governance, Risk and Control (GRC) frameworks
- Project-managed regulatory compliance, corporate governance, risk management, and business process advisory and audit engagements across various sectors (financial services, government, technology and communications, health, mining)
- Led the Technology and Data Privacy Regulatory Compliance Service Line

•

OTHER EXPERIENCE

Gauteng Department of Provincial and Local Government (2006): Assistant Director (Legal Services)

LexisNexis (2005): Legislation and Law Reports Editor

Rhodes University (2004): Law Lecturer

Constitutional Court of South Africa (2002 – 2003): Law Clerk to Justice Albie Sachs

University of Natal Durban (2001 – 2002): Junior Law Lecturer

• EDUCATION

University of Michigan Law School, Ann Arbor, USA (2003 – 2005)

LLM in International Law

University of KwaZulu Natal, Durban, South Africa (2001 - 2002)

LLM Coursework: Human Rights and Constitutional Litigation, Internet and E-commerce Law, Bioethics

University of Natal, Durban, South Africa (1997 - 2000)

LLB *summa cum laude*

• MEMBERSHIPS/AFFILIATIONS

Representative on G20/OECD Financial Consumer Protection Task Force (present)

Representative on Financial Stability Board's Financial Innovation Network (present)

Representative on Financial Stability Institute's Informal SupTech Network (present)

Representative on International Financial Consumer Protection Organisation (present)

Representative on Islamic Financial Services Board's Working Group on Core Principles for Islamic Finance Regulation (Takaful) (present)

Member of the IAIS' Market Conduct Working Group (2016 - 2019)

Board Member of the Ombudsman for Short-term Insurance (2015 – 2019)

Council Member of the Ombudsman for Long-term Insurance (2015 – 2019)

Chairperson of the South African Bureau of Standards Working Group on ISO Standards for Information Security Techniques, Data Privacy and Access Management (2010 – 2013)

Member of the International Association of Privacy Professionals (2010 – 2013)

Member of the Compliance Institute of Southern Africa (CPrac) (2006 – 2019)

Katherine Gibson

Katherine Gibson is committed to public service. An economist from Durban with extensive experience in public policy, she is currently part of the Transitional Management Committee of the Financial Sector Conduct Authority, which is performing the functions of EXCO until appointment of the permanent Commissioners.

With a background in trade and competition policy, Katherine worked with National Treasury in the area of financial sector policy for more than a decade. Recognising that a fair and inclusive financial sector is the engine of inclusive economic growth and development, she has been instrumental in developing the conduct “peak” of South Africa’s twin peaks framework. Katherine has been with the FSCA since its establishment in April 2018, to support implementation of the twin peaks system, with a keen interest in delivering the National Treasury vision best articulated in its 2011 policy document: “*A Safer Financial Sector to Serve South Africa Better.*”

Katherine is an advocate of inclusive leadership. She believes that diversity and tolerance is the glue that holds an organisation and community together, to counter the effects of tunnel vision and the so-called “echo chamber.” Paired with integrity, agility, and plain hard work, diversity and tolerance are therefore essential ingredients to excellence.

EDUCATION

University of Natal, Durban **Master of Commerce Economics (*cum laude*), 2001-2002**
School of Economics: Lecturing support to faculty on part-time basis

Various scholarships, including International scholarship: University of Michigan (USA) Inter-University Consortium for Political and Social Research (ICPSR) summer training program in quantitative methods of social research AND Institute of Survey Research (ISR) summer training program in survey research techniques

University of Natal, Durban **Bachelor of Commerce (Honours) Economics (*cum laude*), 2000**
School of Economics: Lecturing support to faculty on part-time basis

University of Natal, Durban **Bachelor of Commerce, 1996-1998**
Merit certificate for top student: Macroeconomic Policy in South Africa 1998
Dean’s Commendation for outstanding academic achievement 1996

EMPLOYMENT

**Financial Sector
Conduct Authority
(FSCA)**

April 2018 – Present

Role: Member of Transitional Management Committee, Minister of Finance appointment
Oversight of Regulatory Policy Division, 1 November 2020 to present
Founding Member Trustee of the Financial Services Consumer Education Foundation, November 2020 to present

Oversight of Disclosure, Advertising and Marketing Analysis and Supervisory Framework departments in Specialist Support Division, 1 January 2021 to present
Acting Commissioner, 1 April 2021 to 31 May 2021

Responsibilities: Strategic and operational support for establishment of the FSCA and its transition from the Financial Services Board
Executive oversight of people, processes and systems
Coordination of and expert technical support on strategic initiatives including: Conduct of Financial Institutions Bill and FSCA scope of jurisdiction; review of the Financial Markets Act; developing an approach to unclaimed assets in the financial sector; enhancing the FSCA risk-based supervisory framework, including development of outcome indicators for conduct; establishment of the Emerging and Overarching Risk Committee and Risk Register; developing strategies towards transformation of the financial sector and financial inclusion; FSCA funding model
Catalysing cultural change to be a market conduct regulator, including in respect of: inclusive leadership; being proactive, pre-emptive, intensive and intrusive; centralised Project Management Office; supporting development of talent management, including training and development strategies
Stakeholder management, especially in relation to regulatory and policy matters, matters regarding the supervisory framework and matters of collaboration and coordination between the FSCA and other financial sector regulators
FSCA representative at FinCoNet International Financial Consumer Protection Organisation, January 2021 to present
Oversight of Regulatory Policy Division: Ensure effective performance and good governance of the Division, which is responsible for fintech, regulatory frameworks, consumer education, research, financial inclusion and transformation, and stakeholder engagement of the FSCA including with international standard setting bodies
Oversight of specified Departments in Specialist Support Division: Ensure effective performance and good governance of the departments, to develop and implement the FSCA supervisory framework and provide support to supervisory divisions in relation to matters of disclosure, marketing and advertising
Acting Commissioner: responsible for day-to-day management and administration of the FSCA, execute functions of the Accounting Authority for the FSCA, FAIS Ombud and Office of the Pension Fund Adjudicator, oversee effective hand-over to the new Commissioner and first Deputy Commissioner

Contractor
National Treasury

March 2013 - March 2018

Role: Senior Advisor: Market Conduct and Financial Inclusion,

Responsibilities: Policy and technical matters pertaining to design and development of the twin peaks framework, especially market conduct, financial inclusion and transformation of the financial sector
Establishment and management of Chief Directorate: Market Conduct and Inclusion (including skills transfer and employee

development), oversight of Chief Directorate: Financial Sector Development from July 2016
 Specific technical support provided in relation to: Financial Sector Regulation Act 2017, implemented 2018; draft Conduct of Financial Institutions Bill (ongoing); reform of South Africa's financial sector ombud system, including the 2017 consultation policy document "*A Known and Trusted Ombud System for All*"; Development of draft national financial inclusion policy (finalised for publication); Parliamentary hearings into transformation 2017 and subsequent NEDLAC / Financial Sector Transformation Council processes; Diagnostic of market conduct in South Africa's retail banking sector - Draft report 2017; Portfolio Committee on Trade and Industry debt intervention policy and associated committee bill (culminated in the National Credit Amendment Act 2018); SteerCo for the Review of the National Payment System Act 2016/17; *Treating Customers Fairly in the Financial Sector: a Draft Market Conduct Policy, 2014* National Consumer Financial Education Committee, Chairperson July 2016 – October 2017
 Board Trustee for ASISA Foundation, June 2017 – June 2018

Independent Advisor

August 2011 – February 2013

Role: Senior Financial Sector Policy Advisor

Responsibilities: Technical specialist in financial sector policy, especially in areas of insurance, asset management, capital markets and pensions, with focus on stability, efficiency, financial inclusion and consumer protection (market conduct)
 Clients included National Treasury and FinMark Trust (through the Centre for Financial Regulation and Inclusion – CENFRI)

National Treasury

February 2005 – July 2011

Role: Director: Financial Services
Senior Economist

Responsibilities: Policy development and implementation in relation to capital markets, investment management, and long- and short-term insurance
 Milestones include: Financial Markets Bill 2011; Microinsurance policy framework 2011; Revision of Regulation 28 of Pension Funds Act 2011; South Africa commitment to UNIDROIT Convention on Substantive Rules Regarding Intermediated Securities 2009; Insurance Laws Amendment Act 2008; Financial Services General Laws Amendment Act 2008; Venture Capital Company tax incentives 2008

Competition Commission of South Africa

Mid-July 2003 – January 2005

Role: Enforcement and Exemptions: Senior Analyst

Analyst
Junior Analyst

Responsibilities: Enforcement and Exemptions Division: Management of 'Health and Business' section
Policy and Research Division: Sectoral studies and case support

Contractor
Trade and Industrial Policy
Strategies

February 2003 – mid-July 2003

Role: Trade economics research

Responsibilities: Contributing to research, analysis and capacity building in the following areas: tariffs, free-trade agreements (*ex-post* and *ex-ante* analysis), estimating behavioural relationships in trade
