



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

Publication of the Draft Financial Sector and Deposit Insurance Levies Bill (and associated administration Bill) for public comment

The National Treasury invites public comments on the following draft Bills approved by Cabinet on 24 November 2021 before their introduction in Parliament early next year:

- a) Draft Financial Sector and Deposit Insurance Levies Bill, 2022 (previously published as the Financial Sector Levies Bill in February 2021); and
- b) Draft Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Bill, 2022.

The Financial Sector Regulation Act, 2017 (No. 9 of 2017) (the Act) empowers financial sector regulators, ombuds and other bodies to charge fees from regulated entities to fund the performance of specific regulatory and supervisory functions. The Act also enables the imposition of levies by financial sector bodies read together with a money bill that creates the legal mechanism for the imposition of those levies. The Draft Financial Sector and Deposit Insurance Levies Bill facilitates the funding of financial sector regulators, ombuds and other bodies, to ensure that they are able to effectively regulate the financial sector for the benefit of financial customers. The purpose of the Draft Bill is to provide funding to financial sector bodies for their operational requirements as well as the performance of their regulatory functions.

National Treasury has revised the Bill published as the Financial Sector Levies Bill in February 2021 and taken account of comments received. The Financial Sector Laws Amendment Bill provides for the establishment of the Deposit Insurance Fund (“the Fund”) and the Corporation for Deposit Insurance (“the Corporation”) to administer the Fund. In order to enable the Corporation to fulfil its mandate of administering the Fund, a deposit insurance levy is imposed through the Draft Financial Sector and Deposit Insurance Levies Bill. The deposit insurance levy will also cover the funding of the Corporation’s operational requirements. Financing for the Fund (in addition to other mechanisms) will be provided by its members through the imposition of a deposit insurance premium in terms of the Draft Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Bill, 2022.

Cabinet approved the two Draft Bills and their introduction in Parliament on 24 November 2021. Parliament is also expected to run a parallel process inviting public comments on the Bills early next year. The public submissions received by the National Treasury will also inform the parliamentary hearings expected next year.

The following documents are attached with the draft Bills, providing more background to the bills:

- **Annexure A:** Government Legislative Policy Socio-Economic Impact Assessment for the Financial Sector and Deposit Insurance Levies Bill and Objects Memorandum;
- **Annexure B:** Government Legislative Policy Socio-Economic Impact Assessment for the Financial Sector and Deposit Insurance Levies (Administration) Bill and Objects Memorandum;
- **Annexure C:** Comments Matrix with responses to the Financial Sector Levies Bill of February 2021 and
- **Annexure D:** Consolidated Consultation Document of the Corporation for Deposit Insurance and funding model

Comments on the Bills will be accepted until Monday 7 February 2022 and should be submitted to financial.policy@treasury.gov.za

Issued by National Treasury

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