Regulation 28 Second Draft Comments Matrix

Section of the regulation	Comment		Response
Sub-regulation 1: Definition of hedge fund	Our concern is that whilst we do not believe it is National Treasury's intention to include, in the definition of 'infrastructure', instruments into which retirement funds invest and which are not, to all intents and purposes, infrastructure, there is a potential that such investments could yet fall within the definition of infrastructure, and thus potentially unduly and unnecessarily curtailing the investment universe for retirement funds in light of the overall limits being introduced. Eg.1. Listed equities that provide and/or invest in the provision of infrastructure, such as Netcare (and other hospital groups) or MTN, are not infrastructure investments and should not be classified as such nor count towards the 45% limit. Also, holding companies that have an investment in an infrastructure asset e.g., should an entity like Remgro invest in a toll bridge in future, and this were to represents <10% of NAV etc, this should not be classified as nor count towards infrastructure.		Keep definition because on look through infrastructure components must be **disclosed** e.g., listed equity in listed companies as well as HF & PE
Sub-regulation 1: Definition of hedge fund	Also, would SANRAL bonds qualify as infrastructure investments if they are not government guaranteed? We **submit** that these instruments should not be classified as infrastructure investments, as the bulk		Not all SOE debt is government guaranteed. Also, the test is not whether the asset/bond is guaranteed or not for it to be infrastructure.

Section of the regulation	Comment		Response
	of activities conducted by listed companies, for example, are not infrastructure.		
Sub-regulation 1: Definition of hedge fund	The proposed definition includes the phrase “to be a collective investment scheme to which the prescribed provisions of the Collective Investment Schemes Control Act, 2000 (Act No. 45 of 2002), apply”, which implies that Hedge Funds as defined are “approved and licensed under the Collective Investment Scheme Control”. If this is the case, then it is not clear what the difference between item 8(a)(ii) of Table 1 (“Hedge Funds”) and item 8(a)(iii) of Table 1 (“Hedge funds approved and licensed under the Collective Investment Scheme Control”) is.C6		Remove the addition of item 8.1(a)(iii) in Table 1 (definition should suffice - need not repeat it here)
Sub-regulation 1: Definition of hedge fund	Our members remain of the opinion that a RF should be able to invest into the hedge fund assets as provided for in the current definition of hedge fund in Regulation 28.It could be assumed that NT takes comfort in the fact that the FSCA supervises SA CIS HF, but then the reason for apparently not accepting the entire regulatory framework which the FSCA administers and supervises (for example other regulations applicable to RFs (Regulation 28), foreign funds approved in terms of section 65 of CISCA, investment managers and hedge fund investment managers) as an appropriate control framework, is unclear.		CISCA legal framework provides greater protetction under approved HFs)(local & foreign operating within SA). It provides recourse for members & stakeholders in a regulated environment in the event of breaches/ defaults unlike unregulated, unapproved products marketed as HFs to funds

Section of the regulation	Comment		Response
Sub-regulation 1: Definition of hedge fund	The proposed definition, the provision for hedge funds in Table 1 (8) and the comments in the response matrix are not consistent and contain contradictions. For example, 8.1(a)(iii) of Table 1 refers to "Hedge funds approved and licensed under the Collective Investment Schemes Control Act". The proposed definition only includes SA CIS HFs so it is unclear what 8.1(a)(ii) then refers to. Note also that hedge fund portfolios are not licensed under CISCA – the manager is licensed – so the reference to "licensed" is technically incorrect.		Agree remove item 8.1(a)(iii) from Table 1 it's in conflict also with definition of hedge fund already included in definition section
Sub-regulation 1: Hedge funds	The proposed definition seemingly requires the "prescribed provisions of the Collective Investment Schemes Control Act" as set out in GN 141 of 2015 to apply in order for the asset to be included in the definition of a "hedge fund". This would exclude all hedge funds domiciled outside South Africa, contrary to the existing definition which expressly refers to and permits investment in foreign hedge funds.	Make corrections subject to advise from FSCA - also check if HFs refers to both local and foreign	CISCA legal framework prvodes greater protetction under approved HFs)(local & foreign operating within SA). It provides recourse for members & stakeholders in a regulated environment in event of breaches/defaults unlike unregulated, unapproved products marketed as HFs to funds
Sub-regulation 1: Hedge funds	The proposed definition would also exclude all hedge funds who do not invite or permit "members of the public" to invest. The existing definition does not have such a qualifier.		CISCA legal framework provides greater protection under approved HFs)(local & foreign operating within SA). It provides recourse for members & stakeholders in a regulated environment in event of breaches/defaults unlike unregulated, unapproved products marketed as HFs to funds

Section of the regulation	Comment		Response
Sub-regulation 1: Hedge funds	Whilst we welcome the alignment of the Hedge Fund definition with that under CISCA, and the delinking of Hedge Funds from Private Equity and Other assets in Table 1, the continued inclusion of Hedge Funds within unlisted assets in sub-regulation 3(f) remains an issue. We would encourage the further delinking of regulated, liquid Hedge Funds from unlisted/illiquid assets in sub regulation 3(f) given the very different risk profiles of the two.		Reg28(3)(iv) hedge funds split out and reg 28(v) private equity split out and reg 28(vi) any other asset not listed in Table 1
Sub-regulation 1: Hedge funds	Kindly provide clarity on the following: When reporting on offshore Collective Investment Scheme's with exposure to crypto-assets, will the allocation bucket remain offshore? A danger could be a Collective Investment Scheme which wraps ProShares ETF (for e.g.) is then deemed to be an offshore/equity asset class.		CISCA legal framework provides greater protection under approved HFs) (local & foreign operating within SA). It provides recourse for members & stakeholders in a regulated environment in event of breaches/defaults unlike unregulated, unapproved products marketed as HFs to funds
Sub-regulation 1	The definition still needs some work and would therefore recommend the below revised definition: Infrastructure Investments may include any direct or indirect investments into the physical and technology structures and systems which serve as foundations for the provision of utilities, services or facilities for the economy, businesses, or the public. (for example, transport, water & wastewater, power, communications, data centres, government facilities, tourist attractions, shared public amenities). Given the inclusion of a much wider	Def could work - "Investments may include any direct or indirect investments into the physical and technology structures and systems which serve as foundations for the provision of utilities, services or facilities for the economy, businesses, or the public".	Discuss with DDG & DE but exclude the examples as the list is not exhaustive

Section of the regulation	Comment		Response
	definition, there are some questions around whether it is the intention to count listed infrastructure related investments under this definition for example listed shares or debt in issuers such as MTN, Vodacom, Netcare etc.) If this is indeed the intention, the proposal of an overall infrastructure limit becomes a critical point of contention which needs to be considered as it will have unintended consequences		
Infrastructure definition	The updated definition of infrastructure is acceptable.	Noted	Noted
Infrastructure definition	the definition should include a more direct and/or prescriptive list of the types of assets that would classify as infrastructure, for example, by sector, issuer, stage of investment. Members mentioned that the definition should be broad enough to for instance include investments into digital infrastructure without further amendments		Amended broader definition inserted. Can't provide a list, risk leaving other types of assets or sector out.
Sub regulation 1 infrastructure definition	• We welcome that the definition is no longer linked to the National Infrastructure Plan. • We welcome that it excludes Government issued and government guaranteed debt. However, there may be debt issued by SOEs that is not guaranteed that would meet the definition of infrastructure, which would significantly utilise the 45% limit. We propose that all SOE debt is excluded (guaranteed and non-guaranteed). • We are concerned that the proposed		Not all SOE debt is fully guaranteed by govt and cannot be excluded (govt guaranteed debt whether SOEs or not is already excluded so this can be utilised up to 100%). Also have broadened the definition.

Section of the regulation	Comment		Response
	definition is overly broad and can include exposures that would not be considered infrastructure within general market practice. As the definition of infrastructure is linked to the limit of 45%, where exposures are unintentionally included, it could have the effect of limiting the overall exposure to infrastructure, which is the opposite of the intended effect. For the avoidance of doubt, we propose specifically excluding any exposure to listed entities that may have a high infrastructure asset base (E.g., a Telecoms Company that has fibre / network infrastructure on its balance sheet or a listed entity that significantly invests in infrastructure). • We note that the "benefit to the public" aspect included in the definition is open to interpretation and may result in different treatment across various retirement funds. Examples of such items are construction of a Port warehouse facility vs. a consumer goods warehouse facility; and the construction of a manufacturing plant that produces vaccines vs. widgets.		
Sub regulation 1 infrastructure definition	Unless it is the intention that only hedge funds domiciled in South Africa and approved and regulated by the Financial Sector Conduct Authority should qualify for this asset class, we suggest that the definition should be amended.		CISCA legal framework provides greater protection under approved HFs) (local & foreign operating within SA). It provides recourse for members & stakeholders in a regulated environment in event of breaches/defaults unlike unregulated, unapproved products marketed as HFs to funds

Section of the regulation	Comment		Response
Sub-regulation 1 "infrastructure definition"	This broad definition gives a great deal to the discretion of the Regulation 28 reporting entity. We are concerned that a lack of clarity as to which physical assets are referred to would make reporting difficult, and possibly inaccurate.		Refer to amended broader definition
	b) There is no specific allocation to private debt and if you look through to that, there is a lower allocation to this asset class that has the potential to drive capital into the infrastructure space. Although not a pure definitional issue, this again highlights the interplay between the definition and the limits.		FSCA concerns remains around investments in "distressed entities" under guise of infrastructure
Sub-regulation 1 "infrastructure definition"	We appreciate the revision of the proposed definition; in that it aligns more closely to the ASISA definition. In our view this broader definition would result in retirement funds being able to invest in a wider range of assets that support Government's goals around infrastructure development. The definition refers to "…any asset class that entails physical assets…", which implies that the definition is applied per asset class rather than per investment. We recommend that the wording be amended to read. "…any investment that entails physical assets…" From the definition it appears that the investment would need to contain an element of physical assets but would not need be to be exclusively physical assets. Thus, an entity that both owns and operates an hospital, for example,		Refer to amended broader definition

Section of the regulation	Comment		Response
	would qualify as it entails physical assets. If the entity is however split into an asset owning entity and an operating entity, only the asset owning entity would qualify. It may make more sense to include services that provide social or economic utility as well in the definition.		
Crypto def	We are of the view that the regulators should reach agreement on the definition of crypto assets and the activities to be regulated to ensure consistency / alignment across various pieces of legislation that may apply to the product and entity,		Cryptos in their current unregulated state are not permitted. Work is still underway by the IFWG on the supervision and regulation of crypto assets
Sub-regulation 3(dA)	We propose the wording be amended to be consistent with current wording within Regulation28 for example the definitions of "fund of hedge funds", "fund of private equity funds", "hedge funds", "private equity fund", which then does not require that conditions must be prescribed. (**dA) Subject to paragraph (d), a fund may invest in a hedge fund, subject to conditions as may be prescribed."**	Noted	Noted
PE limit	As most of the additive and impactful infrastructure investment by the private sector takes place through unlisted investments, we would like to propose that the aggregate limit to unlisted instruments in sub-regulation 3(f) be increased to 45% to be aligned with the proposed aggregate exposure limit on infrastructure in sub-regulation 3(iA).		Agree amend limit in 3(f) to 40%

Section of the regulation	Comment		Response
Existing sub-regulation 3(g) aggregate limit of 15% relating to unlisted preference shares (excluding property companies) and private equity funds	Due to the overall private equity exposure increase from 10% to 15%, we believe that consideration should be given to concomitantly increasing the aggregate limit in this sub-regulation from 15% to 20%.		Agree amend limit in 3(g) 20%
Applicability of the 45% infrastructure limit across all asset classes	we believe that the proposed 45% domestic (that excludes debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic, and which 45% is also to excludes infrastructure investment in the rest of Africa) is a much-improved outcome. We do, however, **propose** that suitable amendments are made to the wording of the proposed sub-regulation (3)(iA), (3)(iB), the wording in Item 11(a) of the proposed revised Table 1, and to the wording in the last line item (i.e. Total) of the proposed Table 2, to give clear effect to that which is stated in the media release of the second draft of the proposed amendments to Regulation 28, which states that "..the overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an additional limit of 10% in respect of the rest of Africa."	Exclude reference to 10% in Africa as that is dealt with through Excon and prudential limit on foreign exposure and Africa allowance has been merged into a single limit	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an additional limit of 10% in respect of the rest of Africa.**"
Applicability of the 45% infrastructure limit across all asset classes	We are of the view that the infrastructure limit of 45% was implemented as a sub-limit across all asset classes. We do however note that there may be a different interpretation that requires further clarification. Infrastructure included as a separate		Fund needs to stick to the sub-limits in Table 1 - 45% in infrastructure is overall limit. If a fund invested 15% in PE which turns out not to include infrastructure, they would not be able to allocate anything further in PE.

Section of the regulation	Comment		Response
	asset class and limit: Under this interpretation of the Table 1, where for example, private equity investments are a blend of infrastructure and non-infrastructure assets, then only non-infrastructure private equity investments would be classified in the newly created private equity asset class (Row 9 on Table 1) and infrastructure investments would be included in Row 11 on Table 1. As such, the pension funds allocation to a private equity fund that is invested in non-infrastructure assets would be capped at 15%, with the portion of the invested capital invested in infrastructure assets would fall within the 45% infrastructure allocation. It would then follow that pure infrastructure funds will not fall within the 15% private equity fund allocation at all, but rather within the 45% infrastructure allocation. On this interpretation, the exposure to private equity funds could possibly be significantly higher than 15% currently proposed in terms of the draft amendments. As indicated above, we do not view the above interpretation as National Treasury's intention but wanted to bring this interpretation to your attention.		
Applicability of the 45% infrastructure limit across all asset classes	There is an inconsistency in the wording relating to including/excluding African securities which flows through the 2nd draft, the accompanying tables, the issued media	Exclude reference to 10% in Africa as that is dealt with through Excon and prudential limit on foreign exposure and Africa allowance has been merged into a single limit	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an**

Section of the regulation	Comment		Response
	release and the comment matrix. Based on the first draft as well as the November 2021 media statement, we understand that the 10% allocation to the rest of Africa is over and above the 45% domestic exposure limit, with which we agree. However, the current wording includes the 10% rest of Africa as part of the 45% domestic exposure limit. Contrast this with the wording in Table 1 line item 11(a) and Table 2 Total line item, where the wording supports our understanding that the 10% rest of Africa is not part of the 45% domestic exposure limit, albeit that the wording in these two instances could lead to confusion and could thus be improved. We propose that the wording between this sub-regulation and Table 1 and Table 2 be standardised. a) Accordingly, we **propose** the following refinement to the infrastructure limit: The aggregate exposure by a fund to all issuers in respect of infrastructure excluding South African government and government guaranteed instruments, may not exceed 45% of the aggregate fair value of the total assets. A further 10% exposure is allowed to infrastructure assets in the rest of Africa.		**additional limit of 10% in respect of the rest of Africa.**"
Sub-regulation 3 (iA) – Infrastructure limits	The media statement and the table are not aligned. Please provide clarity.	Exclude reference to 10% in Africa as that is dealt with through Excon and prudential limit on foreign exposure and Africa allowance has been merged into a single limit	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an**

Section of the regulation	Comment		Response
			additional limit of 10% in respect of the rest of Africa."
Sub-regulation 3 (iA) – Infrastructure limits	b) Furthermore, there is still strong support from members to reconsider, or for the complete removal of, the 45% aggregate limit on the basis that the sub-limits in the existing table effect the required portfolio diversification and protection.		Maximum limit remains 45% as some comments stated its too high & some stated its too low - **this the middle ground/ compromise**
Sub-regulation 3(iB) – Infrastructure limits	We propose inserting the word "infrastructure" to make it clear this is the asset that the 25% limit is applicable to:		25% is a catch-all limit for all assets classes per entity to manage concentration risk - not necessarily related to infrastructure alone but all other asset classes **to limit exposure to a single entity/ issuer** e.g., Steinhoff< Abil, Regal, Saambou etc.
	"The aggregate exposure in respect of infrastructure by a fund per issuer/entity must not exceed 25% of the aggregate fair value of the total asset of the fund, excluding government and government guaranteed instruments."		See above
	Similarly, we also propose making this change to the Table 1 line item 11 (b) by inserting the word "infrastructure".		See above
Sub-regulation 3 amendment of 3(f)	We note that no amendment is proposed to the existing 35% limit applicable to the aggregate holding of the following asset categories in Table 1: item 2.1 (e) (ii): Other debt instruments not listed on an exchange – existing limit 15%; no change ...Given that infrastructure assets tend currently to be unlisted, retaining the existing 35% limit to the above categories of assets may indirectly		Agree amend limit in 3(f) to 45%

Section of the regulation	Comment		Response
	limit investment in infrastructure assets. It will also indirectly limit pension funds from making use of the increased room for investment in hedge funds and private equity funds. We suggest that an increase to the 35% limit be considered.		
Sub-regulation 3 (k): Crypto asset prohibition	We believe the introduction of this new prohibition, in the 2nd draft, with only a 2-week comment period is far from ideal and that more time is needed to fully understand and unpack this clause and its potential ramifications, and to engage accordingly.		Noted
	This notwithstanding, a majority of our members are generally comfortable with the prohibition of direct crypto assets.		Noted
	However, there are numerous concerns that the indirect crypto asset prohibition will have unintended consequences and thus be problematic. Some of the concerns relate to the following:		Cryptos in their current unregulated state are not permitted
	(a) A RF might be invested or want to invest in a standard listed equity that has (or may come to have) an investment in crypto assets, e.g., Tesla, Visa. This might then not be permissible due to the indirect prohibition, even though we do not believe this to be National Treasury's intention or that such an outcome is desirable		See above - resolve during transition period to remove exposure to cryptos
	(b) A RF might be invested in or want to invest in a business (debt or equity)		See above - resolve during transition period to remove exposure to cryptos

Section of the regulation	Comment		Response
	that provides infrastructure that enables crypto trading, e.g., Luno, Coinbase, Solana Summer. Again, the indirect prohibition could mean that this is not permissible, which again, we do not believe it to be National Treasury's intention to preclude such an investment or that such an outcome is desirable.		
	As such, and especially based on the proposed definition of crypto-assets, our members propose the removal of "indirectly" from the prohibition clause.		Direct and indirect ownership of crypo assets is prohibited
	Minority view: There is a minority view of some our members that direct crypto- asset investments should be allowed.		Cryptos in their current unregulated state are not permitted
	Our recommendation would be to include the asset class within the regulatory framework, but under a cap of 2.5%. This cap can be reviewed over time.		Direct and indirect ownership of crypo assets is prohibited
Crypto asset prohibition	We are largely in agreement that crypto currency should not form part of any pension fund and are therefore supportive of its exclusion from investment in this regulation. However, it is important to note that by saying no to crypto currency should not be conflated with investment in block-chain based holdings which could become a way forward of safe-custody for actual investments therefore allowing investors to own a share of a particular investment		Noted, and crypto and blockchain are not necessarily the same thing, although linked. Blockchain can facilitate crypto mining/trading, but so too can it facilitate other and more useful things

Section of the regulation	Comment		Response
Crypto asset prohibition	The general prohibition of Crypto asset currency is acceptable. However, there should be a limit on the exposure by Central Banks to digital currency. The proposal should include a limit of 2.5% exposure to Central banks issued digital currency.		Only once regulated in RSA can this be considered in future (by implication in definition of crypto assets)
Crypto asset prohibition	We contest the proposed amendments which prohibit the informed investment in crypto asset technology. We advocate that pension fund managers should possess the discretion to invest up to 2.5% in crypto asset exposure. This advocation follows a recent study from the University of Pretoria demonstrating that a 2.5% allocation to regulation 28 compliant funds in South Africa enhanced the diversification benefits in domestic pension fund portfolios and increased the risk-adjusted returns.		Direct and indirect ownership of crypto assets is prohibited
Crypto asset prohibition	Comment 1 – preventing retirement funds from enjoying the benefits of investing in crypto assets: The reason so many of the largest companies and venture capital funds in the world are investing in crypto assets directly and indirectly is due to the promise and benefits of the technology as well as diversification of returns relative to traditional assets. Comment 2 – investing into crypto assets directly or indirectly: Impracticality of "indirect": Since these companies are part of the largest indices in the world (and Naspers is part of many local indices), any instrument that references these		Direct and indirect ownership of crypto assets is prohibited

Section of the regulation	Comment		Response
	indices will also be prohibited as they will provide indirect exposure to crypto assets. Example: a structured product providing the return of the S&P 500 would provide indirect exposure to the companies that make up the S&P 500 many of which have exposure to crypto assets. Additionally, both retirement funds and any recipient of investments from retirement funds would have to end their investment relationship even if an immaterial investment into crypto assets is made. This proposed restriction is unique to crypto assets only. Comment 3 – crypto assets are high risk: The category of "other assets" provides an overall limit of 2.5%, which would be the natural category for crypto assets. Since crypto assets would share this category with other investments that are also classified as "other assets", this would naturally limit any retirement fund's risk by limiting exposure to an absolute maximum of 2.5%.		
Crypto asset prohibition	The wording could be revised to prohibit (not "exclude") investment in "crypto-assets" in the relevant blocks in "Table 1". Even though it is prohibited in the document, it should be ensured that there is no loophole. However, policy makers should continue to investigate the appropriateness of the said asset class for inclusion over time.		Noted and regulation will be at both intermediary and product level
Sub-regulation 3	1. Comment period was insufficient. 2 The current formulation could have		Direct and indirect ownership of crypto assets is prohibited

Section of the regulation	Comment		Response
	unintended adverse consequences for retirement funds by impacting existing or potential investments that are not necessarily intended to be prohibited, especially when it comes to the proposed prohibition on 'indirect' investments into crypto assets. retirement fund might be invested or want to invest in stocks that have (or may come to have) a sizeable investment in crypto assets, such as Tesla. This might then not be permissible due to the indirect prohibition, even though we do not believe this to be National Treasury's intention. We thus **propose** that the proposed prohibition on 'indirect' crypto asset investments be removed.		
Hedge funds	While we welcome the delinking of hedge funds, private equity funds and "other" in the revised Table 1, given the proposed alignment of the definition of hedge funds to the Collective Investment Schemes Control Act, we are of the view that hedge funds should not be included in the overarching limit on unlisted assets in terms of sub-regulation 3(f). In our view Hedge funds now have a similar risk profile as investment linked life policies, falling under a formal regulatory framework, with rigorous daily compliance requirements. As such, from a prudential risk management framework perspective such as that of Regulation 28 of the Pension funds Act, we would submit that there are very different risk		Following the delinking of Item 8; Reg28(3)(iv) to be split out into (iv) becoming hedge funds, Reg 28(v) private equity and Reg 28(vi) any other asset not listed in Table 1

Section of the regulation	Comment		Response
	profiles between Hedge Funds and unlisted assets, and that the two should be treated completely separately in terms of Regulation 28. In order to complete the separation between Hedge Funds and unlisted assets, and as the draft amendment now proposes a specific, separate limit on how much a retirement fund can invest in hedge funds, we suggest that the proposed substitution in paragraph (f) for item (iv) be amended to the following: "(iv) [item] items 8 9 to 10: Hedge Funds, Private equity funds and any other asset not referred to in this schedule.".		
3(iA)	The draft amendments do not, however, include an additional 10% limit on aggregate exposure to infrastructure assets in respect of the rest of Africa. To the contrary, the draft sub-regulation 3(iA) specifically states that the 45% limit is inclusive of the aggregate exposure in respect of the rest of Africa. Please can this discrepancy be clarified.	Exclude reference to 10% in Africa as that is dealt with through Excon and prudential limit on foreign exposure and Africa allowance has been merged into a single limit	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an additional limit of 10% in respect of the rest of Africa.**"
Sug-regulation 3	In item iA reference is made to "fair value of the assets.' - while in item iB reference is made to "…fair value of the total assets of the fund……". It is unclear if reference is made to the same assets (total assets of the fund) ; or whether the omission of the reference to "the fund " in item iA indicates a different asset aggregate?		Correct wording, accordingly, with the insertion of the missing words for consistency

Section of the regulation	Comment		Response
	Is it the intention of the insertions in both cases to refer to the " total assets of the fund… ' or are different asset totals indicated? in the paragraph iA reference is made to " South African government and government guaranteed….." and in iB reference simply to "….government and government guaranteed…" Question is whether there is a difference between "South African government" and "government" in iA and between the " government" referred to in iB?		
3(iB)	The draft amendment inserting sub-regulation 3(iB) does not refer to infrastructure, and one is left to infer that this sub-regulation applies to infrastructure assets. We suggest that the proposed insertion of paragraph (iB) be amended to the following: "(iB) The aggregate exposure by a fund to an issuer or entity in respect of infrastructure must not exceed 25 percent of the aggregate fair value of the total assets of a fund, excluding South African government and government guaranteed instruments.".		25% is a catch-all limit for all assets classes per entity to manage concentration risk - not necessarily related to infrastructure alone but all other asset classes **to limit exposure to a single entity/ issuer** e.g., Steinhoff< Abil, Regal, Saambou etc.
exposure in 3(f) vs aggregate infrastructure exposure in 3(iA)	The overwhelming majority of additive and impactful infrastructure investment by the private sector takes place through unlisted investments. The need for long-term pension funding capital favours illiquid vehicles with long-term capital		Agree amend limit in 3(f) to 45%

Section of the regulation	Comment		Response
	commitments. Listed vehicles are hardly ever used in this endeavour. Without further increases in the permissible illiquid investment exposure for retirements funds, retirement funds will be unable to fully utilise the permissible allocation to Infrastructure. This situation is only further exacerbated in the rest of Africa where liquid listed markets are limited. We recommend that if the interpretation discussed in the previous point is that item 11 in Table 1 is only an aggregate limit, and that infrastructure assets should also be classified as unlisted assets, that the aggregate limit in 3(f) be increased to 45% to align with the aggregate infrastructure exposure in 3(iA).		
3(e)	To be consistent, we suggest that sub-regulation 3(e) be amended as follows: "(e) Assets and categories of assets referred to in Table 1 and Table 2 must be calculated at fair value for reporting purposes"		Amend current sub-reg 3(e) to include Table 2
Sub-regulation (3) – insertion of paragraph 3(iB) – 25% limit per issuer/ entity	As currently drafted, there is a risk that this wording could be seen as prohibiting a pension fund from having investment exposure to life insurers of greater than 25% of assets. There are many pension funds who (i) have outsourced investment administration risk by investing through one or more linked fund policies with a life insurer or (ii) who have outsourced investment risk in		25% is a catch-all limit for all assets classes per entity to manage concentration risk - not necessarily related to infrastructure alone but all other asset classes **to limit exposure to a single entity/ issuer** e.g., Steinhoff< Abil, Regal, Saambou etc.

Section of the regulation	Comment		Response
	respect of members drawing pensions by investing in a policy issued by a life insurer (who has undertaken to pay an amount equal to pensions payable to the pension fund). In both instances a pension fund could have exposure of greater than 25% of assets to the life insurer. We suggest that the regulation should not prohibit such exposures.		
Sub-regulation (3) – insertion of paragraph 3(k)	Given the likelihood that the use of crypto assets in the economy will increase, it is impractical to state that pension funds should have no indirect exposure to crypto assets.		Direct and indirect ownership of crypto assets is prohibited
Amendment of sub regulation (3) 4.	An unintended consequence of this amendment may arise in instances of inadvertent and indirect exposure to crypto-assets via for example, Tesla shareholding and how this could, on a look-through basis, expose pension funds to a statutory breach. A majority of our members do not support that crypto-assets being held by Pension Funds and support the regulator's proposal. Our minority view of is that the prohibition on investing in crypto-assets is at odds with developments in offshore pension and endowment funds.		Direct and indirect ownership of crypto assets is prohibited
Sub-regulation 4 (para 3)	The spelling of the words "look through principle" in the new insertion should be "look-through principle"?		Noted
Sub-regulation 4 (b)	Our members appreciate the intention for requiring look-through to private equity and hedge funds where they may hold infrastructure investments. However, the unintended consequence		FSCA to discuss with SAICA RFPG workgroup on work it entails. The amount of audit work is the same when applying look through - only difference is compliant CIS & linked policies will

Section of the regulation	Comment		Response
	of this is the fact that practically, a look-through will need to happen on every private equity and hedge fund investment (potential or actual) to ascertain whether it holds any infrastructure investments, and many hedge funds never invest in infrastructure, hence it will be a costly administrative burden with little benefit. This proposed look-through will overall, present a real and significant challenge. We thus propose that the look-through only be required if the stated investment objective of the private equity or hedge fund in question is to invest in infrastructure, or some other mechanism that does not require all RFs to apply full look-through to all their investments into hedge funds or private equity funds.		need to "report" on look through basis going forward. Only the result or audit opinion issued differs.
Sub-regulation 4(b)	We are not supportive at all on look-through to private equity or hedge funds regardless of their underlying holdings. The underlying limits as set out in Regulation 28 need to prevail		It is merely a reporting exclusion that will fall away. Changes in reporting on look through will not affect the dual audit opinion on reg 28 ito schedule IB in the prescribed financials (BN 77 of 2014). Schedule IA already reports on look through, it will merely be required for schedule IB as well.
4 (c)	We note that wording of the amendment in terms of the substitution of paragraph 4(c) is ambiguous and will cause inconsistent reporting. The qualifier “except in the case of infrastructure investments” can be read to refer to the entire sentence and thus meaning that any hedge fund or private equity fund that has an investment into infrastructure should not be classified		No look through unless if PE and HF investment is infrastructure related

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	as hedge fund or private equity fund but rather be looked through, thereby requiring classification of all of the underlying investments into one of the other Regulation 28 categories. If this is the case, then there should no requirement to report on infrastructure limits in Table 2 for assets classified under items 8 (Hedge Funds) and 9 (Private Equity Funds) as the underlying assets would be classified instead. In the alternative, the qualifier can be read to refer only to the look-through principle and thus requiring that only infrastructure investments need to be reported on. This would require at the least, confirmation in the negative from every private equity fund, hedge fund or fund of fund that it is not invested in infrastructure. A revised draft, or failing that, clear guidelines on interpretation would be welcomed.		
Sub-regulation 8 (a)	Our members do not support the amendment of the current exclusions provided for under sub regulation 8(b) – see below- and therefore do not believe this heading should be changed.		Need to see infrastructure component but FSCA to check with SAICA RFPG on work it entails
Sub-regulation 8 (b)	We strongly oppose the deletion of paragraph (b) of sub-regulation (8) and strongly believe that this provision must be retained. the deletion of these provisions will have many other significant and adverse consequences for RFs and administrators which would need to include, on a full look		Need to see infrastructure component but FSCA to check with SAICA RFPG on work it entails

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	through basis, assets underlying collective investment scheme portfolios and policies which currently meet the requirements of 28(8)(b) and have therefore been excluded for the purposes of reporting, and for the purposes of applying the Regulation 28 limits, i.e. the existing exclusion does not mean that RFs can circumvent, ignore or not apply the Regulation 28 limits.		
Sub-regulation 8 (b)	Since a look-through to Regulation 28 compliant CIS portfolios (unit trusts), linked policies and guaranteed policies was not originally required, this means that additional reporting will need to be provided to retirement funds and systems changes, which is not limited to merely reporting template changes, but also compliance monitoring systems and supporting databases, would be required. RFs could then find themselves in a position where they no longer (at fund and/or member level) comply with Regulation 28 limits on any given day, depending on the composition of the assets underlying the currently excluded investments. It would not be in the interests of members to disinvest from these investments to rectify any such non-compliance and it will certainly not be in members' interests to do so at short notice where losses may be incurred.		Need to see infrastructure component but FSCA to check with SAICA RFPG on work it entails
Sub-regulation 8 (b)	We believe that the reporting of infrastructure investments, including where they may be held in these Regulation 28 compliant portfolios,	Since there is reporting already through audit certificates, these can be shared with the fund to enable compliance with reporting requirement	Need to see infrastructure component but FSCA to check with SAICA RFPG on work it entails - auditors currently rely on reg 28 compliance certificates

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	can co-exist, for example, the audit certificates issued could include reporting on infrastructure investment exposure in line with the proposed table. Given that the intention of the deletion of this provision is to facilitate reporting on infrastructure, we therefore propose that paragraph (b) is retained.		issued by CIS and insurers on linked policies
	The proposed new paragraph (b) should be inserted as a new (c) to cater for reporting on infrastructure investments held via these collective investment scheme portfolios and policies, over and above the reporting on infrastructure investments that RFs will need to provide as is being proposed. This will achieve the intended purpose without all the unintended consequences explained above and without prejudicing funds and their members.		Need to see infrastructure component but FSCA to check with SAICA RFPG on work it entails - auditors currently rely on reg 28 compliance certificates issued by CIS and insurers on linked policies
	The new paragraph (b) is also unclear on the frequency of reporting. Clarity should be provided around this, where we propose reporting not more frequently than quarterly. This is not purely a reporting issue, but also goes to the core of how the limits are applied.		FSCA to revise reporting requirement in a standard or RFI etc.
Sub-regulation 8(b)	We do not support the full deletion of paragraph (b) of sub-regulation (8) and therefore believes that this provision must be retained. This will have unintended consequences and will to a certain degree go against the current		Need to see infrastructure component but FSCAFSCA to check with SAICA RFPG on work it entails - auditors currently rely on reg 28 compliance certificates issued by CIS and insurers on linked policies

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	intention of the legislation where specific limits are already in existence		
Sub regulation 8, paragraph 7.	The apostrophe sign (“) to indicate the beginning of the second word quote in paragraph “a” is missing. Should be “and exclusions” and not and exclusions” as currently written.		Looks correct except for the 2 "and's" - should delete one
	The amendment is not clearly drafted and has a duplication of the word “and”. We propose that the following aligns more clearly to the intended change: “(a) deleting in the heading prior to paragraph (a) following “Reporting” of “and exclusions”; and		Duplication of the word "and" - correct accordingly
sub regulation 8, paragraph 7	1. The proposed amendment reads “(a) deleting in paragraph (a) following “Reporting” of “and and exclusions”: The words “reporting” and “and and exclusions” as referred to in the draft amendment do not appear in regulation 28(8)(a). It however appears in the heading before this paragraph. What is meant by this amendment? Is the intention to change the heading to only read as “Reporting”? 2. Is the intention of 7(b) of the draft amendment to replace the whole existing paragraph 28(8)(b) in Regulation 28 with only this proposed sentence? Therefore, deleting the whole par 28(8)(b) as it stands (removing the ‘exclusion’ Funds may rely on).		Duplication of the word "and" - correct accordingly. Only reporting exclusion falls away.
Table 1 cash	Can the definition of CASH be expanded to include “digital currencies issued by central banks”?	Check also with SARB	Yes only for foreign cash if regulated and agreed by DDG & DE

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Table 1	There are what we presume are typos in the proposed Table A (where wording from the existing Table A has not been accurately transcribed). We suggest that these be fixed. See items 1.1; 2.1(d); 3.1(a)(ii) and (iii); 4.1(a)(i).		Punctuation in 1.1 correct 2.1(d) - missing words 3.1(a)(iii) looks okay but (ii) is phrased differently punctuation in 4.1(a)(i)
Table 1 item 7	We note the reduction in the permitted allocation of housing loans to 65%. Have any policy reasons been given for this amendment?		Lending options not a supported policy due to implications of reducing retirement provision. Policy intent to phase out housing loans - reduction to 65% as a start
Applicability of 45%	This is inconsistent with the first draft where infrastructure in Africa was excluded in the 45% overall limit. Notwithstanding this comment, We believe that the 45% limit set is too low especially now given the inclusion of a much wider definition of infrastructure. If the intention is therefore to include listed instruments as can be deduced from the new reporting table, it is quite likely that pension funds will very quickly bump into this limit. In addition, this will detract from pension funds from being able to make investments in true infrastructure opportunities which are usually unlisted in nature which would then naturally fall under the overall existing 35% unlisted limit (across all asset classes). The recommendation from us is therefore to meaningfully increase the infrastructure limit or exclude such limit in its entirety. It is probably more prudent to rather look at increasing the overall limit to unlisted assets if the intention is to	Exclude reference to 10% in Africa as that is dealt with through Excon and prudential limit on foreign exposure and Africa allowance has been merged into a single limit	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an additional limit of 10% in respect of the rest of Africa.**"

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	allow for meaningful investment in the true infrastructure space.		
Table 1 proposed limits and structure of table	(a) Item 7- Housing loans: It is unclear whether the reduction to 65% from the current 95% is intentional or just an error and this needs to be clarified. If it is intentional, which we do not believe to be the case, an opportunity for further engagement is required, especially to understand the rationale and duly consider the potential ramifications, as no mention is made of this in the media statement/covering memo.		Lending options not a supported policy due to implications of reducing retirement provision. Policy intent to phase out housing loans - reduction to 65% start
	(b) Item 8 – Hedge Funds: As it currently stands our members do not know what is in/out of this definition and this makes it difficult to comment on the items listed with the limits provided, especially the 2.5% limit on 'hedge funds' and the proposed 5% limit on CIS regulated hedge funds. Please refer to our other comments relating to the proposed new definition of hedge funds in 2 above in regard to the inconsistencies/contradictions in what is proposed.		Remove the addition of item 8.1(a)(iii) in Table 1 (definition should suffice - need not repeat it here)
	(c) Item 10: This line item is confusing, as it specifically lists hedge funds, private equity (which are both provided for in the table) and crypto assets which already has a prohibition within the sub-regulations. Proposed that it just reads "All other assets not referred to in this table"	Agree - PE & HF are already provided for and crypto assets are already prohibited so no need to exclude these from the 2.5%	We need to be clear so that funds do not place cryptos under "other assets"

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	(d) Item 11 (a): Please clarify whether the 45% limit is excluding the 10% allocation to Africa.	45% excludes Africa - clarity as per above notes	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an additional limit of 10% in respect of the rest of Africa.**"
	(e) Item 11 (b): Please ensure wording is consistent to ensure the entity issuer limit applies to infrastructure.		25% catch-all limit to manage concentration risk - not necessarily related to infrastructure alone but all other asset classes **to limit exposure to a single entity/ issuer** e.g., Steinhoff< Abil, Regal, Saambou etc.
Table 1 proposed limits and structure of table	a) There are no reasons provided for the change in housing limit from 95% to 65% b) Item 8.1(a)(ii) and (iii) - Hedge funds: We note the enhancements to the limits in relation to hedge funds and private equity funds, but believe that there is a need for further adjustments to enable retirement funds to invest in hedge funds that are not regulated by CISCA, which unfortunately is the effect of the current draft amendments. We also propose that a suitable amendment can be made to preclude the need for retirement funds to look through to all investments in hedge funds and private equity funds simply to report on indirect infrastructure investments, but in a way that will still achieve National Treasury's objective to have transparent reporting on infrastructure investments and of course		Lending options not a supported policy due to implications of reducing retirement provision. Policy intent to phase out housing loans - reduction to 65% as a start

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	compliance with the infrastructure investment limits. Further, given the proposed new definition of "hedge funds', it is unclear what (hedge fund) investments would fall into Item 8.1(a)(ii) – please could clarity be provided – perhaps it is intended to be those hedge fund investments where an exemption is provided, in which case we do not believe that investments by exemption is practical for hedge funds.		
8(a) (ii) and (iii)	The substituted Table 1 includes limits on "Hedge Funds" in 8(a)(ii) and "Hedge funds approved and licensed under the Collective Investment Scheme Control" in 8(a)(iii), each with different exposure limits. It would be preferable if the differences between 8(a)(ii) and 8(a)(iii) were made clearer, or failing that, that 8(a)(ii) is removed.		Agree remove item 8.1(a)(iii) from Table 1 as its in conflict with definition of hedge fund
Table 1	We support the removal of the infrastructure columns as set out in the previous draft amendment. The 45% limit cap is seen to be appropriate and is informed by the fact that: a) government and government guaranteed debt/instruments are set to be excluded from this limit, and b) the look through principle is set to apply in respect of infrastructure exposure arising from any direct or indirect investment into a hedge fund or private equity fund. Given the above, and the low aggregate levels of retirement fund investments into		Noted

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	infrastructure, it is envisaged that it will take time before retirement funds would achieve the determined levels.		
Table 1	We are supportive of the exclusion of the sub-limits which previously created confusion. As previously mentioned, there is inconsistency from the previous draft around the 45% limit where previously it excluded allocations to Africa. As previously alluded, we are of the view that this limit should either be meaningfully increased or removed in its entirety.	45% excludes Africa - clarity as per above notes	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an additional limit of 10% in respect of the rest of Africa.**"
Table 1 Item 3.1 (b)	We would like to propose that the limit under 3.1 (b) under "Table 1" be increased from 2.5% to 5% per issuer. Pension funds wishing to invest directly into infrastructure via equity holdings may find the current 2.5% limit (per investment/project) prohibitively low. This increase also puts the figure in line with the private equity investment limit "per fund" [9.1(a)(ii)] of the table.		NT to consider aligning listed and unlisted equity limits to debt instrument limits which are higher in Reg 28 including unlisted
Table 1 proposed total limits	It is unclear to us as to whether the 45% includes or excludes the 10% in respect infrastructure into the rest of Africa and we would appreciate clarity in this regard.	45% excludes Africa - clarity as per above notes	Reword iA to read same as media release i.e. "T**he overall investment in infrastructure across all asset categories will be kept at 45% in respect of domestic exposure and an additional limit of 10% in respect of the rest of Africa.**"
Table 1	1. No sub-limits are specified (i.e., a maximum of 25% of this 45% infrastructure investment can be invested in debt). This creates the opportunity for a significant amount of infrastructure investment to be in		All sub limits in Table 1 will continue to apply per asset class irrespective infrastructure investment

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	unregulated instruments. 2. As no sub-limits are specified, there is an opportunity for funds to invest 45% of its infrastructure investments in private equity, thus circumventing the 15% limit imposed by the Regulations. 3. A large portion of infrastructure investments is likely to be in physical assets (i.e., solar panels). When the look-through principle is applied to investment in infrastructure, where would these physical assets be reported?		
Table 1 item 11	The repetition of the content of regulation 3(iA) and 3(iB) in the proposed item 11 of Table 1 creates interpretative uncertainty. We suggest that the sub-regulations not be repeated as item 11, and that item 11 be deleted.		Check if repetition is superfluous - having both Item 11 and paragraphs 3(iA) and 3(iB)
Table 1 item 11	As the amendments are currently drafted, we believe there is ambiguity in how to interpret the inclusion of item 11 in Table 1, which we discuss below. We and industry peers have different interpretations on this point from leading legal advisors in the industry. This suggests the need for greater clarity in the drafting, and/or the provision of guidance notes from the regulator to ensure that there is consistency in the application of these changes amongst all stakeholders in the pension fund industry, including its service providers.		Check if repetition is superfluous - having both Item 11 and paragraphs 3(iA) and 3(iB)

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Table 1 item 11	The insertion of item 11 in Table 1 has created ambiguity in the interpretation of the draft amendments. This ambiguity stems from the following points: 1. None of the other aggregate limits in sub-regulations 3(f) to 3(i) have specific items in Table 1, and these limits are generally reported on separately to Table 1. 2. There is industry practice that each instrument that a fund is invested in is only allocated to one item in Table 1, so that there is no duplication of assets in the table, and that the total exposure reported on would then total to 100%. The interpretation of the inclusion of item 11 in Table 1 can be seen in the following two ways: **A**. The intention of the draft amendments is to only limit exposure to infrastructure assets as an aggregate limit, like the other aggregate limits under sub-regulations 3(f) to 3(i). This interpretation would not be seen as an expansion of additional exposure to encourage pension funds to invest into infrastructure, but rather just the imposition of an additional aggregate limit and reporting requirements. The natural conclusion of this interpretation is that the regulator would require duplication of exposures in Table 1, and that exposure values in Table 1 would no longer be required to total to 100%. This may cause additional complexity in reporting systems as well as auditing processes.	Check if repetition is superfluous - having both Item 11 and paragraphs 3(iA) and 3(iB)	Item 11 cannot be excluded as it includes the new "catch all limit" per issuer or entity iro concentration risk - it also clarifies the overall limit for infrastructure of 45% (NT to look at consistency in wording to the definitions to remove any confusion)

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	If this interpretation is the intention of the draft amendments, then to avoid ambiguity of interpretation, we strongly suggest that item 11(a) and item 11(b) are not added to the revised Table 1, and that sub-regulations 3(iA) and 3(iB) are treated in the same manner as sub-regulations 3(f) to 3(i). **B**.The intention of the draft amendments is to limit exposure to infrastructure assets as an aggregate limit, similar to the other aggregate limits under sub-regulations 3(f) to 3(i), as well as to separate out the exposure of infrastructure assets from Table 1 to Table 2. This interpretation could be seen as an expansion of prudential limits to encourage additional investment by pension funds into infrastructure. The natural conclusion of this interpretation is that there is no duplication of exposures in Table 1, however it would also mean that infrastructure assets would not be included in the aggregate limits under sub-regulations 3(f) to 3(i), or under the other aggregate limits in items 1 to 10 of **Table 1.** Under this interpretation we recommend the following amendments in terms of the addition of item 11 in Table 1: • Only include item 11(a), and not include item 11(b), as the first column of "Column 2" of Table 1 already covers the per entity /issuer limit. • Updating the text under "Column 1" of Table 1 to not refer to "Overall limit", but rather state		

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	"Infrastructure across all classes (excluding debt instruments issued by, and loans to, the government of the Republic and any debt or loan guaranteed by the Republic)" • If a separate limit is intended for exposure to infrastructure assets in Africa, then is recommended to include another item to cover Africa infrastructure limits		
Sub-regulation 3	Sub-regulation (3) – insertion of paragraph 3 (iB) – 25% limit per issuer/ entity		25% catch-all limit to manage concentration risk - not necessarily related to infrastructure alone but all other asset classes **to limit exposure to a single entity/ issuer** e.g., Steinhoff< Abil, Regal, Saambou etc.
Sub-regulation 8 and Table 2: reporting requirements	For example, it may be that retailers or manufacturers of consumer goods will start accepting crypto assets as a means of payment. If so, then on a look-through approach pension funds would have to divest from such firms even though their holdings of crypto assets may be small.		Cryptos in their current unregulated state are not permitted. Work is still underway by the IFWG on the supervision and regulation of crypto assets
Sub-regulation 8 and Table 2: reporting requirements	We suggest that the prohibition should not apply where crypto asset holdings by entities constitute less than [5%] of the market capitalisation of the entity.		De minimus on reporting of 5% still applies in reg 28 however cryptos assets are still not allowed for RFs
Sub-regulation 8 & Table 2	When a look-through is performed, the assets in question are reported in the original table (in this case it would be Table 1). If this is to be done for infrastructure assets, it causes Table 2 to be redundant. If this is not the case, kindly clarify the purpose of Table 2.		FSCA will publish the requirements either in the audited AFS and/or quarterly reg 28 reports through a standard or RFI, etc.
Sub-regulation 8 Table 2	We appreciate the proposed required reporting by retirement funds of their		FSCA will publish the requirements either in the audited AFS and/or

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	top 20 infrastructure holdings. However, we believe that requiring retirement funds to monitor their Regulation 28 compliance by actively tracking underlying holdings of Regulation 28-compliant portfolios, such as unit trusts, rather than to rely on each portfolio to manage its own compliance, will place an unnecessary burden not only on retirement funds, but on all service providers in the retirement industry. We propose that regulation 28(8)(b) not be deleted, but that the proposed Table 2 be included as a new sub-regulation (8)(c). Insofar as the frequency of the proposed Table 2 reporting is concerned, we propose that the reporting occurs no more frequently than on a quarterly basis.		quarterly reg 28 reports through a standard or RFI, etc.
Table 2 reporting	We agree with the proposed requirement of reporting on the top 20 infrastructure investments but there is no clarity around the expected frequency thereof and would suggest that pension funds and their administrators be given time to ensure that they are able to meet this requirement.		FSCA will publish the requirements either in the audited AFS and/or quarterly reg 28 reports through a standard or RFI, etc.
Table 2 reporting	It is not clear from the amendment and the structure of Table 2, whether: 1. Exposure to infrastructure assets need to be reported on in the second and third columns of Table 2, or only the exposure of the top 20 infrastructure assets 2. It is required to list the top 20 infrastructure holdings per asset class item category, or whether the intention		Percentages must be reported on all infrastructure investments and third column lists only the names of the top 20 holdings out of the total infrastructure investments in that specific asset class. Proposed changes to 7(b) and heading of column 4 Table 2 accepted?

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	is to only have the top 20 infrastructure holdings across the whole fund listed, where each of these holdings are listed separately under the relevant asset class categories. We propose the following amendment to 7(b) of the draft and the heading of the last column in Table 2 to resolve the two points raised and clarify the requirements: • "(b) Exposure to Infrastructure assets must be reported in the format specified in Table 2.". • Heading of Column 4 of Table 2: "Top 20 holding in respect of Infrastructure (name of issuer/entity) " In addition, clear guidelines on reporting requirements will be welcome.		
Reporting by private equity funds on infrastructure assets	Unlisted funds generally have long reporting cycles (60 days or more after quarter-end), which are agreed at investment and are the result of the need to obtain valuations of underlying unlisted investments. The information to be supplied to investors is also agreed in the initial investment agreements, and funds would thus be under no obligation to supply look-through information on historical funds. Because of the reporting delays, all exposure reported would need to be lagged to the last available reporting. This would make the current reporting targets and information less valuable to the Regulator due to timing. We would furthermore like to		Funds should use the JSE naming conventions and that of other approved exchanges and the naming convention of the issuer and there should not be any use of abbreviations in reporting by asset managers to the funds or by funds to the FSCA

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	highlight the practical difficulty of getting consistent reporting from asset managers, even in the case of listed investments. In the infrastructure space, this is even more complicated as: • There are several layers of middlemen between the retirement fund investor and the actual project. SPVs, Fund of Funds and other wrappers are prevalent • Retirement funds may have exposure to the same project through different vehicles and may end up reporting the same (underlying) asset separately. If there is no consistent naming or reporting convention for these projects and instruments, aggregation of issuers will be impracticable.		
Clause 2.1 of Table 2	Kindly advise the intention of the bracketed section of the definition of 2.1 in Table 2 of the Draft (i.e., it includes and excludes, therefore the nett effect would be zero)? Please provide clarity on this.		Agree - delete bracketed wording
Table 2 reporting	We propose the following amendment to the heading of the last column in Table 2 to: "Top 20 holding in respect of Infrastructure (name of issuer/entity) "		Noted
	For clarity, it is recommended that columns 2, 3 and 4 under section 2.1 of Table 2 contain "n/a", like section 7 of Table 2.		Consider
General	It is not possible for RFs to be immediately compliant on date of publication of the final amendments		Gazette proposed to come into effect 6 months after date of publication

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	(as indicated in our comments on the first draft). It is essential that a transition period will be required for RFs to comply with the new requirements. RFs will be required to obtain additional information and reports and to ensure and monitor		
General	Question: In the case of Section 65 approved Funds which adhere to international regulations, if those regulations become more amenable to crypto investments, will these funds cease to be Section 65 approved. And, will SA investors continue to be allowed to invest in them?		check with colleagues dealing with s65 e.g., MdJ & Retha (OGC)