

DRAFT

REPUBLIC OF SOUTH AFRICA

DRAFT FINANCIAL SECTOR LEVIES BILL, 2021

*(As introduced in the National Assembly (proposed section 77)) (The English text is
the official text of the Bill)*

(MINISTER OF FINANCE)

(B-2021)

24 February 2021

BILL

To provide for the imposition of financial sector levies on supervised entities; to provide for exemption from such levies under certain circumstances; to provide for the allocation of amounts levied to financial sector bodies; and to provide for matters connected therewith.

PREAMBLE

SINCE the Republic, in order to achieve a stable financial system that works in the interests of financial customers and that supports balanced and sustainable economic growth in the Republic, has enacted legislation to establish a regulatory and supervisory framework that promotes—

- (a) financial stability;
- (b) the safety and soundness of financial institutions;
- (c) the fair treatment and protection of financial customers;
- (d) the efficiency and integrity of the financial system;
- (e) the prevention of financial crime;
- (f) financial inclusion;
- (g) transformation of the financial sector; and
- (h) confidence in the financial system;

AND SINCE section 237 of the Financial Sector Regulation Act provide for legislation imposing levies to fund the operations of the financial sector bodies required for the application of that Act,

BE IT THEREFORE ENACTED by the Parliament of the Republic of South Africa,
as follows:—

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Definitions and interpretation

1. (1) In this Act, unless the context indicates otherwise—

"associated clearing house" means an associated clearing house as defined in section 1(1) of the Financial Markets Act;

"bank" means a bank as defined in section 1(1) of the Banks Act;

"central counterparty" means a central counterparty as defined in section 1(1) of the Financial Markets Act, and includes a licensed clearing house as defined in section 1(1) of the Financial Markets Act that is approved in terms of section 110 of that Act to perform the functions of a central counterparty;

"branch" means a branch as defined in section 1(1) of the Banks Act;

"central securities depository" means a central securities depository as defined in section 1(1) of the Financial Markets Act;

"Collective Investment Schemes Control Act" means the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002);

"collective investment scheme in hedge funds" means a collective investment scheme declared to be a collective investment scheme in terms of section 63 of the Collective Investment Schemes Control Act and administered by a manager registered in terms of that Act;

"collective investment scheme in participation bonds" means a collective investment scheme of a kind referred to in Part VI of the Collective Investment Schemes Control Act and administered by a manager registered in terms of that Act;

"collective investment scheme in property" means a collective investment scheme of a kind referred to in Part V of the Collective Investment Schemes Control Act and administered by a manager registered in terms of that Act;

"collective investment scheme in securities" means a collective investment scheme of a kind referred to in Part IV of the Collective Investment Schemes Control Act and administered by a manager registered in terms of that Act;

"co-operative bank" means a co-operative bank as defined in section 1(1) of the Co-operative Banks Act, 2007 (Act No. 40 of 2007);

"credit rating agency" means a credit rating agency as defined in section 1(1) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012);

"exchange" means an exchange as defined in section 1(1) of the Financial Markets Act;

"financial sector levy" means the levy imposed under section 2(1);

"Financial Sector Regulation Act" means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017);

"financial services provider" means a financial services provider as defined in section 1(1) of the Financial Advisory and Intermediary Services Act, and a reference to a specific category of financial services provider means the category determined in terms of section 6A of that Act;

"foreign collective investment scheme" means a collective investment scheme of the type referred to in Part VIII of the Collective Investment Schemes Control Act;

"independent clearing house" means an independent clearing house as defined in section 1(1) of the Financial Markets Act;

"Insurance Act" means the Insurance Act, 2017 (Act No. 18 of 2017);

"insurer" means an insurer as defined in section 1(1) of the Insurance Act;

"levy year" means the period stipulated in section 5;

"levy period" means the period stipulated in section 6;

"life insurer" means an insurer conducting life insurance business as defined in section 1(1) of the Insurance Act;

"Lloyd's" means the association of persons generally known as Lloyd's which is incorporated by the Lloyd's Act of 1871 (34 Vict. C21), passed by the Parliament of the United Kingdom of Great Britain and Northern Ireland;

"microinsurer" means an insurer conducting microinsurance business as defined in section 1(1) of the Insurance Act;

"mutual bank" means a mutual bank as defined in section 1(1) of the Mutual Banks Act, 1993 (Act No. 124 of 1993);

"non-life insurer" means an insurer conducting non-life insurance business as defined in section 1(1) of the Insurance Act;

"occupational fund" means a fund as defined in section 1(1) of the Pension Funds Act and established by an employer, as defined in section 1(1) of that Act, for the benefit of its employees;

"Office of the Ombud for Financial Services Providers" means the Office established in terms of section 20(1) of the Financial Advisory and Intermediary Services Act;

"Office of the Pension Funds Adjudicator" means the Office established in terms of section 30B of the Pension Funds Act;

"over-the-counter derivative provider" means an over-the-counter derivative provider declared by the Minister as a regulated person in terms of section 5(1)(b) of the Financial Markets Act;

"pension fund" means a pension fund organisation as defined in section 1(1) of the Pension Funds Act;

"Pension Funds Act" means the Pension Funds Act, 1956 (Act No. 24 of 1956);

"pension fund administrator" means an administrator as defined in section 1(1) of the Pension Funds Act;

"pension preservation fund" means a pension preservation fund as defined in

section 1(1) of the Pension Funds Act;

"provident preservation fund" means a provident preservation fund as defined in section 1(1) of the Pension Funds Act;

"reinsurer" means a reinsurer as defined in section 1(1) of the Insurance Act;

"representative" means a representative as defined in section 1(1) of the Financial Advisory and Intermediary Services Act;

"retirement annuity fund" means a retirement annuity fund as defined in section 1(1) of the Pension Funds Act;

"Road Accident Fund" means the fund established by section 2 (1) of the Road Accident Fund Act 56 of 1996 ;

"special levy" means the levy imposed under section 2(2);

"supervised entity" means a financial institution envisaged in paragraph (a) of the definition of "supervised entity" in section 1(1) of the Financial Sector Regulation Act; and

"trade repository" means a trade repository as defined in section 1(1) of the Financial Markets Act.

(2) Unless the context otherwise indicates, words and expressions not defined in subsection (1) and that have been defined in the Financial Sector Regulation Act have the meaning ascribed to them in terms of that Act.

(3) The Schedules to this Act apply in relation to the supervised entities that are specified in item 1 of each Schedule.

Imposition of levies

2. (1) A levy, known as the financial sector levy, must be charged, paid, and collected in accordance with section 3 of this Act.

(2) In addition to the financial sector levy imposed under subsection (1), a special levy must be charged, paid and collected in accordance with section 8 of this Act.

Supervised entities subject to financial sector levy

3. A supervised entity is liable to pay the financial sector levy in an amount determined in terms of section 4, in respect of each levy year or levy period, in relation to that supervised entity.

Amount and payment of financial sector levy

4. (1) (a) The financial sector levy payable by a supervised entity to the Financial Sector Conduct Authority as contemplated in section 237(3A)(a) of the Financial Sector Regulation Act, read with section 246(2)(a) of that Act in respect of a levy year or levy period, is an amount equal to the sum of the amounts specified in or calculated in accordance with Schedules 2 to 5 in relation to that supervised entity.

(b) The financial sector levy payable by a supervised entity to the Prudential Authority as contemplated in section 237(3A)(b) of the Financial Sector Regulation Act, read with section 246(2)(b) of that Act in respect of a levy year or levy period, is an amount equal to the sum of the amounts specified in or calculated in accordance with Schedule 1 in relation to the supervised entity.

(2) The amount specified in each Schedule is determined by matching a supervised entity with a type of supervised entity listed in the column "Type of supervised entity" in the Table in each Schedule and applying the formula

in the corresponding line of the column "Formula" in the Table.

(3) The amount determined in terms of subsection (2) must not exceed the amount stipulated in the corresponding line of the column "Maximum" for the levy year or levy period, as may be applicable in the Table in that Schedule.

(4) (a) A supervised entity must, in respect of a levy year, pay the amount specified in each Schedule in the number of payments indicated in the corresponding line of the column "Number of payments during a levy year" in the Table in that Schedule.

(b) Where, in a Schedule, the "number of payments during a levy year" is indicated as "one", a supervised entity must make a single payment in respect of the levy year.

(c) Where, in a Schedule, the "number of payments during a levy year" is indicated as "four", a supervised entity must make a payment in respect of each levy period.

(5) The amount indicated as "maximum" applies in respect of the—
(a) levy year, where the "number of payments during a levy year" is indicated as "one";
(b) levy period, where the "number of payments during a levy year" is indicated as "four".

(6) In the case of a part of a levy year or a levy period referred to in section 7, the amount of the levy payable for that part of a levy year or a levy period must be determined by applying, to the amount that would be payable for a full levy year or a levy period, as the case may be, the ratio of the number of days in that part of a levy year or a levy period to the number of days in a full levy year or a levy period described in sections 5 and 6, respectively.

Levy year

5. A levy year is the period from 1 April in each year to 31 March in the immediately succeeding year.

Levy period

6. A levy period is one of the following periods in each year:

- (a) 1 April to 30 June;
- (b) 1 July to 30 September;
- (c) 1 October to 31 December; or
- (d) 1 January to 31 March.

Apportionment

7. (1) If a provision of this Act comes into operation after the commencement of a levy year or a levy period, a part of a levy year or a levy period must apply from the commencement of that provision to the end of the levy year or the levy period, as may be applicable.

(2) Where a supervised entity is licensed after the commencement of a levy year or a levy period, a part of a levy year or a levy period must apply from the date of licensing to the end of the levy year or the levy period, as may be applicable.

(3) Where the licence of a supervised entity is withdrawn or cancelled during a levy year or a levy period for whatever reason, a part of a levy year or a levy period must apply from the beginning of the relevant levy year or levy

period to the date on which the licence is withdrawn or cancelled.

Special levy

8. (1) A supervised entity must pay the special levy, determined in terms of subsection (2), in respect of the first two levy years immediately following the date of the commencement of this Act.

(2) (a) The special levy in respect of a levy year or a levy period or part of a levy year, or a levy period that is payable to the Financial Sector Conduct Authority, as contemplated in section 237(3A)(a) of the Financial Sector Regulation Act, read with section 246(2)(a) of that Act, is an amount equal to 7.5 per cent of the amount of the financial sector levy payable by that supervised entity in respect of Schedules 2 to 5, determined in terms of section 4 in respect of that levy year or levy period, or part of a levy year or a levy period.

(b) The special levy in respect of a levy year or a levy period or part of a levy year, or a levy period that is payable to the Prudential Authority, as contemplated in section 237(3A)(b) of the Financial Sector Regulation Act, read with section 246(2)(b) of that Act, is an amount equal to 7.5 per cent of the amount of the financial sector levy payable by that supervised entity in respect of Schedule 1, determined in terms of section 4 in respect of that levy year or levy period, or part of a levy year or a levy period.

Amendment of Schedules

9. (1) The Minister may by notice in the *Gazette* in respect of a Schedule, amend the levy formulae, the base amounts or the maximum amounts set

out in that Schedule.

- (2) The Minister may make the amendment under subsection (1)—
- (a) to give effect to a proposal for levies made by the financial sector body referred to in paragraphs (b) to (f) of the definition of financial sector body in section 1(1) of the Financial Sector Regulation Act (in respect of Schedules 2 to 5) or the Prudential Authority (in respect of Schedule 1), as contemplated in section 239(2) of the Financial Sector Regulation Act and which proposal has been submitted to the Minister in terms of section 239(5) of that Act;
 - (b) to specify the meaning of any terms contained in the levy formulae set out in the Schedule; or
 - (c) whenever the Minister deems that amendment expedient and in the public interest.

(3) The Minister may from time to time by notice in the *Gazette* withdraw a Schedule or part of a Schedule or, if the Minister has withdrawn a Schedule or part of a Schedule, reinsert that Schedule or part of that Schedule, whenever the Minister deems that withdrawal or reinsertion expedient and in the public interest.

(4) Legislation containing the amendments to the Schedules under subsection (1) must be introduced in Parliament for approval by Parliament within 12 months of that notice.

Exemption from levies

10. (1) (a) The Financial Sector Conduct Authority may in writing, on application by a supervised entity, exempt a supervised entity from the payment all or a part of the financial sector levy specified in Schedules 2 to 5, or the special

levy referred to in section 8(2)(a), in respect of a levy year or a part of a levy year.

(b) The Prudential Authority may in writing, on application by a supervised entity, exempt a supervised entity from the payment of all or part of the financial sector levy specified in Schedule 1, or the special levy referred to in section 8(2)(b), in respect of a levy year or a part of a levy year.

(2) A supervised entity must, in the application referred to in subsection (1), provide the information that the Financial Sector Conduct Authority or the Prudential Authority may determine, in the form and manner so determined.

(3) The Financial Sector Conduct Authority or the Prudential Authority may only exempt a supervised entity if the Financial Sector Conduct Authority or the Prudential Authority is satisfied that the exemption from the financial sector levy or the special levy—

(a) will alleviate undue financial or other hardship or prejudice to the supervised entity or financial customers due to circumstances outside the control of that supervised entity;

(b) is not contrary to the public interest;

(c) is necessary for—

(i) developmental, financial inclusion and transformation objectives to facilitate progressive or incremental compliance with the Financial Sector Regulation Act or a financial sector law; or

(ii) other sound reasons; and

(d) is necessary to facilitate the affordability of the financial sector levy or the special levy for the supervised entity.

(4) The Financial Sector Conduct Authority and the Prudential Authority must publish in accordance with the requirements under the Financial Sector Regulation Act each exemption that is issued by them under this section.

Allocation of amounts levied to financial sector bodies

11. (1) The Financial Sector Conduct Authority must allocate to a financial sector body, referred to in paragraphs (b) to (f) of the definition of financial sector body in section 1(1) of the Financial Sector Regulation Act, the amounts received by the Financial Sector Conduct Authority and paid into the account referred to in section 246(2) of the Financial Sector Regulation Act, in respect of supervised entities liable to pay the financial sector levy and the special levy for the levy year or levy period.

(2) (a) The financial sector levy amount that must be allocated by the Financial Sector Conduct Authority to the—

- (i) Financial Sector Conduct Authority is the amount determined in accordance with section 4 in respect of Schedule 2;
- (ii) Tribunal is the amount determined in accordance with section 4 in respect of Schedule 3;
- (iii) Ombud Council is the amount determined in accordance with section 4 in respect of Schedule 4; and
- (iv) Office of the Pension Funds Adjudicator and the Office of the Ombud for Financial Services Providers is the amount determined in accordance with section 4 in respect of Schedule 5.

(b) The financial sector levy amount that is allocated to the Prudential Authority is the sum of the amounts payable by supervised entities to the Prudential Authority referred to in section 4(1)(b).

(3) (a) The special levy amount that must be allocated by the Financial Sector Conduct Authority in respect of each financial sector body referred

to in subsection (1) is an amount equal to 7.5 per cent of the financial sector levy amount allocated to that financial sector body in terms of subsection (2)(a).

(b) The special levy amount that is allocated to the Prudential Authority is the sum of the amounts payable by supervised entities to the Prudential Authority referred to in section 8(2)(b).

(4) (a) Interest on unpaid financial sector levy or special levy amounts must be determined in accordance with section 244 of the Financial Sector Regulation Act.

(b) Interest on unpaid amounts payable by supervised entities referred to in subsections (2)(a) and (3)(a) must be allocated by the Financial Sector Conduct Authority to the financial sector body referred to in subsections (2)(a) and (3)(b) to whose allocation the interest on unpaid financial sector levy or special levy amounts relates.

(c) Interest on unpaid amounts payable by supervised entities referred to in subsections (2)(b) and (3)(b) must be allocated to the Prudential Authority.

Short title and commencement

12. (1) This Act is called the Financial Sector Levies Act, 2021, and comes into effect on a date determined by the Minister by notice in the *Gazette*.

(2) Different dates may be determined by the Minister in respect of the coming into effect of different provisions of this Act.

SCHEDULE 1
FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN
RESPECT OF PRUDENTIAL AUTHORITY
(Section 4(1)(b))

Application

1. Table A must be applied to calculate the levy payable by a supervised entity that is—

- (a) a bank or a branch;
- (b) a co-operative bank;
- (c) a mutual bank;
- (d) a non-life insurer;
- (e) a life insurer;
- (f) Lloyd's
- (g) a micro insurer;
- (h) an exchange;
- (i) a central securities depository;
- (j) an independent clearing house;
- (k) an associated clearing house;
- (l) a central counterparty;
- (m) an external central counterparty;
- (n) a trade repository;
- (o) an external trade repository;
- (p) an over-the-counter derivative provider;
- (q) the Road Accident Fund.

Alleviation of double levy payment in respect of clearing house

2. A clearing house that is approved in terms of section 110(6) of the Financial Markets Act to perform the functions of a central counterparty is liable to pay the levy applicable to a central counterparty, and is not liable to pay the levy applicable to an associated clearing house or an independent clearing house.

Levy payment in respect of reinsurer

3. A reinsurer that is licensed under the Insurance Act—
- (a) non-life insurance business only, must pay the levy as if that reinsurer were a non-life insurer; and
 - (b) life-insurance business must pay the levy as if that reinsurer were a life insurer.
 - (c) both life insurance business and non-life insurance business must pay the levy separately for the life insurance business and non-life insurance business.

TABLE A

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of variable | Formula | Maximum (Rands) |
|---------------------------|----------------------------------|---------------------|----------------------------|--|---|-----------------|
| Bank or branch | One | 50 000 | $0.01062\% \times A$ | A= total liabilities as at 30 June of the preceding levy year as reported in the BA100, or total liabilities as reported in the previous financial statements published in terms of IFRS (if first not available) | Levy= Base amount + Variable amount | 45 000 000 |
| Co-operative bank | One | 1 000 | $0.005\% \times A$ | A= total liabilities as at 30 June of the preceding levy year as reported in terms of section 22 of the Co-operative Banks Act, 2007, or total liabilities as reported previous financial statements (if first not available); | Levy= Base amount + Variable amount No levy is charged if A does not exceed R2 000 000 | 5 000 |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of variable | Formula | Maximum (Rands) |
|------------------------------|----------------------------------|---------------------|--|---|---|-----------------|
| Mutual bank | One | 2 000 | $0.005\% \times A$ | A= total liabilities as at 30 June of the preceding levy year as reported in terms of DI 100 or total liabilities as reported in previous financial statements published in terms of IFRS (if first not available); | Levy= Base amount + Variable Amount No levy is charged if A does not exceed R3 000 000 | 500 000 |
| Non-life Insurer and Lloyd's | One | 12 500 | $V1 = 0.155\% \times B$ $V2 = 0.047\% \times C$ | B=Gross written premiums below R60 million C=Gross written premiums above R60 million Gross written premiums as stated in the most recent audited annual Quantitative Return Template of the insurer preceding the levy year. | Levy= Base amount + V1 +V2 | 15 000 000 |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of variable | Formula | Maximum (Rands) |
|---|----------------------------------|---------------------|--|--|-------------------------------------|-----------------|
| Life insurer | One | 50 000 | $0.0025\% \times D$ | D = gross best estimate liabilities or technical provisions as a whole, adjusted to an absolute value per line of business as reported in the most recent audited annual Quantitative Return Template of the insurer preceding the levy year | Levy= Base amount + Variable amount | 30 000 000 |
| Microinsurer (life insurance business only, non-life insurance business only, both life insurance business and non-life insurance business or reinsurance business) | One | 5 000 | $V1= 0.1016\% \times E$ $V2= 0.0308\% \times F$ | E = Gross written premiums below R60 million as stated in the most recent audited annual Quantitative Return Template of the insurer preceding the levy year F = Gross written premiums above R60 million as stated in the most recent audited annual Quantitative Return Template of the insurer preceding the levy year | Levy= Base amount + $V1+V2$ | 500 000 |
| Exchange | Four | 50 000 | $0.000023\% \times G$ | G = turnover value of trades for the quarter preceding the levy period | Levy= Base amount + Variable amount | 2 500 000 |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of variable | Formula | Maximum (Rands) |
|--------------------------------------|----------------------------------|---------------------|----------------------------|---|-------------------------------------|-----------------|
| Central securities depository | Four | 100 000 | $0.000006\% \times H$ | H = value of trades settled for the quarter preceding the levy period | Levy= Base amount + Variable amount | 1 500 000 |
| Independent clearing house | Four | 100 000 | $0.00012\% \times I$ | I = value of trades cleared for the quarter preceding the levy period | Levy= Base amount + Variable amount | 1 500 000 |
| Associated clearing house | Four | 100 000 | $0.000005\% \times J$ | J = value of trades cleared for the quarter preceding the levy period | Levy= Base amount + Variable | 500 000 |
| Central counterparty | Four | 100 000 | $0.00012\% \times K$ | K = value of trades cleared for the quarter preceding the levy period | Levy= Base amount + Variable amount | 3 000 000 |
| External central counterparty | Four | 100 000 | Not applicable | | Levy= Base amount | Not applicable |
| Trade repository | Four | 25 000 | Not applicable | | Levy= Base amount | Not applicable |
| External trade repository | Four | 25 000 | Not applicable | | Levy= Base amount | Not applicable |
| Over-the-counter derivative provider | One | 50 000 | Not applicable | | Levy= Base amount | Not applicable |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of variable | Formula | Maximum (Rands) |
|---------------------------|----------------------------------|---------------------|----------------------------|-------------------------|-------------------|-----------------|
| Road Accident Fund | One | 100 000 | Not applicable | | Levy= Base amount | Not applicable |

SCHEDULE 2
FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN
RESPECT OF FINANCIAL SECTOR CONDUCT AUTHORITY
(Section 4(1)(a))

Application

1. Table B must be applied to calculate the levy payable by a supervised entity that is—

- (a) a bank or a branch;
- (b) a co-operative bank;
- (c) a mutual bank;
- (d) a non-life insurer;
- (e) a life insurer;
- (f) a microinsurer that conducts life insurance business only, non-life insurance business only, both life insurance business and non-life insurance business or reinsurance business;
- (g) an exchange;
- (h) a central securities depository;
- (i) an independent clearing house;
- (j) an associated clearing house;
- (k) a central counterparty;
- (l) a trade repository;
- (m) an over-the-counter derivative provider;
- (n) a credit rating agency;
- (o) a pension fund: occupational fund;
- (p) a pension fund: preservation fund;

- (q) a pension fund: provident preservation fund;
- (r) a pension fund: retirement annuity fund;
- (s) a pension fund administrator;
- (t) a collective investment scheme in securities;
- (u) a collective investment scheme in hedge funds;
- (v) a foreign collective investment scheme;
- (w) a collective investment scheme in property;
- (x) a collective investment scheme in participation bonds;
- (y) a category I or IV financial services provider;
- (z) a category II, IIA or III financial services provider;
- (zA) a category I or category IV financial services provider in respect of only the following financial products subcategories:
 - (i) Long-term insurance subcategory A; or
 - (ii) friendly society benefits;
- (zB) a financial services provider (other); and
- (zC) a financial services provider (authorised in multiple categories).

Levy payment in respect of reinsurer

2. A reinsurer that is licensed under the Insurance Act to conduct both life insurance business and non-life insurance business must be levied separately for its life insurance business and non-life insurance business.

TABLE B

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|---------------------------|----------------------------------|---------------------|--|--|--|-----------------|
| Bank or branch | One | 50 000 | $0.00165\% \times A$ | A= total liabilities as at 30 June of the preceding levy year as reported in the BA100, or liabilities as reported in the previous financial statements published in terms of IFRS (if first not available) | Levy = Base amount + Variable amount | 15 000 000 |
| Co-operative bank | One | 1 000 | $0.00125\% \times A$ | A= total liabilities as at 30 June of the preceding levy year as reported in terms of section 22 of the Co-operative Banks Act, 2007, or previous financial statements (if first not available) | Levy = Base amount + Variable amount No levy is charged if A does not exceed R2 000 000 | 5 000 |
| Mutual bank | One | 2 000 | $0.00125\% \times A$ | A= total liabilities as at 30 June of the preceding levy year as reported in terms of section 53 of the Mutual Banks Act, 1993, or previous financial statements (if first not available) | Levy = Base amount + Variable Amount No levy is charged if A does not exceed R3 000 000 | 100 000 |
| Non-life Insurer | One | 12 500 | $V1 = 0.155\% \times B$ $V2 = 0.047\% \times C$ | B= gross written premiums below R60 million C= gross written premiums above R60 million Gross written premiums as stated in the most recent audited annual Quantitative Return Template of the insurer | Levy = Base amount + V1 + V2 | 5 000 000 |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|---|----------------------------------|---------------------|--|--|-------------------------------------|-----------------|
| | | | | preceding the levy year | | |
| Life Insurer | One | 50 000 | $0.0025\% \times D$ | D = gross best estimate liabilities or technical provisions as a whole, adjusted to an absolute value per line of business as reported in the most recent audited annual Quantitative Return Template of the insurer preceding the levy year | Levy= Base amount + Variable amount | 10 000 000 |
| Microinsurer (life insurance business only, non-life insurance business only, both life insurance business and non-life insurance business or reinsurance business) | One | 5 000 | $V1 = 0.1016\% \times E$ $V2 = 0.0308\% \times F$ | E = Gross written premiums below R60 million as stated in the most recent audited annual Quantitative Return Template of the insurer preceding the levy year F = Gross written premiums above R60 million as stated in the most recent audited annual Quantitative Return Template of the insurer preceding the levy year | Levy= Base amount + V1+V2 | 500 000 |
| Exchange | Four | 125 000 | $0.00011\% \times F$ | F = turnover value of trades for the quarter preceding the levy period | Levy= Base amount + Variable amount | 8 750 000 |
| Central securities depository | Four | 125 000 | $0.000011\% \times G$ | G = value of trades settled for the quarter preceding the levy period | Levy= Base amount + Variable amount | 900 000 |
| Independent clearing house | Four | 125 000 | $0.00011\% \times H$ | H = value of trades cleared for the quarter preceding the levy period | Levy= Base amount + Variable amount | 3 750 000 |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|---|----------------------------------|---------------------|----------------------------|--|--------------------------------------|-----------------|
| Associated clearing house | Four | 125 000 | $0.000007\% \times I$ | I= value of trades cleared for the quarter preceding the levy period | Levy= Base amount + Variable | 500 000 |
| Central counterparty | Four | 125 000 | $0.00011\% \times J$ | J= value of trades cleared for the quarter preceding the levy period | Levy= Base amount + Variable amount | 750 000 |
| Trade repository | One | 500 000 | Not applicable | | Levy= Base amount | Not applicable |
| Over-the-counter derivative provider | One | 100 000 | Not applicable | | Levy= Base amount | Not applicable |
| Credit rating agency | One | 3 500 000/ K | Not applicable | K = number of registered credit rating agencies at start of levy Year | Levy= Base amount | Not applicable |
| Pension fund - occupational fund | One | 2 000 | $15.89 \times L$ | L= number of members and every other person who receives regular periodic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year | Levy = Base amount + Variable amount | 3 076 352 |
| Pension fund – pension preservation fund, provident preservation fund and retirement annuity fund | One | 2 000 | $15.89 \times L$ | L= number of members and every other person who receives regular periodic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of | Levy = Base amount + Variable amount | Not applicable |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|--|----------------------------------|---------------------|--|---|-----------------------------|-----------------|
| | | | | pension funds) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year | | |
| Pension fund administrator | One | 8 162.33 | V1= 870 x M V2= 1.05 x L | M= number of pension funds under administration as at 28 February of the levy year L= number of members and every other person who receives regular periodic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds under administration) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year | Levy = Base amount +V1 +V2 | Not applicable |
| Collective investment scheme in securities | Four | 11 300 | V1= 1 800 x N V2= 0.000052% x O | N= number of portfolios or funds at end of previous quarter O= total amount of assets managed at end of previous quarter | Levy= Base amount + V1 + V2 | Not applicable |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|---|---|---------------------|--|---|-------------------------------------|-----------------|
| Collective investment scheme in hedge funds | Four | 11 300 | V1= 1 800 x P V2= 0.00465% x Q | P = number of portfolios, funds or sub-schemes, at end of previous quarter Q = total amount of assets managed at end of previous quarter | Levy= Base amount + V1 +V2 | Not applicable |
| Foreign collective investment scheme | Four | 11 300 | V1= 7 150 x R V2= 0.000354% x S | R = number of portfolios, funds or sub-funds at end of previous quarter S = total net amount of assets managed on behalf of South African investors at end of previous Quarter | Levy= Base amount + V1 +V2 | Not applicable |
| Collective investment scheme in Property | Four | 11 300 | 100 000 x T | T =number of portfolios | Levy= Base amount + Variable amount | Not applicable |
| Collective investment scheme in participation bonds | Levy determined four times per levy year, but total amount of the levy due for the levy year is paid once | 11 300 | V1= 1800 x U V2= 0.000052% x V | U = number schemes at end of previous quarter V = aggregate amount owing by mortgagers at end of previous quarter | Levy= Base amount + V1 + V2 | Not applicable |
| Category I or IV financial services Provider | One | 4000 | 620 x W | W = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year | Levy= Base amount + Variable amount | 2 000 000 |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|---|----------------------------------|---------------------|-----------------------------------|---|-------------------------------------|-----------------|
| Category II, IIA or III financial services provider | One | 8000 | V1= 620 x W V2= 0.002% x X | W = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year X = the total value of investments managed or administered on behalf of clients in terms of the authorisation as a financial services provider on 31 August of the levy year: Provided that investments under management or administration held in foreign currency must be included at the exchange rate published in the press at that date | Levy= Base amount + V1 +V2 | 2 000 000 |
| Category I or Category IV financial services provider in respect of only the financial products subcategories: Long-term insurance subcategory A or Friendly Society Benefits | One | 4000 | 280 x W | W = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year | Levy= Base amount + Variable amount | 2 000 000 |
| Financial Services Provider (other) | One | 8000 | V1= 620 x W | W = Average total number of key individuals plus average total number of representatives, calculated over the period 1 | Levy= Base amount + V1 +V2 | 2 000 000 |

| Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|---|----------------------------------|---------------------|----------------------------|--|---------|---|
| | | | V2= 0.002% x X | <p>September of the preceding levy year to 31 August of the levy year</p> <p>X = the total value of investments managed or administered on behalf of clients in terms of the authorisation as a financial services provider on 31 August of the levy year: Provided that investments under management or administration held in foreign currency must be included at the exchange rate published in the press at that date</p> | | |
| Financial Services Provider (authorised in multiple Categories) | One | | | | | <p>A person that is authorised for multiple categories is liable for a single levy calculated as follows:</p> <p>(1) = the most onerous of the base amount applicable to the different categories for which the person is authorised.</p> <p>(2) = the average total number of key individuals plus average total number of representatives, under the different categories, calculated over the period 1 September of the preceding levy year to 31 August of the levy year: Provided that that the key individuals and representatives who are approved or appointed under multiple categories are counted once for purposes of the calculation.</p> <p>(3) = the total value of investments managed or administered on behalf of clients under the different categories on 31 August of the levy year: Provided that investments under management or administration held in foreign currency must be included at the exchange rate published in the press at that date.</p> <p>(4) = the most onerous of the maximum amount applicable to the different categories for which the person is authorised.</p> |

SCHEDULE 3
FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN
RESPECT OF
TRIBUNAL
(Section 4(1)(a))

Application

Table C must be applied to calculate the levy payable by a supervised entity that is liable to pay an amount in terms of Schedule 1 or 2.

TABLE C

| Type of supervised entity | Number of payments per levy year | Variable Amount (Rands) | Description of Variable | Formula |
|---|----------------------------------|--------------------------|--|------------------------|
| All supervised entities that are liable to pay levies calculated in accordance with Schedule 1 or 2 | One | $2.5\% \times (Y1 + Z2)$ | Y1= amount of levy payable by the supervised entity in terms of Schedule 1 Z2= amount of levy payable by the supervised entity in terms of Schedule 2 | Levy = Variable amount |

SCHEDULE 4
FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN
RESPECT OF
OMBUD COUNCIL
(Section 4(1)(a))

Application

Table D must be applied to calculate the levy payable by a supervised entity that is liable to pay an amount in terms of Schedule 2.

TABLE D

| Type of supervised entity | Number of payments per levy year | Variable Amount (Rands) | Description of Variable | Formula |
|---|---|--------------------------------|---|------------------------|
| All supervised entities that are liable to pay levies referred to in Schedule 2 | One | 2.5% x Z | Z= amount of levy payable by the supervised entity in terms of Schedule 2 | Levy = Variable amount |

SCHEDULE 5
FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN
RESPECT OF
STATUTORY OMBUD SCHEMES
(Section 4(1)(a))

Application

Table E must be applied to calculate the levy payable by a supervised entity that is—

- (a) a pension fund; or
- (b) a financial services provider.

TABLE E

| Statutory Ombud Scheme | Type of supervised entity | Number of payments per levy year | Base Amount (Rands) | Variable Amount(s) (Rands) | Description of Variable | Formula | Maximum (Rands) |
|--|-----------------------------|----------------------------------|---------------------|----------------------------|---|--------------------------------------|-----------------|
| Office of the Pension Funds Adjudicator | Pension fund | One | Not applicable | 7.30 x L | L= number of members and all other persons who receive regular periodic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year | Levy= Variable Amount | Not applicable |
| Office of the Ombud for Financial Services Providers | Financial Services Provider | One | R1100 | AA x 690 AA = W – BB | W = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year BB = Average total number of key individuals that are also appointed as representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year | Levy = Base Amount + Variable Amount | R255 000 |