

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 1080 [NW1172E]**  
**DATE OF PUBLICATION: 20 APRIL 2018**

**1080. Mr M M Dlamini (EFF) to ask the Minister of Finance:**

- (1) (a) On what date was a certain person (name furnished) appointed as a member of the Transitional Management Team (TMT) of the Financial Sector Conduct Authority and (b) what are the specific details of his involvement in the process;
- (2) was there an advert that was published calling for nominations of persons to the TMC; if not, (a) what processes and legal provisions were followed in the appointment of the specified person and (b) who made the recommendation to him to appoint the specified person; if so, on what date was the advert published;
- (3) (a) on what date was the specified person appointed as a consultant for the National Treasury and (b) what was the duration of the contract;
- (4) has the specified contract ever been renewed; if so, (a) how many times and when was it renewed, (b) what were the financial implications of renewing the contract and (c) what is the total amount that the National Treasury has paid to the specified person since the appointment as a consultant?

NW1172E

**REPLY:**

- (1) (a) On 1 April 2018, when all members of the TMT were appointed. Note that all appointments are only for a limited period, specified in the Regulations as three months after a new Commissioner is appointed, which is expected to be within six months of the date of establishment of the Financial Sector Conduct Authority.  
  
(b) The person was appointed in terms of section 3(1)(b)(iii) of the Regulations published in terms of Financial Sector Regulation Act No 9 of 2017, and Gazetted in Gazette No. 10814 on 29 March 2018. The role of the Minister is as outlined in the Regulations which is to nominate a suitable person.
- (2) (a) No. The TMT is merely a temporary arrangement pending the appointment of a full-time Commissioner and Deputy Commissioners of the FSCA. The process to appoint the full-time Commissioner and Deputy Commissioners includes an advert calling for applications. The advert was first published on the Treasury website and in selected print newspapers on 8 April 2018. The process for appointing the TMT is specified in Regulations published in terms of Financial Sector Regulation Act No 9 of 2017 and Gazetted in Gazette No. 10814 on 29 March 2018.  
  
(b) The Minister generally seeks the advice of his officials, and in this case, approved the recommendation made by the Director-General of the National Treasury. The

recommendation was made based on the person's extensive involvement in the Twin Peaks reform process, including in developing a draft market conduct policy framework as per the discussion document published in 2014, and in the development of the Financial Sector Regulation Act over the time period 2013 to enactment in 2017.

(3) (a) and (b) Similar information was asked of the Minister of Finance by the EFF in Parliamentary Question NW 168, a comprehensive response was provided. The specified person was first appointed as a Specialist Consultant in Financial Sector Policy on 1 August 2011 for a contract period of 12 months with the option to extend the contract if required. The consultant had previously worked at NT as an employee within the financial sector policy chief directorate prior to this appointment. The contract primarily related to the repeal and replacement of the Securities Services Act and promulgation of new Financial Markets Act and revision of Regulation 28 of Pension Funds Act. Due to extended parliamentary process a two-month contract extension was approved with no additional fees being paid. This process followed all the supply chain rules for a single source technical assistance contracting process.

(4) (a) No, the first contract (as described above) was not renewed. The consultant was subsequently appointed through a new contract from 1 March 2013, over two periods of 24 months each, to establish a policy and legal framework for the new Twin Peaks model, focusing on the policy framework for the coming market conduct regulator, especially to treat financial customers more fairly. This contract was extended by a final 12-month period up to the 31 March 2018, augmented by additional services required, as the Twin Peaks legislation took longer than anticipated to be processed in Parliament. These additional services included but were not limited to the finalisation of a national financial inclusion education policy and monitoring the over-indebtedness project. This process followed all the supply chain rules for a single source technical assistance contracting process. The successive contracts were due to delays in processes, including parliamentary processes to approve the Financial Sector Regulation Bill.

(b) and (c) She has been paid in accordance with DPSA rates for this type of work and at the work level. It should be noted that this approach was significantly more cost efficient than hiring an external consultancy company to do the necessary research, and support the department during the parliamentary process to approve the bill.