

NATIONAL ASSEMBLY
QUESTIONS FOR WRITTEN REPLY
QUESTION NUMBER: 484 [NW650E]
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484. Mr W M Douglas (MK) to ask the Minister of Finance:

- (1) What steps is the National Treasury taking to ensure fair competition in the insurance sector, specifically addressing the monopolistic practices of (a) Sanlam and (b) Santam;
- (2) what steps will the National Treasury take against the specified companies for their continued failure to (a) transform and (b) support black-, coloured- and Indian-owned small-, medium- and micro enterprises;
- (3) what steps has the National Treasury taken to ensure that the companies comply with the broad-based black economic empowerment regulations;
- (4) whether he will furnish Mr W M Douglas with specific data on the ownership structure of the companies, detailing the percentage of ownership by historically disadvantaged individuals since 1994; if not, why not; if so, what are the relevant details;
- (5) how does the National Treasury intend to address the historical financial benefits accrued by the companies during the apartheid era and their impact on the current market dynamics? NW650E

REPLY:

The questions raised regarding the steps taken by National Treasury to ensure fair competition in the insurance sector, specifically addressing monopolistic practices of companies like Sanlam and Santam, are best directed to the Department of Trade, Industry and Competition (DTIC). The DTIC is responsible for administering the Competition Act (Act 89 of 1998) and the Broad-Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003). These Acts govern competition policy and transformation in various sectors, including insurance.

The Financial Sector Conduct Authority (FSCA) is the market conduct regulator established under the Financial Sector Regulation Act, (Act 9 of 2017). Its mandate is to promote the fair treatment of financial customers by financial institutions, enhancing and supporting the efficiency and integrity of financial markets. The FSCA currently plays a limited role in promoting transformation of the financial sector, as outlined in its strategy for promoting financial sector transformation, which is available through this link:

<https://www.fsca.co.za/Regulatory%20Frameworks/Regulatory%20Frameworks%20Documents/FSCA%20Transformation%20Strategy.zip>.

However, it is expected that the FSCA will play a more active role in the future, as proposed in the Conduct of Financial Institutions (COFI) Bill.