

NATIONAL ASSEMBLY
QUESTIONS FOR WRITTEN REPLY
QUESTION NUMBER: 574 [NW763E]
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574. Mr W M Douglas (MK) to ask the Minister of Finance:

- (1) (a) What steps has the National Treasury taken to investigate and address the anti-competitive practices of Santam, as highlighted by the Competition Commission and (b) how does the National Treasury intend to protect struggling service providers from the coercive practices of Santam, which force them into unfavourable contracts;
- (2) whether he will furnish Mr W M Douglas with data on the total number of complaints received by regulatory bodies regarding the specified company's monopolistic practices and the actions taken in response; if not, why not; if so, what are the relevant details;
- (3) what oversight mechanisms are in place to ensure that insurance companies such as Santam do not exploit their market dominance to the detriment of smaller businesses;
- (4) what has he found are the reasons that the specified company continues to enforce draconian service-level agreements that disadvantage small-, medium- and micro enterprises that are owned by black-, coloured- and Indian entrepreneurs;
- (5) how does the National Treasury intend to facilitate fair market access for black, coloured and Indian service providers in the insurance industry, given the company's restrictive practices? NW763E

REPLY:

The questions regarding sanctions or penalties on Santam for anti-competitive behavior, the economic exclusion of marginalised service providers, and market concentration should be directed to the Department of Trade, Industry, and Competition (DTIC), which oversees the enforcement of the Competition Act (Act 89 of 1998) and the Broad-Based Black Economic Empowerment (B-BBEE) Act (Act 53 of 2003) through the Competition Commission and the B-BBEE Commission, respectively. The FSCA's primary mandate is to promote the fair treatment of customers by financial institutions and to enhance and support the efficiency and integrity of financial markets, and it only imposes sanctions related to its mandate.