



KPMG Regulatory Centre of Excellence

Be on the **inside**

[Important Links](#)

[Contact Us](#)

[Subscribe](#)

[Previous Editions](#)

KPMG in South Africa

Regulatory Updates for the week ended 31 August, 2018

FinWatch – A Weekly Newsletter

Find the latest edition of **FinWatch** which provides a gist of all regulatory developments impacting the financial services industry in South Africa.

- [Regulatory Developments](#)
- [Market Developments](#)
- [Accounting / Auditing Update](#)
- [The Inside Edge](#)

Regulatory Developments

Brokerage and Securities Markets

Launch of the Electronic Trading Platform (ETP) for Government Bonds

The Johannesburg Stock Exchange (JSE) will be the front-line regulator for the market, and will monitor, supervise and enforce compliance in terms of the new ETP rules. An ETP Market Committee, chaired by National Treasury, has been established as the frontline governance structure of the market. It is responsible for the ETP and determining the operating model for this market and for defining the core functional and other requirements of the ETP. The framework as determined by the market committee is captured in the ETP rules, which are drafted by the JSE and approved by the Financial Sector Conduct Authority. In his speech at the launch of the ETF, the Deputy Minister of Finance spoke about how the use of electronic trading platforms has shown notable positive effects in the secondary markets including:

- Improved liquidity through price discovery;
- Reduced transaction costs and greater competition;
- Increased transparency; and
- Lower trading costs. [NT](#)

Banking

Financial Matters Amendment Bill

National Treasury published the Draft Financial Matters Amendment Bill to amend a raft of finance legislation for comment. Acts to be amended include the Insolvency Act, Military Pensions Act, Banks Act and the Auditing Profession Act. [Sabinet](#)

Proposed amendments of STRATE rules

The Financial Sector Conduct Authority (FSCA) published a notice under section 71(3)(b) (ii) of the Financial Markets Act, 2012 that the proposed amendments of STRATE Rules have been published on the official website of the FSCA for public comment. The FSCA has asked all interested persons who have any objections to the proposed amendments to lodge their objections with the FSCA within a period of fourteen (14) business days from the date of publication of the notice. [Link](#)

Others

Money Bills Amendment Bill tabled

The Standing Committee on Finance tabled the Money Bills Amendment Procedure and Related Matters Amendment Bill in Parliament. It aims to amend the Money Bills Amendment Procedure and Related Matters Act of 2009 in order to:

- Amend and insert certain definitions;
- Clarify which instruments the Act applies to;
- Correct the powers and functions of the committees dealing with matters related to the Act;
- Establish the Parliamentary Budget Office as a juristic person and to strengthen the accountability model of the Parliamentary Budget Office; and
- Provide for matters connected therewith. [Sabinet](#)

Innovation and cybersecurity conference

The Deputy Governor of the South African Reserve Bank gave opening remarks at the innovation and cybersecurity conference. The Payments Innovation Conference will develop more profound insights into the innovations emerging in the payments ecosystem, while facilitating a better understanding of the role of innovation and regulatory frameworks in the payments industry. The Innovation and Cybersecurity Conference will focus on the following five themes:

- Emerging innovations;
- Leveraging new technologies;
- Innovation and the regulator – challenges and opportunities;
- Cybersecurity trends; and
- The South African journey – getting to harmonisation and action. [Link](#)

Market Developments

International

ASIC publishes a review of reverse mortgage lending

A review by Australian Securities and Investments Commission (ASIC) discovered that reverse mortgages are allowing older Australians to achieve their immediate financial goals, improving their lifestyles in retirement, but longer-term challenges exist. ASIC reviewed data on 17,000 reverse mortgages, 111 consumer loan files, lender policies, procedures, and complaints. ASIC also commissioned in-depth interviews with 30 borrowers and consulted over 30 industry and consumer stakeholders. The review found borrowers had a poor understanding of the risks and future costs of their loan, and generally failed to consider how their loan could impact their ability to afford their possible future needs. [Link](#)

ASIC reports on corporate finance regulation

The Australian Securities and Investments Commission (ASIC) published its ninth report on the regulation of corporate finance issues over January to June. The report explains:

- The approach ASIC will take in different areas;
 - Conduct that caused ASIC to intervene;
 - ASIC's to novel issues seen in transactions during the period; and
 - ASIC plan to offer insights into future areas of focus.
- Practical guidance on electronic lodgement of corporate finance documents and the new fee for service regime. [ASIC](#)

Please [click here](#) to access the previous issues of the External edition of FinWatch

Michelle Dubois
Senior Manager, Africa Regulatory CoE
Email ID: Michelle.Dubois@kpmg.co.za

[Unsubscribe](#) | [Privacy](#) | [Legal](#)

You have received this message from KPMG in South Africa.

© 2018 KPMG Services Proprietary Limited, a South African company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ('KPMG International'), a Swiss entity. All rights reserved.

kpmg.com/socialmedia



kpmg.com/app



