



# KPMG Regulatory Centre of Excellence

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## KPMG in South Africa

Regulatory Updates for the week ended 19 August 2022

### 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.

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### Regulatory developments

#### South Africa

##### **Request for information regarding ownership of financial institutions**

The Financial Sector Conduct Authority, under section 131 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) has requested information from certain financial institutions. The purpose of this Notice is to request certain FSPs and Managers, that are also designated as accountable institutions in terms of the FIC Act, to provide information to the FSCA relating to the ownership of such institutions.

[Link](#)

##### **Directive issued in terms of the Banks Act 94 of 1990**

This Directive instructs banks, controlling companies, foreign institution branches, qualifying institutions, and bank or controlling company auditors to make criminal history checks when submitting a description of the qualities of a current or potential director or executive officer to the Prudential Authority. [Link](#)

##### **Financial Matters Amendment Bill proceeds to Parliament**

The Draft Financial Matters Amendment Bill has been submitted to Parliament. The bill suggests amendments in various laws, including the Military Pension Act, the Associated Institutions Pension Fund Act, the Auditing Profession Act, the Land and Agricultural Development Bank Act, and the Financial and Fiscal Commission Act. [Link](#)

##### **Supervisory guidelines for matters related to the prevention of unlawful activities**

The Financial Action Task Force (FATF) provides guidance on the risk-based approach in the banking sector. The risk assessment underpins the bank's risk-based approach and enables them to understand how, and to what extent, it is vulnerable to money laundering, terrorist financing and proliferation financing. [Link](#)

#### **Requirements associated with the payment of pension fund contributions**

The Financial Sector Conduct Authority (FSCA) has released Conduct Standard 1 of 2022, prescribing requirements for the payment of pension fund contributions. [Link](#)

### **International**

#### **ASIC simplifies the treatment of incidental retail cover as a share of business insurance contracts**

The Australian Securities and Investment Commission (ASIC) granted an exemption to lighten the regulatory burden when offering retail insurance as part of bundled business insurance contracts. This avoids the need for enterprises to bear the costs of compliance associated with the requirements of retail clients. [Link](#)

#### **ASIC secures over ZAR 1.174.63 million in remediation for Freedom Insurance customers**

The Australian Securities and Investment Commission (ASIC) has recovered more than ZAR 1,174.63 million in redress for approximately 83,600 customers who were or may have been mis-sold insurance policies over the phone by Freedom Insurance Pty Ltd between 2010 and 2018. [Link](#) [Link](#)

#### **SEC agrees to take 2022 Q3 supplemental GAAP taxonomy**

The Financial Accounting Standards Board (FASB) announced today that the Securities and Exchange Commission (SEC) of the United States has accepted the 2022 Q3 Supplemental GAAP (Generally Accepted Accounting Principles) Taxonomy, which includes updates to the GAAP Financial Reporting Taxonomy and the SEC Reporting Taxonomy. [Link](#)

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### **Market developments**

#### **South Africa**

#### **South African Reserve Bank (SARB) and Prudential Authority (PA) Annual Report presentation to Standing Committee on finance**

The South African Reserve Bank presented their Annual Report for FY21 to the Standing Committee on Finance. [Link](#)

### **International**

#### **Financial Conduct Authority (FCA) charges Citigroup's international broker-dealer ZAR 214.085 million due to detection of market abuse**

The FCA has fined Citigroup Global Markets Limited a sum of ZAR 214.085 million for failing to properly implement the Market Abuse Regulation (MAR) trade surveillance requirement and monitoring its trading activities for certain types of insider dealing and market manipulation. [Link](#)

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