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KPMG in South Africa

Regulatory Updates for the week ended 20 September 2024

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

Proposed Directive - Returns to be submitted to the PA

The Prudential Authority (PA) proposes replacing existing BA returns with new forms starting 01 January 2025. Banks must submit various financial, risk-based, and other returns using specified forms. Comments are invited by 21 October 2024. This change aims to streamline reporting processes through the Umoja System Implementation Project. [Link](#)

Amendments to the JSE Listings Requirements (the “Requirements”)

The JSE Listings Requirements are being amended to reflect changes in delegation authority as per section 68(1) of the Financial Markets Act, 2012. The JSE board remains the competent authority for listing securities and applications but has expanded its delegation to include the authority for removing listings initiated by the JSE, previously held by the executive committee. These amendments aim to formalize the updated delegation within the Requirements, ensuring clarity in governance and operational processes. [Link](#)

International

ASIC receives new powers under financial market infrastructure reforms

The Australian Securities and Investments Commission (ASIC) has been granted new powers under recently enacted financial market infrastructure (FMI) reforms. These reforms enhance ASIC's regulatory capabilities, allowing for improved oversight and stability within financial markets. The changes clarify the licensing regime for overseas markets and aim to strengthen the overall regulatory framework. This initiative is expected to increase scrutiny across the financial services sector, ensuring better protection for investors and promoting a more efficient market environment. [Link](#)

Statement on forbearance in relation to investment trust disclosure requirements

The Financial Conduct Authority (FCA) has announced temporary forbearance measures regarding investment trusts, allowing them to better disclose costs and charges to consumers. This decision aligns with the UK Government's intention to exempt certain investment trusts from the PRIIPs Regulation, which governs retail investment product disclosures. The FCA aims to enhance transparency and help consumers make informed decisions about their investments. Stakeholders are encouraged to engage with these changes as part of ongoing reforms to financial services disclosure requirements. [Link](#)

Reforms to financial services retail-disclosure requirements

The Financial Conduct Authority (FCA) is implementing reforms to retail disclosure requirements in financial services to enhance clarity and transparency for consumers. These reforms will ensure that financial products are presented in a more understandable manner, helping consumers make informed choices. The changes support the FCA's Consumer Duty initiative, which aims to raise standards in customer interactions. [Link](#)

Representatives of the Financial Accounting Standards Board and the Accounting Standards Board of Japan Hold Biannual Meeting

The Financial Accounting Standards Board (FASB) and the Accounting Standards Board of Japan (ASBJ) met in Norwalk and discussed environmental credit programs and improving PIR processes. The meeting was the 34th in a series, fostering global accounting standards. Both boards plan to continue exchanging views, with their next meeting scheduled for early 2025 in Tokyo. Chairs Jones and Kawanishi expressed gratitude for the productive discussions, highlighting the importance of these meetings for developing high-quality standards that benefit investors globally. [Link](#)

ASIC expands operational resilience guidance for market participants

The Australian Securities and Investments Commission (ASIC) has released updated guidance for market participants focusing on technological and operational resilience. The guidance clarifies how to identify critical business services and outlines the process for notifying authorities about major events. This initiative aims to enhance the ability of market participants to withstand disruptions and maintain operational integrity. [Link](#)

ASIC urges businesses to prepare for mandatory climate reporting

Australian Securities and Investments Commission (ASIC) is urging businesses to prepare for mandatory climate reporting, set to take effect on 01 January 2025. This new regime will require companies to disclose their climate-related financial risks and impacts, enhancing transparency and accountability. ASIC emphasizes the importance of early preparation, as organizations must engage with stakeholders to align with expectations regarding climate actions. [Link](#)

New FCA rules to protect access to cash already having an impact

The Financial Conduct Authority (FCA) has introduced new rules aimed at enhancing protections for cash savings, which are already showing positive effects in the market. These regulations focus on ensuring that consumers receive fair value from their savings products. The FCA's ongoing monitoring and engagement with firms are intended to promote transparency and competition, ultimately benefiting savers. [Link](#)

ASIC reissues Regulatory Guide 121 on doing financial services business in Australia

Australian Securities and Investments Commission (ASIC) has reissued Regulatory Guide 121 (RG 121), which provides updated guidance for overseas individuals and companies looking to conduct financial services business in Australia. The revised guide includes amendments to the descriptions of Australian financial services licensing exemptions and relief, ensuring clarity on compliance requirements. It aims to assist foreign entities in understanding their obligations under Australian law, particularly regarding the necessity of holding an Australian Financial Services Licence (AFSL) unless exempted. [Link](#)

APRA releases response to consultation on enhancements to superannuation data collections

APRA has released its response to the consultation on enhancing superannuation data collections, focusing on indirect investment costs and trustee responsibilities. The feedback has been organized into two releases to prioritize essential data requirements. These enhancements aim to improve transparency and accountability in the superannuation sector, ensuring that stakeholders have access to relevant information. APRA emphasizes the importance of accurate data in fulfilling its supervisory role and enhancing member outcomes in the superannuation industry. [Link](#)

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