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KPMG in South Africa

Regulatory Updates for the week ended 28 June 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

SARB Annual Report 2023/24

The South African Reserve Bank released its annual report for the financial year 2023-24. It outlined SARB's 2025 strategic focus areas along with highlights from 2023-24. This includes managing inflation, developing macroprudential frameworks, monitoring financial and macroeconomic risks, and ensuring the availability of high-quality notes and coins. While, it also provides the risk management frameworks and policy implementation developments in the previous year, it also talks about the digital payment frameworks. The report includes the consolidated financial statements of the central bank. [Link](#)

PA Annual Report 2023/24

The Prudential Authority (PA) released the annual report, outlining the developments, financial performance, and regulatory updates from 2023-24. In 2023, the PA focused on implementing the financial conglomerate regulatory and supervisory framework, enhancing the regulatory framework for insurers and integrating the Anti-Money Laundering/Counter-Terrorist Financing (AML/CFT) supervision. It also worked towards

developing a regulatory approach for pension funds and medical schemes, and improving its response to climate-related financial risks. Monitoring significant ownership in financial institutions was a focus along with supporting financial innovation and fostering transformation and financial inclusion. [Link](#)

FSCA launches retirement funds Know Your Rights campaign

The Financial Sector Conduct Authority (FSCA) launched a 'Know Your Rights' campaign, focusing on a new two-pot retirement system effective from 01 September 2024. The campaign will educate the public on retirement fund contributions, consumer rights, and relevant recourse options. [Link](#)

FSCA Communication 21 OF 2024 (RF)

The Financial Sector Conduct Authority (FSCA) issued a communication, inviting stakeholders to comment on draft forms for amalgamations and transfers per the Pension Funds Act, and clarifying section 14 transfer procedures upon introducing the Two-Pot system. It provides guidance for treatment of transfers during this transitional phase and invites comments on the draft enhancements aimed at promoting consistent, seamless retirement fund operations. Comments can be sent electronically by 31 July 2024. [Link](#)

FSCA Regulatory Actions Report

The Financial Sector Conduct Authority (FSCA) issued its Regulatory Actions Report emphasising actions from April 2023 to March 2024. Increased visibility of enforcement activities, misconduct deterrence, and regulatory requirement awareness are the report's goals. It details numerous FSCA actions, including penalties exceeding ZAR943 million and 156 debarments. [Link](#)

FSCA Communication 22 OF 2024 (RF)

The Financial Sector Conduct Authority (FSCA) issued a communication, directing stakeholders on online submission of reports for payment of pension fund contributions. With concerns about incorrect and inappropriate submissions, the FSCA provided a guideline (Annexure A) for accurate completion. The guidelines also explain additions to the FSCA Retirement Funds Online System. [Link](#)

Other Southern Africa

Bank of Botswana annual report 2023

The 2023 Annual Report by the Bank of Botswana outlines its operations and audited financial updates for that year, along with changes in its governance structure. Amid a changing economy, the report introduces crucial topics such as the role of the mining sector in the country's future development. It discusses the nation's economic growth, monetary policy, financial stability and improvements in Botswana's credit ratings. The institution's role in promoting capacities and ensuring transparency are also emphasized, with gratification expressed for the board's guidance. [Link](#)

International

Minor updates to capital framework for ADIs

The Australian Prudential Regulation Authority (APRA) has issued a response to submissions regarding minor updates to the capital framework for authorised deposit-taking institutions (ADIs). In the letter, the APRA addresses concerns raised by the industry on implementing the new capital framework. The final changes are described as minor and technical. [Link](#)

Market developments

South Africa

Capitec enters life insurance market

Capitec has entered the insurance market with its life insurance product, Capitec Life Cover. The company's innovative approach includes no annual premium increases, offering certainty to clients. The product is accessible via a simple online process through the Capitec app or in-branch, with no required medical tests. This move is part of the firm's strategy to diversify income streams and expand its client base. [Link](#)

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