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KPMG in South Africa

Regulatory Updates for the week ended 5 November, 2021

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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- [Market Developments](#)

Regulatory Developments

Regulatory Strategy for IRBA in Place

National Treasury has published a regulatory strategy for the Independent Regulatory Board for Auditors (IRBA) in the Government Gazette. It focuses on key priorities, strategic outcomes, guiding principles and stakeholder engagement. [Link](#)

Pension funds banned from using cryptocurrencies

South African pension funds will be prohibited from investing in bitcoin and similar assets under new draft rules. Finance Minister Enoch Godongwana put forward a set of changes to Regulation 28, which governs exactly how pension funds may invest member money.

Pension funds have also been banned from putting pension money into anything using a distributed ledger – unless it has been created by a central bank. The deadline for public-comment on this proposal is 12 November 2021. [Link](#)

FSCA communication 19 of 2021: Submission of representative register

The Financial Sector Conduct Authority (FSCA) has informed financial service providers of a change in the method of submission of the representative register. It will be introducing an electronic channel through which the representative register can be uploaded using system to system integration and plain text format. [Link](#)

New pension funds regulation 28 proposals unpacked

Treasury has published the amendments Regulation 28 of the Pension Fund Act. It imposes a limit on the extent to which retirement funds can be used to invest in particular assets or in particular asset classes in order to limit exposure to risky asset classes. [Link](#)

International

Fourth edition of the Regulatory Initiatives Grid

The Forum, of which the Financial Conduct Authority (FCA) is a part, has published the fourth edition of the Regulatory Initiatives Grid. It includes initiatives regarding new climate-related additions around introducing the Sustainable Finance Disclosure regime, Net Zero Transition Plans, and work on environmental, social and governance (ESG) issues in capital markets. [Link](#)

Market Development

CBA pleads guilty to criminal charges for mis-selling consumer credit insurance

The Commonwealth Bank of Australia (CBA) has been found guilty of making false or misleading representations while selling consumer credit insurance to its customers. [Link](#)

Stablecoins might have to be banks

Stablecoins are a form of cryptocurrency which always hold a value equivalent to a dollar (US\$). There is a backed-stablecoin and an over-collateralized stablecoin. They are similar to money-market mutual fund and short-term claim on a pool of volatile assets respectively. Stablecoins are considered to pose illicit finance concerns and risks to financial integrity, including concerns related to compliance with rules governing anti-money laundering and countering the financing of terrorism and proliferation. [Link](#)

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



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