

## **FSCA COMMUNICATION 16 OF 2022 (GENERAL)**

### **Publication of Roadmap for roll-out and implementation of cross-sectoral Conduct of Business Return (Omni-CBR)**

#### **1. PURPOSE**

1.1. The purpose of this Communication is to:

- inform stakeholders that the Financial Sector Conduct Authority (FSCA) has published a Roadmap for the roll-out and implementation of the Omni-CBR (Omni-CBR Roadmap) as well as the draft Omni-CBR template for public consultation;
- describe the various industry engagements planned to provide explanatory guidance and solicit initial feedback on the draft Omni-CBR template;
- invite interested stakeholders to participate in Phase 1 of a multi-year engagement process on the implementation of the Omni-CBR; and
- invite written comments on the contents of the draft Omni-CBR template by 10 August 2022.

#### **2. BACKGROUND**

- 2.1. On 22 December 2021, the FSCA published *FSCA Communication 22 of 2021 (GENERAL)* which provided an update on the development of the Omni-CBR and signalled the FSCA's intention to undertake a robust consultative process on the content and implementation of the Omni-CBR commencing in 2022.<sup>1</sup>
- 2.2. In the communication the FSCA confirmed that it would shortly be publishing an Omni-CBR Roadmap that would form the basis for extensive industry engagement, including details of various general and targeted industry consultation initiatives to solicit feedback on the content, operational impact and implementation of the Omni-CBR.
- 2.3. As highlighted in the communication, in order to fulfil its supervisory mandate, the FSCA requires a strong off-site monitoring tool that will allow it to access meaningful, reliable, measurable, and comparable information on key conduct indicators to assess the delivery of fair customer outcomes across the financial sector.
- 2.4. The Omni-CBR is intended to facilitate streamlined cross-sectoral statutory reporting and sets out the types of conduct indicators to be reported on in future by various financial institutions, including Banks, Insurers and Microinsurers, Investment Providers, Co-operative Financial Institutions (CFIs), Financial Services Providers (FSPs), Retirement Funds and

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<sup>1</sup> See [FSCA Communication 22 of 2021 \(GENERAL\): Update on development of the cross-sectoral Conduct of Business Return](#).

Retirement Fund Benefit Administrators. It will form the cornerstone of the FSCA's off-site supervisory toolkit and reflects the FSCA's increasing focus on embedding an evidence-based and data-driven approach to regulation and supervision.<sup>2</sup>

### 3. DOCUMENTS PUBLISHED ON THE FSCA WEBSITE

3.1. The FSCA has published the following documents on its website:

- The Omni-CBR Roadmap containing:
  - background information on the objectives and intended outcomes of the Omni-CBR;
  - details about the extensive local and international foundational work that helped inform the content and approach of the Omni-CBR;
  - the envisaged engagement and implementation milestones to facilitate an incremental phasing in of harmonised regulatory reporting through the Omni-CBR;
  - a high-level overview of the type of data requested in the Omni-CBR; and
  - the immediate next steps in respect of Phase 1 of the multi-year consultation process leading up to the finalisation of the Omni-CBR.
- Draft Omni-CBR template, containing the list of conduct reporting indicators applicable to different financial institutions and financial products (marked as **Annexure A** to the Roadmap).

3.2. The publication of these documents signals the commencement of Phase 1 of the FSCA's multi-year consultation process in respect of the Omni-CBR.

### 4. DETAILS OF UPCOMING PHASE 1 INDUSTRY ENGAGEMENT ACTIVITIES

#### 4.1. Explanatory webinars

The FSCA will be releasing a three-part explanatory webinar series containing detailed information on the contents and structure of the draft Omni-CBR, as well as the rationale for including certain indicators in the draft Omni-CBR.

The webinars will focus on the following:

- The first webinar sets out the contextual and regulatory background to the development of the Omni-CBR and provides general guidance on the navigation and use of the Omni-CBR template.
- The second webinar provides detailed explanations on the information requested in the "All Sheets" section of the Omni-CBR. These are the sheets requesting general information that must be completed by all financial institutions across all sectors.

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<sup>2</sup> See [FSCA Regulatory Strategy 2021-2025](#).

- The third webinar provides guidance on the “Additional Business Composition Sheets” section of the Omni-CBR. These sheets apply to financial institutions in certain sectors only and are aimed at obtaining information regarding specific risks and trends applicable to that sector.

Direct links to the three-part webinar series are provided below and will also be made available on the Events page of FSCA’s website. The FSCA Events page may be accessed by clicking [here](#).

The webinars may be accessed directly on the FSCA’s YouTube page at the following links:

- [Part one](#)
- [Part two](#)
- [Part three](#)

#### 4.2. Interactive workshops

In line with the FSCA’s commitment to transparency and meaningful consultation, and to ensure a pragmatic and proportional approach to the implementation of the Omni-CBR over the longer term, the FSCA invites market participants to join the various sector-specific workshops scheduled during June and July 2022.

These will be virtual workshops hosted on Microsoft Teams. The workshops are intended to be interactive platforms for stakeholders to present initial questions, comments and concerns relating specifically to the terminology used and types of indicators identified in the draft Omni-CBR template.

It will also be an opportunity for stakeholders in each sector to suggest possible alternative data points that the FSCA could consider to help obtain comparable information in a more pragmatic and/or streamlined manner without undermining the overarching supervisory objectives sought to be achieved through the Omni-CBR.

The workshops have been scheduled as follows:

SECTOR WORKSHOP	DATE
Insurers and Micro-insurers	21 June 2022
Retirement Funds and Retirement Fund Benefit (13B) Administrators	22 June 2022
Co-operative Financial Institutions (CFIs)	30 June 2022
Investment Providers	4 July 2022
Financial Services Providers (FSPs) (Larger FSP’s - Annual Revenue or fund value of > R5 million)	7 July 2022
Financial Services Providers (FSPs) (Smaller FSP’s – Annual Revenue or fund value of < R5 million)	8 July 2022
Banks	12 July 2022

Invitations to the above workshops will be sent out to the various industry distribution lists shortly. Prospective attendees who wish to do presentations and/or submit questions or

comments at the workshops must indicate that they “actively” want to participate in the workshops when responding to the invitation for the relevant workshop.

The workshops for FSPs will be split into two due to the potentially large number of attendees as well as possible differences in issues depending on the size, nature and complexity of FSPs. The split has been done according to the annual revenue or fund value of the FSP’s total book of business. However, any licensed FSP may register and attend the workshop that is most convenient for them.

Financial institutions will also be provided with an opportunity to arrange individual meetings with the FSCA after the workshops to discuss specific issues that may not have been addressed in the webinars or the workshops. Comments on outstanding issues may also be formally submitted for consideration through the written comments process set out below.

#### **4.3. Submission of written comments**

The FSCA also invites written comments from stakeholders on the draft Omni-CBR template (attached to the Roadmap as **Annexure A**).

Written comments must be submitted via the secure FSCA “Comments” portal, available on the FSCA website under Home > Regulated Entities > E-services or by clicking [here](#). The comments template is web-based and is available for completion by any individual on behalf of a licensed financial institution or industry association.

The “Comments” portal will only be available from 10 June 2022 and all written comments must be submitted by **10 August 2022**. The portal will be closed for any further submissions after this date.

## **5. ENQUIRIES**

For more information about this Communication please contact Ms Juanita Smit at [Juanita.Smit@fsca.co.za](mailto:Juanita.Smit@fsca.co.za) and copy [FSCA\\_Omni\\_CBR\\_Comments@fsca.co.za](mailto:FSCA_Omni_CBR_Comments@fsca.co.za).



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