

FINANCIAL SERVICES BOARD

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DATE:	05 April 2016	E-MAIL:	Chwayita.Mtebele@fsb.co.za

INFORMATION CIRCULAR NO. 26

TO MANAGERS AND TRUSTEES OF COLLECTIVE INVESTMENT SCHEMES

ENFORCEMENT OF BOARD NOTICE 92 OF 2014

1. In August 2014, the Registrar promulgated Board Notice 92 of 2014 ("the Notice") prescribing disclosure requirements, which came into effect on 1 May 2015. The Registrar, has since promulgation, adopted a phase-in approach to the subordinate legislation in order to allow Managers time to gain an understanding of what is expected of them in relation to compliance with the Notice.
2. Consequently the Registrar has, to date, not penalised any Managers for non-compliance with the Notice. The Registrar is now of the view that Managers have had adequate time to familiarise themselves with the Notice and to do the necessary in order to be fully compliant. The Registrar now wishes to advise Managers and trustees that going forward, all breaches will be dealt with as prescribed in the legislation.
3. It has come to the Registrar's attention that the Guidance Note¹ has been causing confusion in the industry regarding the lodging process and the types of material that need to be lodged with the Registrar. Managers are reminded to lodge all material referenced in the Notice prior to use, as well as all website and social media site(s) details via the online portal. The Guidance Note exists for purposes of providing guidance and it does not substitute the law. Where there are any misunderstandings regarding the guidance issued, Managers should err on the side of the law. Please note that failure to lodge material with the Registrar as prescribed in paragraph 19(1) of the Notice, may lead to penalties in terms of paragraph 18(1) of CISCA.
4. At the Registrar's discretion, non-compliance matters may be referred to the Enforcement Unit of the Financial Services Board ("the FSB") to institute regulatory action.

¹ Guidance Note 10 dated 12 March 2015

It is the responsibility of the Manager to ensure that all material lodged is free of error and/or omission and all issues are addressed to the satisfaction of the Registrar.

5. The Registrar has noted many instances where Managers are not aware of material produced by third-party-named portfolio managers. In many cases this material is not compliant with the law. The Registrar reminds Managers that a Manager retains full liability and accountability for its third-party-named portfolios.
6. Finally, the Registrar wishes to advise that without detracting from any of his rights to act against past discretions, the Registrar will start imposing penalties from **1 May 2016** to all Managers who fail to comply with the Notice as prescribed.

Yours faithfully

A handwritten signature in black ink, appearing to be 'J.A. Boyd', written over a horizontal line.

J.A BOYD
REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES