

FSCA COMMUNICATION 35 OF 2020 (FAIS)

Publication of final amendments to the General and Short-term Deposit Codes of Conduct as well as Fit and Proper requirements under the FAIS Act

1. Purpose

The purpose of this Communication is to inform stakeholders that today the Financial Sector Conduct Authority (FSCA) published the following documents:

- the Amendment of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003 (GCOC) and the Specific Code of Conduct for Authorised Financial Services Providers and Representatives conducting Short-term Deposit business, 2004 (ST Deposit Code)
- a statement of the need, expected impact and intended operation of the draft amendments to the GCOC and ST Deposit Code in terms of section 98 of the Financial Sector Regulation Act;
- a Consultation Report on the draft amendments to the GCOC and ST Deposit Code in terms of section 104(1) of the Financial Sector Regulation Act;
- the Amendment of the Determination of Fit and Proper Requirements (F&P Requirements);
- a statement of the need, expected impact and intended operation of the amendments to the F&P Requirements in terms of section 98 of the Financial Sector Regulation Act; and
- a Consultation Report on the draft amendments to the F&P Requirements in terms of section 104(1) of the Financial Sector Regulation Act.

2. Background

2.1 The proposed amendments are necessary to contribute to the fulfilment of the FSCA's legislated objectives and is ultimately intended to promote the fair treatment and protection of financial customers.

2.2 Many of the amendments emanated from policy processes that started as far back as 2014, such as the Retail Distribution Review.

- 2.3 The introduction of the Insurance Act also resulted in various references to terminology and classes of insurance business in the Long-term Insurance Act and Short-term Insurance Act, as referenced in the Fit and Proper Requirements for Financial Services Providers, 2017 (Fit and Proper Requirements), being outdated and the main purpose of the amendments to the Fit and Proper requirements is to ensure alignment with Insurance Act terminology.
- 2.4 The Amendment Notices underwent comprehensive public consultation processes coupled with industry specific engagements. The Amendment Notices were also submitted to Parliament as required in terms of section 103 of the Financial Sector Regulation Act, 2017 (FSR Act).
- 2.5 Following requisite processes as set out in Chapter 7 of the Financial Sector Regulation Act, the FSCA today published the final Amendment Notices and relevant supporting documents on its website. The amendment Notices were also published in the Government Gazette.

3. Availability of Information and Equiries

- 3.1 The documents referred to in paragraph 1 is available on the FSCA's website at www.fsca.co.za.
- 3.2 For more information regarding the Conduct Standards and/or this Communication please contact the Regulatory Framework Department of the FSCA at Hannelie.hattingh@fsca.co.za.

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