

FSCA COMMUNICATION 53 OF 2020 (GENERAL)

Reclassification of inward listed debt and derivative instruments as well as exchange traded funds referencing foreign assets

1 PURPOSE

The purpose of this Communication is to inform stakeholders that the inward listing of all instruments on a South African exchange remains extant and that further guidance will be provided from the Financial Sector Conduct Authority.

2 BACKGROUND

Following the decision by National Treasury, as indicated in the Medium Term Budget Policy Statement by the Minister of Finance, all remaining foreign classified debt and derivative instruments as well as exchange traded funds referencing foreign assets, that are inward listed on a South African exchange and traded and settled in Rand, will be reclassified as domestic, provided they meet all eligibility criteria as contained in Exchange Control Circular No. 15/2020 issued by the South African Reserve Bank on 29 October 2020.

The approval process in respect of the inward listing of all instruments on a South African exchange remains extant.

Financial Sector Conduct laws that may be affected will be considered and evaluated for impact. Further guidance will be provided from the Authority in this regard and no presumptions pertaining to Financial Sector Conduct laws should be formed on the reclassification.

3 ENQUIRIES

Enquiries regarding this Communicating insofar as it relates to:

- collective investment schemes / Collective Investment Schemes Control Act may be directed to marius.dejongh@fsc.co.za; and
- pension funds / Regulation 28 under the Pension Funds Act to wilma.mokupo@fsc.co.za.



Olano Makhubela: Commissioner
FINANCIAL SECTOR CONDUCT AUTHORITY

Date: 13 November 2020