
GENERAL NOTICE

NOTICE 1145 OF 2014

NATIONAL TREASURY

INVITATION FOR PUBLIC COMMENTS ON DRAFT FINANCIAL SECTOR REGULATION BILL, 2014

The National Treasury invites public comments on the draft Financial Sector Regulation Bill, 2014 ("the Bill"). The first draft of the Bill was published on 8 December 2013, following Cabinet's approval for publication for public comments on 4 December 2013. The current version of the Bill has been substantially revised from the version of the Bill that was published for public comment in December, 2013.

The Bill seeks to achieve a financial system that works in the interests of financial customers, and supports a balanced and sustainable economic growth in the Republic by introducing the 'twin peaks' approach to financial regulation, with the following aims:

- to confer on the Reserve Bank the primary responsibility of maintaining, promoting and enhancing financial stability, including the responsibility for the management of systemic risks and systemic events;
- to establish the Financial Sector Conduct Authority and the Prudential Authority to supervise and regulate the provision of financial products and financial services;
- to ensure co-operation, collaboration, co-ordination and consistency between the Financial Sector Regulators and other organs of the state;
- to protect the interests of customers acquiring or using financial products and financial services by ensuring that financial institutions treats customers fairly and that they provide financial customers with financial education programs;
- to provide for the regulation of significant owners of financial institutions and to create a framework for the supervision of financial conglomerates;
- to ensure a consistent and standardised approach to financial regulation, by establishing harmonised systems of licensing, supervision, complaints resolution, enforcement and appeal mechanisms;
- to provide for procedural matters, such as information sharing arrangements, information gathering, and to authorize the financial sector regulators to conduct on - site inspections and investigations into the affairs of financial institutions;
- to empower the financial sector regulators to take certain enforcement actions, to adopt administrative action procedures, to impose administrative penalties and related orders, and to establish the Financial Services Tribunal as an appellate body;
- to incorporate the Financial Services Ombud Schemes Council ("the Council") within the framework of financial sector regulation and to bring the Statutory Ombuds, the Office of the Ombud for Financial Services and of the Adjudicator, within the ambit of the Council.

The Bill and accompanying documents are available on the National Treasury website, <http://www.treasury.gov.za>. Comment on the Bill received by **2 March 2015** will be considered and may be submitted by -

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