

FSCA Press Release

2 July 2018

The FSCA releases two publications related to the Retail Distribution Review

The Financial Sector Conduct Authority (FSCA) has recently published two new documents relating to its Retail Distribution Review (RDR) regulatory reform program. The first document is a comprehensive status update on the FSCA's progress in implementing the RDR and is published mainly for information purposes. The second document is an RDR discussion document on Investment Related Matters, on which the FSCA invites stakeholders to provide input by 17 August 2017 (using the template provided by FSCA).

The RDR status update summarises the current implementation status of the 55 RDR regulatory proposals initially published in 2014. It also sets out planned RDR developments for the remainder of 2018.

The RDR discussion document on Investment Related Matters is intended to solicit industry input on possible regulatory measures to:

- Define the activity of “investment management” and consider the extent to which investment management needs to be demarcated from other forms of discretionary investment mandate;
- Clarify the nature of the legal and business relationships between different types of discretionary investment mandate holders, collective investment scheme management companies and investment advisers, and how best to structure these in the regulatory framework to achieve RDR objectives; and
- Provide for fee and remuneration arrangements, to align with the RDR approach of aligning remuneration with actual activities performed and avoiding unnecessary duplication of costs for the end investor.

To access these documents visit www.fsca.co.za – Home > Regulatory Frameworks > Documents for Consultation > Treating Customers Fairly.

Editor's notes:

The former Financial Services Board (FSB) published the RDR in November 2014. The RDR proposed a number of regulatory reforms related to the distribution of financial products and the provision of financial advice. The RDR is informed by the Treating Customers Fairly initiative, targeted at ensuring that the financial sector delivers clearly articulated fair outcomes for financial customers.

The RDR reforms were expressed as a set of 55 inter-related regulatory proposals, to be implemented through a multi-year regulatory reform process. The FSCA is continuing to roll out the RDR reforms, underpinned by its statutory mandate to promote the fair treatment of financial customers by financial institutions.

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