



FSCA INFORMATION REQUEST 2 OF 2024 (RF)

FINANCIAL SECTOR REGULATION ACT, 2017 (ACT NO. 9 OF 2017)

REQUEST FOR INFORMATION ON ADMINISTRATION FEES RELATING TO THE TWO-COMPONENT SYSTEM

1. DEFINITIONS

In this Information Request “**the PFA**” means the Pension Funds Act, 1956 (Act No. 24 of 1956) and “**the FSR Act**” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), and any word or expression to which a meaning has been assigned in the PFA or the FSR Act bears the meaning so assigned to it, unless the context otherwise indicates, and –

“**fund**” has the meaning assigned to it in the PFA.

2. BACKGROUND

2.1 Boards of funds have a duty to take all reasonable steps to ensure that they act in the best interests of members at all times pursuant to section 7C(2)(a) of the PFA.

2.2 Accordingly, boards of funds must ensure that reasonable fees are charged for purposes of, *inter alia*, withdrawals under the two-component system.

3. PURPOSE

The purpose of this Information Request is to ascertain details on the administrative fees or charges that a member withdrawing from the savings component will incur and the fees attendant to the two-component system, and how the fees will be calculated by administrators and self-administrated funds. It is the FSCA’s intention to publish a report of its findings following obtaining the requested information.

4. REQUEST FOR INFORMATION

The Authority, in terms of sections 2(4)(b), 13B(5)(g) of the PFA and section 131 of the FSR Act, hereby requests all administrators and self-administered funds to submit information of the administration fees relating to the two-component system, by completing the questions in Annexure A attached to this information request on or before **30 September 2024**.

5. FORMAT OF INFORMATION REQUESTED AND TIMELINE FOR SUBMISSION

Administrators and self-administered must submit information requested in Annexure A relating to administrative fees charged to members by 30 September 2024 via email to the following email address: twopotfeequestionnaireadministrator@fsca.co.za

6. FAILURE TO COMPLY WITH INFORMATION REQUEST

- 6.1 In terms of section 37 of the PFA, any person who contravenes or fails to comply with sections 4, 10, 13A, 13B or 31 is guilty of an offence and liable on conviction to a fine not exceeding R10 million or imprisonment for a period not exceeding 10 years, or both such fine and imprisonment.
- 6.2 In terms of section 267(1) of the FSR Act, a supervised entity that fails to comply with the requirements contained in a notice under section 131(1) commits an offence and is liable on conviction to a fine not exceeding R1000 for each day during which the offence continues.
- 6.3 Accordingly, a failure to provide the specified information by or within the timeframe specified constitutes an offence under section 37 of the PFA and section 267 of the FSR Act.

7. ENQUIRIES

- 7.1 This Information Request is available on the FSCA's website (www.fsca.co.za) under *Regulatory Frameworks < Notices < Retirement Funds < 2024*.
- 7.2 For further information regarding this Information Request and the contents hereof please contact the FSCA by emailing Corlia Buitendag at: Cornelia.Buitendag@fsca.co.za



A LUDIN
DEPUTY COMMISSIONER

Date of publication: 13 September 2024