

FSCA Communication 20 OF 2020 (FAIS)

Exemption of Financial Services Providers And Juristic Representatives from certain Financial Soundness Requirements

15 April 2020

1. Purpose and background

- 1.1 The purpose of this Communication is to inform Financial Services Providers (FSPs), Key Individuals and other stakeholders that the Financial Sector Conduct Authority (FSCA) has published a Notice exempting FSPs and juristic representatives from certain financial soundness requirements as provided for in the Determination of Fit and Proper Requirements for Financial Services Providers and Representatives (Board Notice 194 of 2017) (the Determination).
- 1.2 The exemption was deemed necessary in order to alleviate some of the financial pressures experienced by FSPs and juristic representatives as a result of the impact of the COVID-19 pandemic and national lockdown announced by the President of South Africa.

2. Details of exemption notice

- 2.1 The Notice contains exemptions from sections 45(2), 48(1) and 48(2) of the Determination, as applicable, for the period 1 April 2020 to 31 March 2021.
- 2.2 The exemptions are subject to various conditions, including:
- specific financial soundness requirements, which are less onerous than those prescribe in sections 45(2), 48(1) and 48(2) of the Determination;
 - certain reporting requirements; and
 - a prohibition on certain payments and distribution of assets unless approved by the Authority.

3. Contact

- 3.1 This communication is available on the FSCA's website (www.fsca.co.za) following the path: *Home > Regulatory Frameworks > Industry Communication > FAIS*.
- 3.2 For further information regarding this Communication please contact the FSCA by emailing:

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