

FSCA COMMUNICATION 1 OF 2025 (RF)

Withdrawal of Directive 157.A.i (LT) and Pension Fund Notice 2 of 2014

1. PURPOSE

The purpose of this Communication is to inform stakeholders that, today, the Financial Sector Conduct Authority (FSCA) published FSCA RF Notice 1 of 2025 – Withdrawal of Directive 157.A.i (LT) and Pension Fund Notice 2 of 2014.

2. SUMMARY

- 2.1 Directive 157.A.i (LT) – *Guidance on guaranteed and partially guaranteed policy benefits for purposes of regulation 28(8)(b)(iii) of the Regulations made under section 36 of the Pension Funds Act No. 24 of 1956* (Directive 157) provides guidance on what constitutes guaranteed and partially guaranteed policy benefits under long-term insurance policies for purposes of Regulation 28(8)(b)(iii) of the Regulations made under section 36 of the Pension Funds Act, 1956 (Act No. 24 of 1956).
- 2.2 Pension Fund Notice 2 of 2014 - *Exemption from Regulation 28(8)(b) - Requirements for Audit Certificate of Compliance with Regulation 28* (PF Notice 2) provides for an exemption from Regulation 28(8)(b) in respect of the requirements for an audit certificate of compliance with Regulation 28. PF Notice 2 exempts pension funds from compliance with Regulations 28(8)(b)(i), 28(8)(b)(ii), 28(8)(b)(iii)(aa) and 28(8)(b)(iv).
- 2.3 In July 2022, the requirements in Regulation 28 were amended, including the substitution of Regulation 28(8)(b) in its entirety with requirements relating to infrastructure assets (Regulation 28). These amendments came into effect on 3 January 2023. Regulations 28(8)(b) as referred to in Directive 157 and PF Notice 2, are therefore no longer in effect, which has essentially rendered the Directive and Notice obsolete.
- 2.4 In light of the fact that Directive 157 and PF Notice 2 are no longer applicable due to the repeal of the Regulations to which they pertain, and in order to create legal certainty regarding the non-applicability of these documents, the FSCA has published FSCA RF Notice 1 of 2025 that formally withdraws both Directive 157 and PF Notice 2.¹

¹ Note that on 2 April 2024, the FSCA published FSCA Prudential Standard 1 of 2024 (RF) – *Regulation 28 Quarterly Reporting Requirements for Pension Funds*, together with supporting documents, including the Statement Supporting the Prudential Standard – Regulation 28 Quarterly Reporting Requirements for Pension Funds (Statement) and the Consultation Report. In paragraph 3.4 of the Statement Supporting the Prudential Standard and section D of the Consultation Report, the FSCA communicated its intention to withdraw Directive 157 and PF Notice 2.

3. ENQUIRIES

- 3.1 The document referred to in paragraph 1 is available on the FSCA's website at www.fsca.co.za.
- 3.2 For more information regarding draft Prudential Standard, and/or this Communication please contact the Regulatory Framework Department of the Authority at marianne.vanrooyen@fsca.co.za or andile.mjadu@fsca.co.za.



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