

FSCA COMMUNICATION 11 OF 2023 (GENERAL)

NOTICE REGARDING THE PUBLICATION OF DRAFT CONDUCT STANDARD – REQUIREMENTS FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL EDUCATION INITIATIVES

1. PURPOSE

- 1.1. The purpose of this Communication is to inform stakeholders that today the Financial Sector Conduct Authority (FSCA) published the following documents on its website:
 - 1.1.1. Notice regarding the publication of draft Conduct Standard – Requirements for financial institutions providing financial education initiatives (draft Conduct Standard);
 - 1.1.2. Statement supporting the draft Conduct Standard (Statement); and
 - 1.1.3. Comments Template for draft Conduct Standard.

2. BACKGROUND AND CONTEXT

- 2.1. Financial education initiatives can influence consumers' financial decisions and financial well-being and given the low levels of financial literacy, it has a significant role to play in advancing financial sector transformation and financial inclusion. All licensed financial institutions, regulatory bodies and other financial education stakeholders have a responsibility to the consumers and the communities they serve to partner with consumers on their financial literacy journey
- 2.2. Although there have been attempts to coordinate the implementation of financial education in South Africa, initiatives and activities have largely been fragmented and uncoordinated due to regulatory compliance and consumer education activities of financial institutions being supervised by different entities. As such, a need exists to set a common minimum standard to which all consumer financial education initiatives provided by financial institutions must adhere.
- 2.3. The FSCA is therefore proposing to make a Conduct Standard that sets baseline requirements for financial institutions when providing consumer financial education initiatives. This includes requiring financial institutions to take reasonable steps to, among others, ensure appropriate standards of behaviour, put in place adequate governance and oversight arrangements when developing financial education content, and implement suitable monitoring, evaluation and reporting measures in relation to their financial education activities.
- 2.4. Further details regarding these proposals, the need therefore and the expected impact of the proposals are set out in the Statement.

3. INVITATION TO COMMENT ON DRAFT CONDUCT STANDARD

- 3.1. The documents referred to in paragraph 1 are available on the FSCA's website at www.fsca.co.za.
- 3.2. Interested parties are invited to submit comments on the draft Conduct Standard on the Comments Template published herewith, in Word format, on or before **15 May 2023** to FSCA.RFDstandards@fsca.co.za.

4. CONTACT

For further information regarding this Communication please contact the Regulatory Framework Department of the FSCA by emailing Hannelie Hattingh at hannelie.hattingh@fsca.co.za.



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