



FSCA COMMUNICATION 25 OF 2023 (RF)

LAUNCH OF THE NEW FSCA TRUSTEE TRAINING TOOLKIT FOR BOARD MEMBERS OF RETIREMENT FUNDS AND DETERMINATION OF DATES FOR COMPLETION THEREOF IN TERMS OF CONDUCT STANDARD 4 OF 2020 (RF)

1. PURPOSE

The purpose of this Communication is to inform stakeholders that the Financial Sector Conduct Authority (“FSCA”) –

- (a) on 26 September 2023 launched the new Trustee Training Toolkit (TTK), and
- (b) has determined by notice on the website of the FSCA in FSCA RF Notice 21 of 2023 the dates by which board members must complete the first 11 modules of the new TTK.

2. BACKGROUND

- 2.1 In order to ensure that board members exercise their fiduciary duties efficiently and effectively pursuant to sections 7C and 7D of the Pension Funds Act, 24 of 1956 (“the Act”) and in trying to ensure good governance, education and training of board members play a pivotal role.
- 2.2 Hence, approximately a decade ago the Financial Services Board (as it then was) rolled out the first online TTK.
- 2.3 Prior to FSCA Conduct Standard 4 of 2020 (RF) - *Minimum Skills and Training requirements for Board members of Pension Funds* (“Conduct Standard 4 of 2020”) coming into effect, the completion of the first TTK was voluntary. Whilst the TTK was useful for the purposes of providing board members with the requisite skills, it was elementary in its scope and coverage.
- 2.4 Accordingly, it was considered necessary to develop a more comprehensive TTK to better equip trustees in the exercise of their fiduciary duties culminating in the launch of the new TTK on 26 September 2023. The new TTK comprises the first 11 of 22 modules. The second half of the modules is expected to be launched in March 2024.
- 2.5 The new TTK replaces the initial TTK and is required to be completed by all board members irrespective of whether they completed the initial (old) TTK.

3. LEGISLATIVE FRAMEWORK

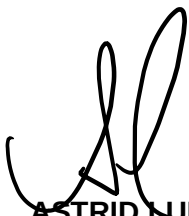
- 3.1 The importance of trustee training and trustees having appropriate levels of skills are recognised and codified in S7A(3) of the Act which provides that board members elected or appointed to a fund must attain such levels of skills and training as may be prescribed by the FSCA, within six months from the date of their appointment. Board members are, in turn, required to retain the prescribed levels of skills and training throughout their term of appointment.
- 3.2 To this end, the FSCA issued FSCA Conduct Standard 4 of 2020 on 10 July 2020, which prescribed minimum skills and training requirements for board members of retirement funds. In terms of paragraph 3(6) of Conduct Standard 4 of 2020, the FSCA may add more modules to the TTK, the completion of which is mandatory for all board members.

4. DATES FOR COMPLETION OF THE TRUSTEE TRAINING TOOLKIT

- 4.1 Board members of pension funds who were appointed *on or before 26 September 2023* must complete the first 11 modules of the new Trustee Training Toolkit, within six months from the date of publication of FSCA RF Notice 21 of 2023.
- 4.2 All new board members of pension funds appointed or elected after 26 September 2023 must complete the first 11 modules of the Trustee Training Toolkit, within six months from the date of appointment or election.

5. AVAILABILITY OF DOCUMENTS AND ENQUIRIES

- 5.1 The first 11 modules of the new Trustee Training Toolkit are available at: <https://elearning.fsca.co.za/home>
- 5.2 FSCA RF Notice 21 of 2023 determining the dates for completion of the first 11 modules of the TTK are available on the FSCA's website (<https://www.fsca.co.za>) under *Regulatory Framework > Notices > Retirement Funds > 2023*.
- 5.3 For more information regarding this Communication, or the documents referred to therein please contact the FSCA Retirement Funds Department by emailing Tando Mbono at Tando.Mbono@fsca.co.za



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