

FSCA COMMUNICATION 30 OF 2024 (CIS)

Draft Determination Relating to Foreign Collective Investment Schemes Soliciting Investments in the Republic

1. PURPOSE

The purpose of this Communication is to inform stakeholders that the Financial Sector Conduct Authority (FSCA) has published the following documents for public comment:

- 1.1 Notice regarding the Draft Determination Relating to Foreign Collective Investment Schemes Soliciting Investments in the Republic (draft Determination) (**Annexure A**);
- 1.2 Statement of Need supporting the draft Determination (**Annexure B**); and
- 1.3 Comments Template for the draft Determination (**Annexure C**).

2. BACKGROUND

- 2.1 In South Africa, Collective Investment Schemes (CISs) are regulated and supervised under the Collective Investment Schemes Control Act (CISCA). CISCA, amongst others, distinguishes between local and foreign schemes. With respect to the latter and as it pertains to soliciting investments within South Africa, CISCA further makes provision in terms of how the relevant applications are to be made and conditions attached thereto. Currently the above application and approval of foreign CISs are dealt with under sections 65 to 67 of CISCA and Board Notice 257 published in Government Gazette No. 37123 on 13 December 2013 (BN 257).
- 2.2 Due to several developments, approval challenges and supervisory experiences, there is a need to review the approval process of foreign CISs. As a result these developments, it was important that BN 257 should be reviewed and updated, in line with international best practices.
- 2.3 Therefore, the draft Determination sets out principle-based requirements for the determination of conditions in terms of which foreign CIS may advertise for and solicit investments in South Africa.
- 2.4 Further, the draft Determination prescribes the format of an application for approval in terms of section 65(1). Further, the draft Determination sets out the conditions that a foreign scheme must comply with for purposes of being approved under section 65(1) of CISCA.
- 2.5 Comprehensive details on the need, expected impact and intended operation of the draft Determination are set out in **Annexure B** to this Communication.

3. INVITATION TO COMMENT

- 3.1 Interested parties are invited to submit comments on the draft Determination by **11 October 2024** to FSCA.RFDStandards@fsca.co.za.

4. AVAILABILITY OF INFORMATION AND ENQUIRIES

- 4.1 The documents referred to in paragraph 1 are available on the FSCA's website at www.fsca.co.za.
- 4.2 For more information regarding the draft Determination and/or this Communication please contact the Regulatory Frameworks Department of the Authority at Marius.deJongh@fsca.co.za or Andile.Mjadu@fsca.co.za.



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