



FSCA COMMUNICATION 33 OF 2022 (RF)

Publication of draft Prudential Standard – Regulation 28 Quarterly Reporting Requirements for Pension Funds

1. PURPOSE

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

- 1.1 Draft Prudential Standard – Regulation 28 Quarterly Reporting Requirements for Pension Funds (draft Prudential Standard);
- 1.2 Statement supporting the draft Prudential Standard; and
- 1.3 Comments Template for the draft Prudential Standard.

2. BACKGROUND

- 2.1 Regulation 28 of the Regulations under the Pension Funds Act, 1956 (Act No. of 1956) (“PFA Regulations”) protects retirement fund member savings by limiting the extent to which funds may invest in a particular asset or in particular asset classes. Regulation 28(8)(a) provides that the FSCA, “... *may prescribe the format, content and any other particulars in respect of disclosure of compliance with this Regulation*”. The disclosure reports are currently prescribed in different Notices.
- 2.2 Regulation 28 was revised in July 2022 and, among others, requires additional reporting requirements in relation to infrastructure assets and other amendments to the asset spreading requirements.
- 2.3 The Regulation 28 amendments come into effect on 3 January 2023. It is imperative that the quarterly reports take into account the amendments and ensure that pension funds appropriately report on these matters.
- 2.4 The FSCA has identified a need to urgently update the quarterly reports for pension funds in line with the recent amendments to Regulation 28, to ensure disclosures, consistency and transparency in the application of reporting requirements across all pension funds, to promote legal certainty and to protect pension fund members.

3. INVITATION TO COMMENT ON DRAFT PRUDENTIAL STANDARD

3.1 The draft Prudential Standard is to be made in terms of regulation 28(8)(a) of the PFA Regulations and is published for comment in terms of section 100 (urgent regulatory instruments) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) ("FSR Act"). The need for proceeding with the draft Prudential Standard on an urgent basis is elaborated on in paragraph 2 of the "Statement supporting the draft Prudential Standard".

3.2 Interested parties are invited to submit comments on the draft Prudential Standard by **7 December 2022** to FSCA.RFDStandards@fsca.co.za.

4. AVAILABILITY OF INFORMATION AND ENQUIRIES

4.1 The documents referred to in paragraph 1 is available on the FSCA's website at www.fsca.co.za.

4.2 For more information regarding the draft Prudential Standard and/or this Communication please contact the Regulatory Frameworks Department of the Authority at Marianne.Vanrooyen@fsca.co.za or Andile.Mjadu@fsca.co.za.



UNATHI KAMLANA
COMMISSIONER
FINANCIAL SECTOR CONDUCT AUTHORITY

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