

FSCA COMMUNICATION 35 OF 2024 (RF)

Update on the rule amendments giving effect to the Two-Component System

1. PURPOSE

The purpose of this communication is to provide an update on the status of rule amendment submissions related to the Two-Component System. It is intended to inform stakeholders about the current progress, including the number of the Two-Component rule amendment applications received, registered and pending, in respect of which there are outstanding queries, and its consequences.

2. UPDATE ON RULE AMENDMENT STATISTICS

- 2.1 On 3 September 2024, the Financial Sector Conduct Authority (FSCA) issued FSCA Communication 32 of 2024 (RF)¹, which provided an update on the status of rule amendments related to the Two-Component system as at that date.
- 2.2 Stakeholders have requested a further update on the status of rule amendments, more specifically, in relation to retirement funds whose rule amendments have not yet been registered.
- 2.3 To date, the FSCA has received 853 applications for rule amendments relating to the Two-Component System. All retirement funds that were required to submit rule amendments to give effect to the Two-Component system have done so.
- 2.4 The FSCA has registered 809 of these rule amendments, representing approximately 95% of the total received (see Annexure A, which provides details of the retirement funds that have registered Two-Component rule amendments). Of the remaining 44 applications, 36 applications have been pending due to queries that have been raised by the FSCA. Responses to 8 of the queries that were received are under consideration (see Annexure B, which provides details of retirement funds that have pending rule amendments due to queries).

3. REMINDER

- 3.1 Retirement Funds are reminded to provide responses to the queries raised on or before the due date provided by the FSCA so that members are not unduly prejudiced as funds cannot give effect to the Two-Component system until the registration of the required rule amendments.

¹ Available on the FSCA Website under *Regulatory Frameworks < Industry Communication < Retirement Funds* or by clicking on the following link:
[https://www.fsca.co.za/Regulatory%20Frameworks/Regulatory%20Frameworks%20Documents/FSCA%20Communication%2032%20of%202024\(RF\).zip](https://www.fsca.co.za/Regulatory%20Frameworks/Regulatory%20Frameworks%20Documents/FSCA%20Communication%2032%20of%202024(RF).zip)

4. ENQUIRIES

For further information regarding this Communication, please contact the FSCA by emailing Mrs Jodine Scholtz at Jodine.Scholtz@fsc.co.za.

A handwritten signature in black ink, appearing to be 'AL', with a small dot above the 'L'.

**ASTRID LUDIN
DEPUTY COMMISSIONER
FINANCIAL SECTOR CONDUCT AUTHORITY**

Date: 25 September 2024