

FSCA COMMUNICATION 38 OF 2022 (FM)

Publication of revised draft Conduct Standard – Requirements relating to the provision of a benchmark for public consultation

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 for public consultation :
- (a) Revised Draft Conduct Standard [-] of 2022 (FM): Requirements relating to the provision of a benchmark - for public consultation (the draft Conduct Standard);
 - (b) Revised Statement of need, expected impact, and intended operation of the Conduct Standard;
 - (c) Consultation Report;
 - (d) A marked-up version of the first draft Conduct Standard showing the proposed changes
 - (e) Comments Template to be used for submitting comments on the revised draft Conduct Standard.

2. BACKGROUND

- 2.1 The main objective of the Conduct Standard is to propose a regulatory framework in terms of which benchmark administrators will be supervised, and whereby the provision of a benchmark will be regulated once the Regulations in terms of section 3(3) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017)¹ come into effect. The framework aims to ensure the accuracy, robustness and integrity of benchmarks and of the way benchmarks are determined. Full details on the need for the Conduct Standard is set out in the Statement of need, impact and operation of the Conduct Standard.
- 2.2 On 28 February 2022, the first draft of the Conduct Standard was published for public comment, with comments due on 12 April 2022. Following the public consultation, all inputs received were considered and a drafting review undertaken of the draft Conduct Standard, informed by the comments from industry stakeholders. A detailed account of the submissions received and the responses thereto are provided in the accompanying Consultation report.
- 2.3 The revised draft Conduct Standard and supporting documents has now in accordance with section 99 of the Financial Sector Regulation Act, 2017 been published for a further round of public consultation.

¹ The National Treasury published draft Regulations to this effect for public consultation on 1 September 2021. The draft Regulations propose to designate the “provision of a benchmark” as a financial service in accordance with section 3(3) of the Financial Sector Regulation Act, 2017. Documents available at: [http://www.treasury.gov.za/public%20comments/DraftBenchmark/2021%2008%2030%20Draft%20Benchmark%20Regulations%20\(for%20publication%20for%20comment\).pdf](http://www.treasury.gov.za/public%20comments/DraftBenchmark/2021%2008%2030%20Draft%20Benchmark%20Regulations%20(for%20publication%20for%20comment).pdf)

3. AVAILABILITY OF INFORMATION AND ENQUIRIES

- 3.1 The draft Conduct Standard, together with the listed supporting documents referred to in paragraph 1, is available on the FSCA's website at www.fsca.co.za under *Regulatory Frameworks > Documents for Consultation > Capital Markets*.
- 3.2 Interested parties are invited to, in writing, submit comments on the draft Conduct Standard and supporting documents, using the comments template published alongside the draft Conduct Standard, **on or before 6 February 2023** via email to FSCA.RFDStandards@fsca.co.za.
- 3.3 For more information regarding the draft Conduct Standard and/or this Communication, please contact the Regulatory Frameworks Department of the FSCA at Roslynne.Vanwyk@fsca.co.za.



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