

FSCA Communication 4 of 2020 (RF)

FURTHER EXTENSION OF PERIOD FOR COMPLIANCE BY CERTAIN FUNDS WITH REGULATION 38 OF THE REGULATIONS UNDER THE PENSION FUNDS ACT, 1956

1. PURPOSE

The purpose of this Communication is to inform stakeholders that the Financial Sector Conduct Authority (FSCA) has, in terms section 279(1) of the Financial Sector Regulation Act, 2017 (Act no. 9 of 2017) (FSR Act), further extended the period for compliance by funds that have submitted applications for amendments to their rules in order to comply with Regulation 38 of the Pension Funds Act, 1956 (Act No. of 24 1956) (Act).

2. BACKGROUND AND REASON FOR FURTHER EXTENSION

- 2.1 On 12 November 2019, the FSCA published *FSRA Compliance Extension 2 of 2019 (PFA)* (the extension) which extended the period for compliance by funds that have submitted applications for amendments to their rules in order to comply with Regulation 38 of the Act, until 29 February 2020.
- 2.2 One of the main reasons for the extension was because the FSCA is in the process of finalising an Interpretation Ruling¹ relating to section 37C of the Act that might necessitate further amendments to a fund's rules, specifically where a fund's interpretation of section 37C is not consistent with the Interpretation Ruling. Full details surrounding the reason for the extension is set out in *FSCA Communication 5 of 2019 (PFA)*.
- 2.3 Various concerns relating to the Interpretational Ruling were raised through the public consultation process and this resulted in an industry workshop that was held in February 2020. The process of finalising the Interpretation Ruling has therefore been delayed which means that the Interpretation Ruling will not be finalised before the expiry of the extension period which is 29 February 2020.

¹ To be made under section 142 of the FSR Act.

- 2.4 As such, the FSCA has further extended the period to comply until 30 April 2020. It is envisaged that the Interpretation Ruling referred to above will be finalised within the next month or two.

3. ENQUIRIES

For more information regarding this Communication contact the Regulatory Framework Department of the FSCA at Roslynne.vanwyk@fsc.co.za.