



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

ADVISORY

INVITATION TO SUBMIT PUBLIC COMMENTS ON CANDIDATES BEING CONSIDERED FOR RECOMMENDATION FOR APPOINTMENT AS DEPUTY COMMISSIONERS OF THE FINANCIAL SECTOR CONDUCT AUTHORITY

The Financial Sector Conduct Authority (FSCA) Shortlisting Panel invites the public to submit comments, if any, on two candidates it intends to recommend to the Minister of Finance (Minister) for consideration for appointment to the positions of Deputy Commissioners of the FSCA.

The FSCA was established in 2018 in terms of section 56 (1) of the Financial Sector Regulation (FSR) Act, as a new regulator for market conduct and the fair treatment of customers in the financial sector. It also aims to enhance and support the efficiency and integrity of financial markets, and assist in maintaining financial stability. In pursuit of its mandate, the FSCA is legally required to act without any fear, favour or prejudice. The Shortlisting Panel was established in terms of Regulation 9 (1) of the Financial Sector Regulations made in terms of the FSR Act, and commenced its work on 16 September 2020.

The Shortlisting Panel received 38 applications for the Deputy Commissioner positions. Upon assessing each candidate's CV in detail, and based on the requirements in the advert and the selection criteria, the Shortlisting Panel agreed to shortlist the 5 most suitably qualified candidates for interviewing. It conducted interviews for the Deputy Commissioner positions on 14 January 2021 and 22 January 2021. As the interviews for the Deputy Commissioner positions were identical to the interviews for the Commissioner position, candidates who were interviewed on 21 November 2020 for the Commissioner position were also considered for the Deputy Commissioner positions.

Following the closure of the period for public comments, the Shortlisting Panel will consider all comments received, and take them into account before it finalises its recommendations to the Minister. The Minister has the prerogative to appoint or not appoint any of the candidates recommended by the Shortlisting Panel. Should the Minister decide to appoint other candidates that are not recommended by the Shortlisting Panel, he will be required, in terms of the Regulations, to publish the



reasons for doing so. The Shortlisting Panel envisages that the Minister will publish a comprehensive report on the recruitment and selection process.

The Shortlisting Panel intends recommending the following candidates to the Minister:

- (i) **Ms Farzana Badat;**
- (ii) **Ms Katherine Gibson.**

The abridged CVs of the two candidates are attached.

The Shortlisting Panel invites public comments on the above proposal. Where any public comment is submitted, the commentator must identify his/her name, email address and contact number, and expect that such comment and the name of the commentator may be made public. Any objections included in the comments must be supported by cogent reasons for them to be considered, with appropriate supporting documentation.

The Shortlisting Panel embraces the principle of transparency and appropriate public participation in its processes of selecting and recommending suitably qualified and experienced candidates for the positions of Commissioner and Deputy Commissioners of the FSCA, based on merit and transparent criteria outlined below.

Shortlisting process

The Shortlisting Panel developed shortlisting criteria that was used to select candidates who were shortlisted for interviews. In developing the shortlisting criteria, the Shortlisting Panel was guided by Regulation 11 (a) of the Financial Sector Regulations, which requires the candidates to have at least 10 years' experience in a senior or executive position with—

- (i) a regulator (preferably a financial sector regulator);
- (ii) a financial institution;
- (iii) a financial sector industry body;
- (iv) a government department that is responsible for overseeing the regulation of the financial sector;
- (v) an international financial regulatory body; or
- (vi) any two or more of the institutions mentioned in subparagraphs (i) to (v).

Interviews

The interviews were conducted on Thursday, 14 January 2021 and Friday, 22 January 2021, on the MS Teams virtual platform. Based on the results of the interviews and the competency assessments, Ms Badat and Ms Gibson emerged as the best fits for the Deputy Commissioner positions. The Shortlisting Panel also subjected Ms Badat and Ms Gibson to enhanced reference checks. The enhanced reference checks indicated that both candidates are suitable for appointment.

Comments must be submitted to the Shortlisting Panel no later than 17:00 on 14 June 2021, preferably by email to Shortlisting.Panel@treasury.gov.za, or if this is not possible, to:

Att: Mr Ngoni Mangoyi
Secretariat of the Shortlisting Panel
c/o National Treasury
P. Bag X115
PRETORIA
0001

Issued by National Treasury
Date: 07 June 2021



FARZANA BADAT

SUMMARY

Farzana Badat has 15 years of leadership, management and policy experience with direct exposure to financial sector regulation and financial consumer protection issues, spanning across various organisations including the International Association of Insurance Supervisors (IAIS), Financial Sector Conduct Authority (FSCA), former Financial Services Board (FSB), and several financial institutions.

She is currently a Senior Policy Advisor at the IAIS responsible for conduct risk, financial technology and digital transformation. In this role she is also involved in global financial sector coordination efforts with, among others, the Bank for International Settlements (BIS), Financial Stability Board (FSB), Financial Stability Institute (FSI), Organisation for Economic Co-operation and Development (OECD), and Islamic Financial Services Board.

She was previously the Divisional Executive responsible for Conduct of Business Supervision at the FSCA, prior to which she headed up the FSCA and FSB departments responsible for financial sector regulatory frameworks and insurance compliance supervision, respectively. Before joining the FSB, she established the second line regulatory risk and compliance function, data protection and combined assurance frameworks for a large local insurer. While working at a global audit and advisory firm, she also led and participated in several financial sector, consumer protection and technology risk regulatory assessment and implementation projects across several financial institutions, including banks, insurers and investment firms.

Farzana has a strong track record of participation on local and international coordinating structures and forums on financial consumer protection policy and supervision matters, and previously served on both the Board of the Short-term Insurance Ombudsman and the Council of the Long-term Insurance Ombudsman.

She graduated *summa cum laude* with an LLB degree from the University of Natal-Durban, holds an LLM degree in International Law from the University of Michigan Law School in Ann Arbor, USA, and completed her LLM coursework in Human Rights and Constitutional Litigation, Internet and E-commerce Law and Bioethics at the University of KwaZulu Natal. She has significant leadership and operational management experience and was previously selected for Directors' Development and High-Performance Leadership Programmes at two former employers.

PROFESSIONAL EXPERIENCE

Bank for International Settlements (BIS) / International Association of Insurance Supervisors (IAIS) (2019 – present)

Senior Policy Advisor: Conduct of Business and FinTech

- Responsible for key strategic themes and accelerating trends relating to conduct, culture and the delivery of fair outcomes to financial customers, financial technology (FinTech) and digital transformation
- Coordinates supervisory dialogue and information exchange on the impact of digitalisation on insurers, financial market structures and financial customers
- Supports key projects on the role of culture in integrating oversight of prudential and conduct risks; the use of qualitative and quantitative risk indicators to assess fair customer outcomes and product value

- in different markets, including inclusive insurance; and responsiveness of existing financial sector business and regulatory models in adapting to increasingly virtual business and operating environments
- Facilitates co-ordination and analysis of global supervisory responses relating to the impact of Covid-19 on the insurance sector, policyholder protection and financial stability
- Represents the IAIS on various international forums focused on global financial consumer protection and technological innovation issues in the insurance, banking and payments sectors

Financial Sector Conduct Authority (FSCA) / Financial Services Board (FSB) (2014 – 2019)

Divisional Executive: Conduct of Business Supervision

- Executive oversight of financial sector conduct supervision across banks and payment providers, insurers and retirement fund benefit administrators, micro- and access product providers, intermediaries, financial advisors, and investment product providers

Departmental Head: Regulatory Frameworks

- Headed up department responsible for development of financial sector regulation falling within the mandate of the FSCA, including collaboration and co-ordination with the Prudential Authority, South African Reserve Bank, National Treasury and other regulatory authorities

Departmental Head: Insurance Compliance

- Headed up department responsible for supervising compliance of all life and non-life insurers with the Long- and Short-term Insurance Acts and the framework for treating customers fairly (TCF); introduced risk-based supervisory framework for conduct of insurers

Mutual and Federal Insurance Company / Old Mutual Insure (2012 - 2014)

Head: Regulatory Risk and Compliance

- Established the insurer's first fully fledged second line regulatory risk and compliance function and data protection office
- Developed and implemented a strategic and operating framework for monitoring and reporting of regulatory compliance risks across all business functions, including subsidiary entities

KPMG South Africa (2006 - 2012)

Senior Manager: Regulatory Compliance and Technology Risk Advisory

- Financial sector, consumer protection, technology and data protection, and public sector regulatory risk subject matter expert
- Responsible for design, implementation and effectiveness monitoring of Compliance Risk Management Plans (CRMPs) and Governance, Risk and Control (GRC) frameworks
- Project-managed regulatory compliance, corporate governance, risk management, and business process advisory and audit engagements across various sectors (financial services, government, technology and communications, health, mining)
- Led the Technology and Data Privacy Regulatory Compliance Service Line

OTHER EXPERIENCE

Gauteng Department of Provincial and Local Government (2006): Assistant Director (Legal Services)

LexisNexis (2005): Legislation and Law Reports Editor

Rhodes University (2004): Law Lecturer

Constitutional Court of South Africa (2002 – 2003): Law Clerk to Justice Albie Sachs

University of Natal Durban (2001 – 2002): Junior Law Lecturer

EDUCATION

University of Michigan Law School, Ann Arbor, USA (2003 – 2005)

LLM in International Law

University of KwaZulu Natal, Durban, South Africa (2001 - 2002)

LLM Coursework: Human Rights and Constitutional Litigation, Internet and E-commerce Law, Bioethics

University of Natal, Durban, South Africa (1997 - 2000)

LLB *summa cum laude*

MEMBERSHIPS/AFFILIATIONS

Representative on G20/OECD Financial Consumer Protection Task Force (present)

Representative on Financial Stability Board's Financial Innovation Network (present)

Representative on Financial Stability Institute's Informal SupTech Network (present)

Representative on International Financial Consumer Protection Organisation (present)

Representative on Islamic Financial Services Board's Working Group on Core Principles for Islamic Finance Regulation (Takaful) (present)

Member of the IAIS' Market Conduct Working Group (2016 - 2019)

Board Member of the Ombudsman for Short-term Insurance (2015 – 2019)

Council Member of the Ombudsman for Long-term Insurance (2015 – 2019)

Chairperson of the South African Bureau of Standards Working Group on ISO Standards for Information Security Techniques, Data Privacy and Access Management (2010 – 2013)

Member of the International Association of Privacy Professionals (2010 – 2013)

Member of the Compliance Institute of Southern Africa (CPrac) (2006 – 2019)

Katherine Gibson

Katherine Gibson is committed to public service. An economist from Durban with extensive experience in public policy, she is currently part of the Transitional Management Committee of the Financial Sector Conduct Authority, which is performing the functions of EXCO until appointment of the permanent Commissioners.

With a background in trade and competition policy, Katherine worked with National Treasury in the area of financial sector policy for more than a decade. Recognising that a fair and inclusive financial sector is the engine of inclusive economic growth and development, she has been instrumental in developing the conduct “peak” of South Africa’s twin peaks framework. Katherine has been with the FSCA since its establishment in April 2018, to support implementation of the twin peaks system, with a keen interest in delivering the National Treasury vision best articulated in its 2011 policy document: “*A Safer Financial Sector to Serve South Africa Better.*”

Katherine is an advocate of inclusive leadership. She believes that diversity and tolerance is the glue that holds an organisation and community together, to counter the effects of tunnel vision and the so-called “echo chamber.” Paired with integrity, agility, and plain hard work, diversity and tolerance are therefore essential ingredients to excellence.

EDUCATION

University of Natal, Durban	Master of Commerce Economics (<i>cum laude</i>), 2001-2002 School of Economics: Lecturing support to faculty on part-time basis Various scholarships, including International scholarship: University of Michigan (USA) Inter-University Consortium for Political and Social Research (ICPSR) summer training program in quantitative methods of social research AND Institute of Survey Research (ISR) summer training program in survey research techniques
University of Natal, Durban	Bachelor of Commerce (Honours) Economics (<i>cum laude</i>), 2000 School of Economics: Lecturing support to faculty on part-time basis
University of Natal, Durban	Bachelor of Commerce, 1996-1998 Merit certificate for top student: Macroeconomic Policy in South Africa 1998 Dean’s Commendation for outstanding academic achievement 1996

EMPLOYMENT

Financial Sector Conduct Authority (FSCA)	April 2018 – Present
Role:	<u>Member of Transitional Management Committee, Minister of Finance appointment</u> <u>Oversight of Regulatory Policy Division, 1 November 2020 to present</u> <u>Founding Member Trustee of the Financial Services Consumer Education Foundation, November 2020 to present</u> <u>Oversight of Disclosure, Advertising and Marketing Analysis and Supervisory Framework departments in Specialist Support Division, 1 January 2021 to present</u> <u>Acting Commissioner, 1 April 2021 to 31 May 2021</u>
Responsibilities:	<ul style="list-style-type: none">- Strategic and operational support for establishment of the FSCA and its transition from the Financial Services Board- Executive oversight of people, processes and systems

- Coordination of and expert technical support on strategic initiatives including: Conduct of Financial Institutions Bill and FSCA scope of jurisdiction; review of the Financial Markets Act; developing an approach to unclaimed assets in the financial sector; enhancing the FSCA risk-based supervisory framework, including development of outcome indicators for conduct; establishment of the Emerging and Overarching Risk Committee and Risk Register; developing strategies towards transformation of the financial sector and financial inclusion; FSCA funding model
- Catalysing cultural change to be a market conduct regulator, including in respect of: inclusive leadership; being proactive, pre-emptive, intensive and intrusive; centralised Project Management Office; supporting development of talent management, including training and development strategies
- Stakeholder management, especially in relation to regulatory and policy matters, matters regarding the supervisory framework and matters of collaboration and coordination between the FSCA and other financial sector regulators
- FSCA representative at FinCoNet International Financial Consumer Protection Organisation, January 2021 to present
- Oversight of Regulatory Policy Division: Ensure effective performance and good governance of the Division, which is responsible for fintech, regulatory frameworks, consumer education, research, financial inclusion and transformation, and stakeholder engagement of the FSCA including with international standard setting bodies
- Oversight of specified Departments in Specialist Support Division: Ensure effective performance and good governance of the departments, to develop and implement the FSCA supervisory framework and provide support to supervisory divisions in relation to matters of disclosure, marketing and advertising
- Acting Commissioner: responsible for day-to-day management and administration of the FSCA, execute functions of the Accounting Authority for the FSCA, FAIS Ombud and Office of the Pension Fund Adjudicator, oversee effective hand-over to the new Commissioner and first Deputy Commissioner

Contractor
National Treasury

March 2013 - March 2018

Role: Senior Advisor: Market Conduct and Financial Inclusion,

- Responsibilities:
- Policy and technical matters pertaining to design and development of the twin peaks framework, especially market conduct, financial inclusion and transformation of the financial sector
 - Establishment and management of Chief Directorate: Market Conduct and Inclusion (including skills transfer and employee development), oversight of Chief Directorate: Financial Sector Development from July 2016
 - Specific technical support provided in relation to: Financial Sector Regulation Act 2017, implemented 2018; draft Conduct of Financial Institutions Bill (ongoing); reform of South Africa's financial sector ombud system, including the 2017 consultation policy document "*A Known and Trusted Ombud System for All*"; Development of draft national financial inclusion policy (finalised for publication); Parliamentary hearings into transformation 2017 and subsequent NEDLAC / Financial Sector Transformation Council processes; Diagnostic of market conduct in South Africa's retail banking sector - Draft report 2017; Portfolio Committee on Trade and Industry debt intervention policy and associated committee bill (culminated in the National Credit Amendment Act 2018); SteerCo for the Review of the National Payment System Act 2016/17; *Treating Customers Fairly in the Financial Sector: a Draft Market Conduct Policy, 2014*

- National Consumer Financial Education Committee, Chairperson July 2016 – October 2017
 - Board Trustee for ASISA Foundation, June 2017 – June 2018
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Independent Advisor August 2011 – February 2013

Role: Senior Financial Sector Policy Advisor

- Responsibilities:
- Technical specialist in financial sector policy, especially in areas of insurance, asset management, capital markets and pensions, with focus on stability, efficiency, financial inclusion and consumer protection (market conduct)
 - Clients included National Treasury and FinMark Trust (through the Centre for Financial Regulation and Inclusion – CENFRI)
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National Treasury February 2005 – July 2011

Role: Director: Financial Services
Senior Economist

- Responsibilities:
- Policy development and implementation in relation to capital markets, investment management, and long- and short-term insurance
 - Milestones include: Financial Markets Bill 2011; Microinsurance policy framework 2011; Revision of Regulation 28 of Pension Funds Act 2011; South Africa commitment to UNIDROIT Convention on Substantive Rules Regarding Intermediated Securities 2009; Insurance Laws Amendment Act 2008; Financial Services General Laws Amendment Act 2008; Venture Capital Company tax incentives 2008
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Competition Commission of South Africa Mid-July 2003 – January 2005

Role: Enforcement and Exemptions: Senior Analyst
Analyst
Junior Analyst

- Responsibilities:
- Enforcement and Exemptions Division: Management of 'Health and Business' section
 - Policy and Research Division: Sectoral studies and case support
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Contractor Trade and Industrial Policy Strategies February 2003 – mid-July 2003

Role: Trade economics research

- Responsibilities:
- Contributing to research, analysis and capacity building in the following areas: tariffs, free-trade agreements (*ex-post* and *ex-ante* analysis), estimating behavioural relationships in trade
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