

## FSCA Press Release

27 July 2018

### Criteria for Authorisation as an Over the Counter (“OTC”) Derivatives Provider

On 9 February 2018, the Minister of Finance prescribed Regulations for the Over the Counter (“OTC”) Derivatives market (“FMA Regulations”) in terms of the Financial Markets Act, 2012 (No. 19 of 2012) (“Financial Markets Act”). The FMA Regulations are aimed at ensuring that South Africa meets its international commitments by making regulatory and legislative reforms to the OTC derivatives market to align with international standards.

The Minister, in Regulation 5 of the FMA Regulations, prescribed an authorised OTC derivative provider to be a regulated person as contemplated in section 5(1)(b) of the Financial Markets Act.

The Financial Sector Conduct Authority has made a conduct standard which prescribes criteria for the authorisation of OTC derivative providers as contemplated in section 6(8)(a) of the Financial Markets Act. The following documents are published with the conduct standard:

1. A consultation report as required by section 104(1) of the Financial Sector Regulation Act, 2017 (No. 9 of 2017) (Financial Sector Regulation Act) [<https://www.fsca.co.za/Notices/Consultation%20report%20Criteria%20for%20authorisation%20ODPs%2027%20July%202018.pdf>]; and
2. A notice of extension of the period contemplated in Regulation 43(1) of the Financial Markets Act Regulations which requires that “[a] person conducting the business of an OTC derivative provider must, within 6 months from the commencement date of Regulation 2, lodge with the Authority an application for authorisation as an OTC derivative provider in the manner prescribed by the Authority [[https://www.fsca.co.za/Notices/Notice%20of%20extension%20in%20terms%20of%20Regulation%2043\(1\)%20of%20the%20FMA%20Regulations.pdf](https://www.fsca.co.za/Notices/Notice%20of%20extension%20in%20terms%20of%20Regulation%2043(1)%20of%20the%20FMA%20Regulations.pdf)].

**Transitional Management Committee:**

## **FSCA Website**

For the final Criteria for Authorisation as an OTC derivative provider please click the link below:

<https://www.fsca.co.za/Notices/Conduct%20Standard%201%20of%202018%20-%20Criteria%20for%20Authorisation%20of%20ODPs.pdf>

Requests for further information regarding the press release or final criteria may be submitted via email to [michael.kabai@fsca.co.za](mailto:michael.kabai@fsca.co.za)

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**Enquiries:** Ms Nokuthula Mtungwa  
Financial Sector Conduct Authority  
Email address: [Nokuthula.Mtungwa@fsca.co.za](mailto:Nokuthula.Mtungwa@fsca.co.za)  
Telephone: 012 422 2919

### **Transitional Management Committee:**

AM Sithole (Commissioner) DP Tshidi CD da Silva JA Boyd MM du Toit LP Kekana K Gibson OB Makhubela SE Mmakau