
JOINT STATEMENT

Publication of the *Financial Markets Review* (final report)

National Treasury (NT), the South African Reserve Bank (SARB) and the Financial Sector Conduct Authority (FSCA) have released the *Financial Markets Review* (final report), which provides recommendations for conduct practices in domestic over-the-counter fixed income, currency, commodities and derivatives financial markets. The final report follows an intensive consultation period that started in September 2018.

It makes 42 recommendations to improve conduct in the financial markets sector, including the following themes:

- Governance requirements, including the development of equivalent fit-and-proper requirements as well as corporate and risk governance requirements for market participants.
- Enhancing the market conduct framework, including establishing equivalent standards of market practice, market discipline, addressing conflicts of interest, extending the market abuse regulatory scope, and enhanced monitoring and surveillance by the authorities.
- Addressing liquidity through improved price discovery mechanisms, transparency and competition in the domestic financial markets within the market structure.
- Developing a regulatory regime and standards for alternative trading venues or algorithmic trading activities, and supporting technology innovation.
- The foreign exchange review, including recommendations to address limitations of exchange control requirements.
- The regulatory framework for financial markets within a 'Twin Peaks' world, the role of self-regulating organisations and the overall conduct regulatory framework.

An inter-agency committee, namely the Financial Markets Implementation Committee, has been set up to consider and implement these recommendations.

Copies of the final report are available at www.treasury.gov.za and <https://www.fsca.co.za/>

Joint statement by NT, SARB and FSCA.

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