



# Q2 FSCA Newsletter

30 September 2025

## Deepening Stakeholder Engagement

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## Editorial Team

### Editorial Team



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# Commissioner's **Note**

# Commissioner's Note

One of our strategic objectives is to be an effective and responsive regulator that protects financial customers and preserves the integrity of the sector. For this, we need the trust and collaboration of our stakeholders. Regulators cannot operate in silos, the fulfilment of our mandate depends on active dialogue, cooperation and shared responsibility with the institutions we supervise and the communities we serve.

In recent years, the global pace of regulatory reform has been accelerating. From the expansion of consumer protection frameworks to advances in financial technology, the regulatory space has seen both opportunities and challenges. The FSCA recognises that the developments in the financial sector come with a measure of complexity, which will require extensive collaboration to navigate. This is why the FSCA has placed stakeholder engagement at the very heart of our 2025–2028 Regulation Plan.

Engagement for us means more than consultation. It means an opportunity to co-create solutions that balance stability with innovation, efficiency with fairness and global best practice with South Africa's unique context. Through roundtables, public lectures, collaborative research and transparent consultations, we are building a regulatory environment that is not only credible but also has lasting impact.

This edition of the newsletter reflects that commitment. You will find features on our regulatory roadmap, our collective fight against digital fraud, our leadership reflections, and the initiatives that bring our values to life. Each story is a reminder that while the FSCA carries the responsibility of regulation, the outcomes we seek of trust, resilience, fairness, can only be achieved through collaboration.

*Unathi Kamlana*

FSCA Commissioner

# Regulatory **Focus**

## The FSCA charts the way forward with 2025 – 2028 Regulation Plan

*By Nomthandazo Mtshweni, Communications Department (FSCA)*



The FSCA's 2025 - 2028 Regulation Plan does more than outline the Authority's vision for a financial system that is resilient, and globally aligned, while still responsive to South Africa's unique social and economic realities.

Through the regulation plan of the last three years the FSCA it was able to bring crypto assets into the regulatory net by declaring them a financial product; strengthening cybersecurity standards, introducing a pioneering framework for consumer financial education; and supporting the rollout of the two-pot retirement system. These reforms were not just box-ticking exercises; they were critical interventions in a rapidly evolving financial landscape.

Even so, more still needs to be done. The Conduct of Financial Institutions (COFI) Bill and the ongoing Financial Markets Act review represent foundational changes. These laws will reshape how financial institutions interact with customers and with markets. For the FSCA, supporting National Treasury in finalising these reforms and translating them into coherent, outcomes-based subordinate legislation is the central challenge of the next three years.

A recurring theme in the 2025 - 2028 plan is the FSCA's sensitivity to the cost and complexity of regulatory change. The pace of legislative reform has been intense and costly for industry. As a result, the new plan attempts to limit the introduction of entirely new initiatives, focusing instead on completing and consolidating existing ones.

The long-term ambition is clear: once the COFI Bill transition is complete, the regulatory framework should mature into a principles-based, outcomes-focused model that provides flexibility and reduces the need for constant rule changes. This marks a decisive shift away from compliance-heavy regulation toward a framework that prioritises conduct, governance, and consumer outcomes.

While cautious about overburdening industry, the FSCA has introduced four new initiatives that reflect pressing domestic and international developments: updating over-the-counter derivatives reporting to align with global practices; creating a consolidated conduct standard for credit rating agencies following the repeal of the Credit Ratings Services Act; modernising and streamlining pension fund liquidation requirements; and

designing a principles-based conduct framework for payment providers in partnership with the South African Reserve Bank.

Beyond this immediate work, the FSCA has identified several cross-cutting themes that will define the next chapter of regulation. These include sustainable finance, where a pilot Green Finance Taxonomy is underway; open finance, with continued collaboration to create a robust data-sharing framework; artificial intelligence, where a joint market study is probing consumer protection and governance implications; operational resilience and cloud risk, where new joint standards are anticipated; and the transition from JIBAR to ZARONIA, where the FSCA will support Treasury and industry to ensure a smooth changeover. In addition, the prudential oversight of retirement funds, collective investment schemes, and friendly societies will be transitioned to the Prudential Authority, requiring delicate coordination.

The FSCA's regulatory direction is strongly informed by international standards. Its roadmap for central clearing in South Africa, reforms to benchmarks, and capital rules for over-the-counter derivative providers all stem from findings of the World Bank's Financial Sector Assessment Program and evolving global norms. The Authority has also committed to aligning with recent European Union reforms to benchmark regulations, ensuring South Africa's markets remain globally credible and integrated.

A striking feature of the 2025–2028 plan is the FSCA's focus on stakeholder engagement. From themed COFI frameworks to open finance initiatives, the regulator is positioning consultation not as a procedural requirement but as a cornerstone of legitimacy. The Authority understands that the complexity of reform and its impact on industry requires buy-in, dialogue, and co-creation.



## Trust, our most valuable currency - Earned slowly, tested constantly and lost quickly

By Reneilwe Mthelebofu, Communications Department (FSCA)



The 2025 SAIFM Regulatory Summit in Johannesburg marked a progressive dialogue in South Africa's financial sector, as FSCA Commissioner Unathi Kamlana delivered a keynote address that was as candid as it was visionary, reminding the delegates in attendance, that at the heart of innovation, competitiveness and resilience lies one non-negotiable principle: integrity.

The Commissioner reminded delegates that integrity is what sustains trust in financial markets. "It is tempting to chase speed and scale," he said, "but in this pursuit we must not lose sight of what holds everything together: the integrity of our markets."

Reflecting on the 2008 financial crisis, Kamlana underscored that regulation is not a burden but a safeguard. "Yes, regulation carries costs, but the cost of weak or absent regulation is far greater," he cautioned. From South Africa's one million job losses during the crisis to the burden of taxpayer-funded bailouts across the world, his point was clear: robust, credible, and adaptive regulation is essential to protect livelihoods and preserve stability.

The keynote showcased the FSCA's ambitious reform agenda, which ranges from strengthening the Financial Markets Act to creating frameworks for central

clearing, market infrastructure standards, and benchmark oversight. Kamlana was clear that these reforms are not about red tape, but about keeping South Africa competitive, credible, and aligned with global best practice.

Kamlana emphasised that rules alone can not guarantee integrity. It is governance, culture, and leadership that determine whether markets serve society.

He described governance as the "invisible architecture of trust," urging boards and executives to lead by example and embed ethics in every decision.

Looking ahead, Kamlana addressed the decline of listed companies on the JSE, a global trend with local roots. While acknowledging this challenge, he expressed hope that reforms, simplification, and innovation would keep public markets relevant, inclusive, and trusted as platforms for capital formation and wealth creation.

"Trust is our most valuable currency, earned slowly, tested constantly, and lost quickly," he said, stressing that the challenge, is not just to react to today's risks but to anticipate the future, to lead with conviction, and to protect the foundations of confidence that hold South Africa's financial system together.

## Closing the gaps in fighting digital fraud

*By Sindiswa Makhubalo, Departmental Head: Banks and Payment Providers*



**Sindiswa Makhubalo**

In September 2025, stakeholders from across the financial sector convened in Johannesburg for the inaugural FSCA Digital Fraud Roundtable. The gathering brought together regulators, banks, telecommunications providers, law enforcement agencies and industry partners to address one of the most urgent challenges facing South Africa's financial system: the rapid rise of digital fraud.

The discussions acknowledged the dual nature of digitisation. On the one hand, technological advances have expanded access to financial services, enhanced convenience for consumers, and enabled efficiency and innovation across the industry. On the other, these very tools are being

exploited by organised criminal networks that use SIM swaps, phishing, malware, social engineering, synthetic identities, artificial intelligence, and even deepfake technology to target individuals and institutions alike.

The scale of losses highlights the seriousness of the threat. SABRIC's 2024 Annual Crime Statistics reported that R2.72 billion was lost to financial crime in 2024, with digital banking fraud alone accounting for R1.89 billion. Banking app fraud made up more than 65% of incidents, leading to losses exceeding R1.2 billion. Beyond the figures are human stories: pensioners losing their life savings, small businesses crippled overnight, and young graduates denied opportunities after falling victim to identity theft.

Delegates agreed that no single institution can tackle this crisis in isolation. Criminals thrive in the gaps between sectors and across borders, making coordinated action essential. Six key priorities were highlighted during the session:

- Real-time intelligence sharing so that scams identified by one institution can be flagged across the system.
- Joint monitoring of high-risk platforms, including social media, where fraudsters gain reach and anonymity.
- Harnessing technology responsibly, using AI and advanced analytics to detect and stop fraud faster.
- Policy and regulatory alignment to close loopholes and create consistent protections across sectors and jurisdictions.
- Stronger enforcement and accountability, ensuring that fraudsters face real consequences.
- Consumer education and awareness, equipping South Africans to recognise scams and safeguard their personal information.

Concrete steps are already underway. The FSCA's Digital Banking Fraud Project has introduced coordinated workstreams on reporting, fraud mapping, disruption of criminal flows, real-time monitoring, and consumer education. Partnerships are also being strengthened, with agreements signed between the FSCA, SABRIC, and the Southern African Fraud Prevention Service to support structured information sharing.

Collaboration with the Independent Communications Authority of South Africa is also expanding to tackle SIM-swap related crimes.

The message from the roundtable was clear, digital fraud is organised, sophisticated and relentless.

The only effective response is one that is equally coordinated, innovative and proactive. Shared responsibility, aligned systems and informed consumers are critical to restoring and protecting the trust that underpins South Africa's financial sector.



## The future of regulation lies in shared outcomes

*By Athule Mpandle, Communications Department (FSCA)*



In August 2025, the Compliance Institute Southern African (CISA) held its annual conference themed Shift Happens: Shift Proofing Compliance. One of the panel discussions titled “When the Goalposts Move: Perspectives on Regulatory Shifts” captured both the urgency and the inevitability of change. The panel was moderated by Farzana Badat, Deputy Commissioner of the FSCA, who guided a conversation that was at once candid, challenging and inspiring. She was joined by three distinguished panellists: Samantha Padayachee, Managing Executive: Group Compliance at Vodacom Group; Rianné Potgieter, outgoing CEO of CISA; and Lynette de Beer, Acting CEO of the National Credit Regulator.

Badat opened with a call for honesty. This was not to be a technical conversation about compliance checklists or a narrow dissection of rules. It was to be a dialogue on how regulators, regulated institutions and compliance officers can adapt to shifts that are global in scale and deeply human in impact. “Navigating regulation must be seen less as an adversarial undertaking and more as an opportunity for collaboration focused on shared outcomes,” she reminded the audience. It was a powerful reminder that the role of regulation is not to obstruct, but to enable trust, resilience and fairness.

and accountability in every interaction. Regulators, she emphasised, must respond not only with stronger oversight, but with collaboration and partnership, both with each other and with the institutions they oversee. The ultimate goal, she argued, is not only stability but opportunity, particularly for consumers and small businesses whose inclusion strengthens the entire economy.

Throughout the session, Badat drew the strands together, giving coherence and energy to the discussion. She spoke of the limits of relying solely on rules in an era where disruption often outpaces regulation. “We should replace rigid guardrails with adaptive foresight,” she said, positioning regulation as a driver of resilience, culture, trust and long-term value.

A moment that resonated deeply with the audience occurred when Badat shared an anecdote about a Chief Risk Officer who recently joked that it was “good” they had not spoken in years, because such calls with a regulator usually meant something had gone wrong. With disarming honesty, she turned the story into a challenge. “We cannot only speak when something has gone wrong,” she said. Engagement, she argued, must be constant and constructive. Collaboration should not be reactive but proactive, ensuring that shared outcomes are shaped long before crises emerge.

The discussion left the audience with much to reflect on. It highlighted that the role of compliance is not shrinking but expanding, demanding new skills, broader perspectives and strong voices. It showed that regulators are not content to sit at a distance but are committed to working alongside institutions to create solutions that meet the needs of society.

Beyond the panel discussions, the two-day conference created space for deeper engagement. Delegates were able to visit the Regulatory Corner, where the FSCA and the Financial Intelligence Centre (FIC) hosted stands. These spaces gave attendees the opportunity to ask questions, seek clarity, and engage directly with the regulators on issues affecting their institutions.



## The FSCA and PA publish a joint communication on cloud computing and data offshoring

By Nomthandazo Mtshweni, Communications Department (FSCA)



South Africa's financial sector regulators the FSCA and the PA, have jointly issued a major communication on one of the most pressing challenges facing modern financial services: the safe and responsible use of cloud computing and data offshoring. Joint Communication 2 of 2025 sets out interim guidance for financial institutions and signals the Authorities' intent to develop a Joint Standard that will formally regulate the use of these technologies across the sector.

The communication has three very specific goals: to highlight the risks linked to cloud computing and offshore data storage to emphasise the central role of boards and senior management in setting strategy, approving policies, and ensuring accountability for cloud and data-related decisions; and to inform institutions that a binding regulatory instrument is on the horizon. In short, the Authorities are laying the groundwork for a stronger regulatory framework that balances innovation with resilience.

Financial institutions in South Africa are already using cloud solutions in various ways, from outsourcing to third-party cloud providers often based offshore, to insourcing within international financial groups, where parent companies host data outside South Africa. While these arrangements offer

speed, efficiency, and scalability, they also introduce vulnerabilities. The risks include loss of control over sensitive data, cross-border legal conflicts, dependency on global service providers, and heightened cyber-security threats. The regulators' concern is clear: without stronger governance, the reliance on offshore and cloud-based infrastructure could undermine the integrity and stability of the financial system.

To avoid ambiguity, the communication offers working definitions. Cloud computing is described as a model that allows on-demand access to shared computing resources, such as networks, servers, storage, and applications that can be provisioned and released with minimal effort. Data offshoring refers to the storage or processing of data outside South Africa's borders. These definitions align with international standards, ensuring that South African regulation speaks the same language as global peers.

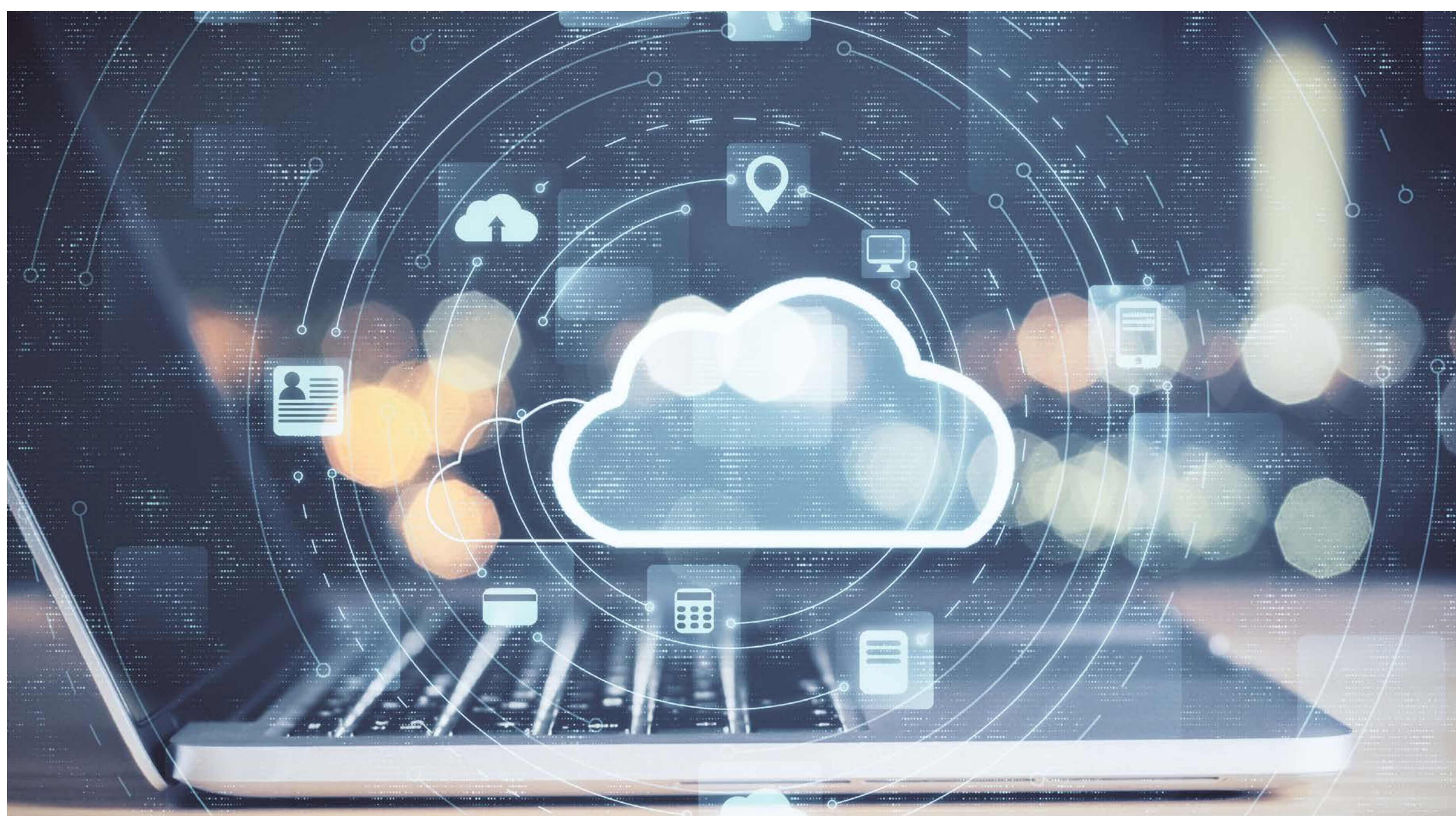
While the Joint Standard is still being drafted, the FSCA and PA expect institutions to act now. The communication outlines several best-practice principles. Institutions should adopt a risk-based approach, ensuring that decisions about cloud or offshore data use reflect their risk appetite, size, and operational complexity.

They should strengthen governance through clear policies, board-approved strategies, and robust data governance frameworks. Institutions are also urged to meet legal and contractual obligations by carefully assessing the enforceability of rights and obligations in contracts with cloud providers, especially across borders. Finally, they should exercise due diligence by conducting thorough risk assessments and ensuring board-level scrutiny before making strategic investments in cloud or data offshoring. By stressing these points, the Authorities make it clear that cloud adoption cannot be left to technical teams alone, it is a strategic issue requiring board-level oversight.

Beyond regulation, the Authorities will expand their supervisory capabilities. From 2025 onwards, they plan to embed cloud and offshoring risk assessments into

business-as-usual supervision, monitor integration of cloud risks into governance and reporting processes, and augment supervisory expertise to keep pace with evolving technologies and risks. This signals a clear expectation: institutions should not wait for the Joint Standard before acting.

The Joint Communication ties back to the FSCA's 2024 Three-Year Regulation Plan, which highlighted cloud computing and data offshoring as areas requiring new regulatory responses. It also builds on earlier PA instruments issued in 2018 for banks, Directive 3 and Guidance Note 5, but extends the scope beyond banks to the broader financial sector. In doing so, the FSCA and PA are positioning South Africa alongside global regulatory peers who are grappling with the same balance: enabling digital innovation while safeguarding financial stability.



# The FSCA sharpens oversight of the retirement funds industry

The FSCA recently participated at the 2025 Institute of Retirement Funds Africa (IRFA) Conference and if the feedback is anything to go by, South Africa’s retirement funds industry is entering a new phase of consolidation and stricter oversight, with the rolling out fresh regulatory measures and deadlines. Here is a quick update on recent developments.

The biggest change is Conduct Standard 2 of 2025, which rewrites the rules for pension fund benefit administrators. It demands stronger governance, clear conflict-of-interest policies, proper complaints systems, and secure data handling. Most rules come into effect by February 2026, with outsourcing and service-level agreements following by August 2026.

The number of active retirement funds has dropped sharply, from 1,329 in January 2024 to 858 by August 2025. Terminating funds have climbed to nearly 3,700, reflecting the ongoing shake-up across the sector.

Liquidators face a 31 August 2025 deadline to finalise outstanding cases involving unclaimed benefits. Those who miss it will be blocked from taking on new liquidations from October. Fund cancellations are also moving forward, 43 were cancelled in July alone, with more than 1,700 applications under review.

Trustee training compliance is also in the spotlight. The FSCA identified 1,252 trustees, 20% of the total, who have not completed the required training. Letters have been issued, with exemptions and extensions granted only in limited cases.

Unclaimed balances remain a stubborn challenge. A review of 3,500 funds found that over a third still hold unclaimed benefits. An updated proposal has been submitted to National Treasury.

The FSCA is also preparing for bigger shifts, including the Conduct of Financial Institutions (Co FI) Act and the transfer of prudential oversight to the Prudential Authority. Over the next three years, expect stricter compliance, faster reporting deadlines, and closer scrutiny of offshore investments, transformation and ESG practices.

## The 2025 Financial Literacy Speech Competition

The FSCA, in collaboration with the Financial Services Consumer Education Foundation (FSCEF), is gearing up for the final leg of the 2025 Financial Literacy Speech Competition (FLSC). Now in its eighth year, this FLSC promotes financial literacy among Grade 11 learners from quintile 1 to 4 schools. The competition provides a platform for learners to showcase their research and public speaking skills on key financial topics.

Participants are required to choose from a list of approved topics, conduct independent research, and deliver a five-minute speech. The aim is to develop critical thinking, communication and financial knowledge that learners can carry into adulthood. The competition follows a multi-tiered format, starting at the classroom level and progressing through district and provincial rounds, culminating in a national final.

### Prizes include:

#### Provincial winners:

**1<sup>st</sup> Place:** R40 000 in investment prizes

**2<sup>nd</sup> Place:** R20 000

**3<sup>rd</sup> Place:** R10 000

#### National Winners:

**1<sup>st</sup> Place:** R40 000 in investment prizes

**2<sup>nd</sup> Place:** R20 000

**3<sup>rd</sup> Place:** R10 000

In addition, the top three national winners will also receive full bursaries valued at up to R550 000 each.

More than 7000 learners from over 500 schools are expected to participate this year. While the competition is primarily for learners, the wider school community – educators, families, classmates and friends are encouraged to support and cheer on the participants, both in person and social media.

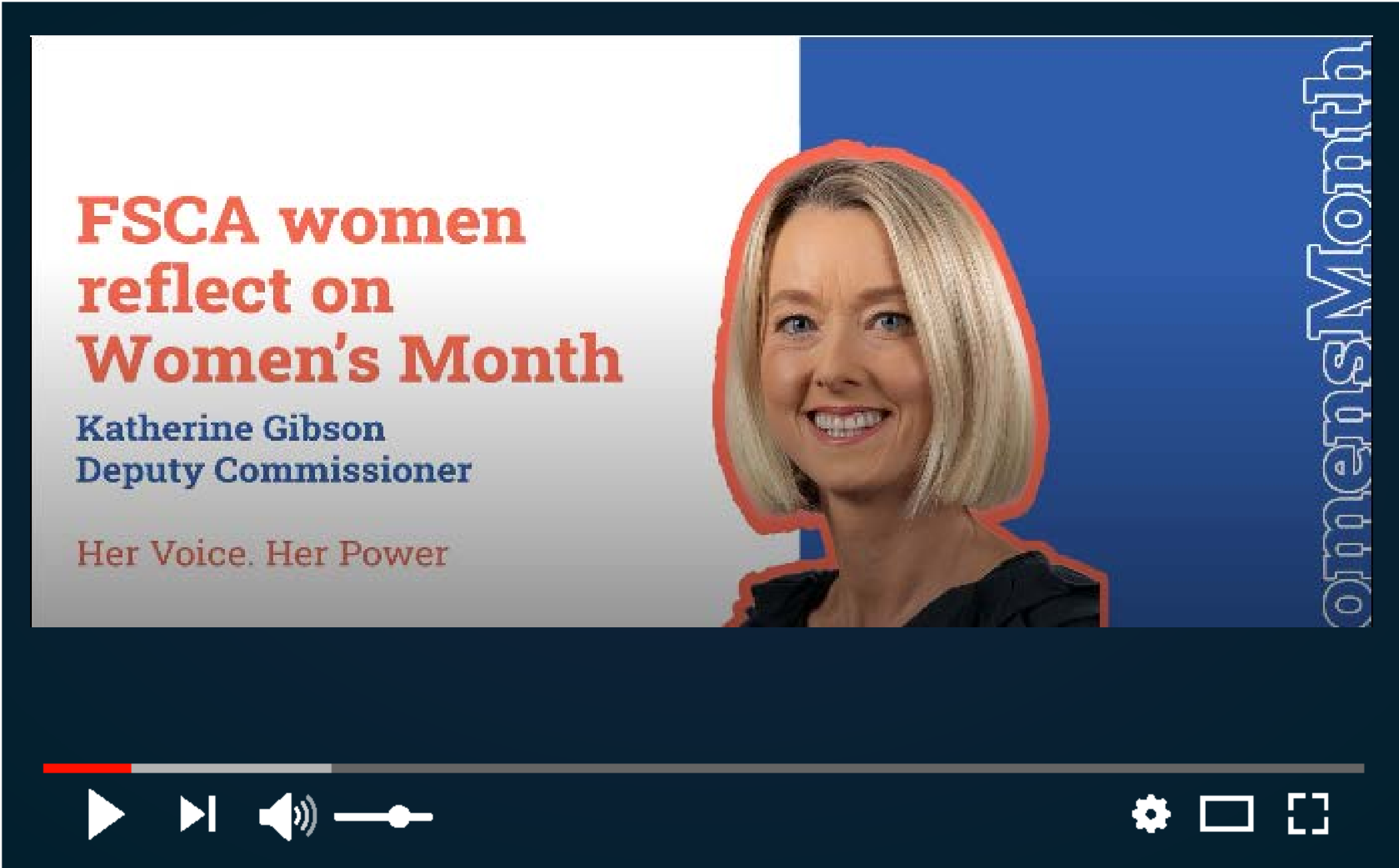
The FLSC is more than a competition – it is a transformative learning experience that builds confidence, sharpens life skills and equips young people with essential financial knowledge. The national finale of the competition takes place on 17 October 2025.

# Powerhouse

## Here is to you! The women of the FSCA!

In every corner of the financial sector, women are shaping the future. From driving innovation in fintech to strengthening consumer protection and leading regulatory reform, their contributions are transforming the industry into one that is more inclusive, resilient and future-ready.

In celebration of FSCA women, listen to what Deputy Commissioners, Katherine Gibson and Astrid Ludin had to say to female employees during the Women’s Month celebration.



Deputy Commissioner, Katherine Gibson



Deputy Commissioner, Astrid Ludin

# Events



# Digital Fraud Roundtable



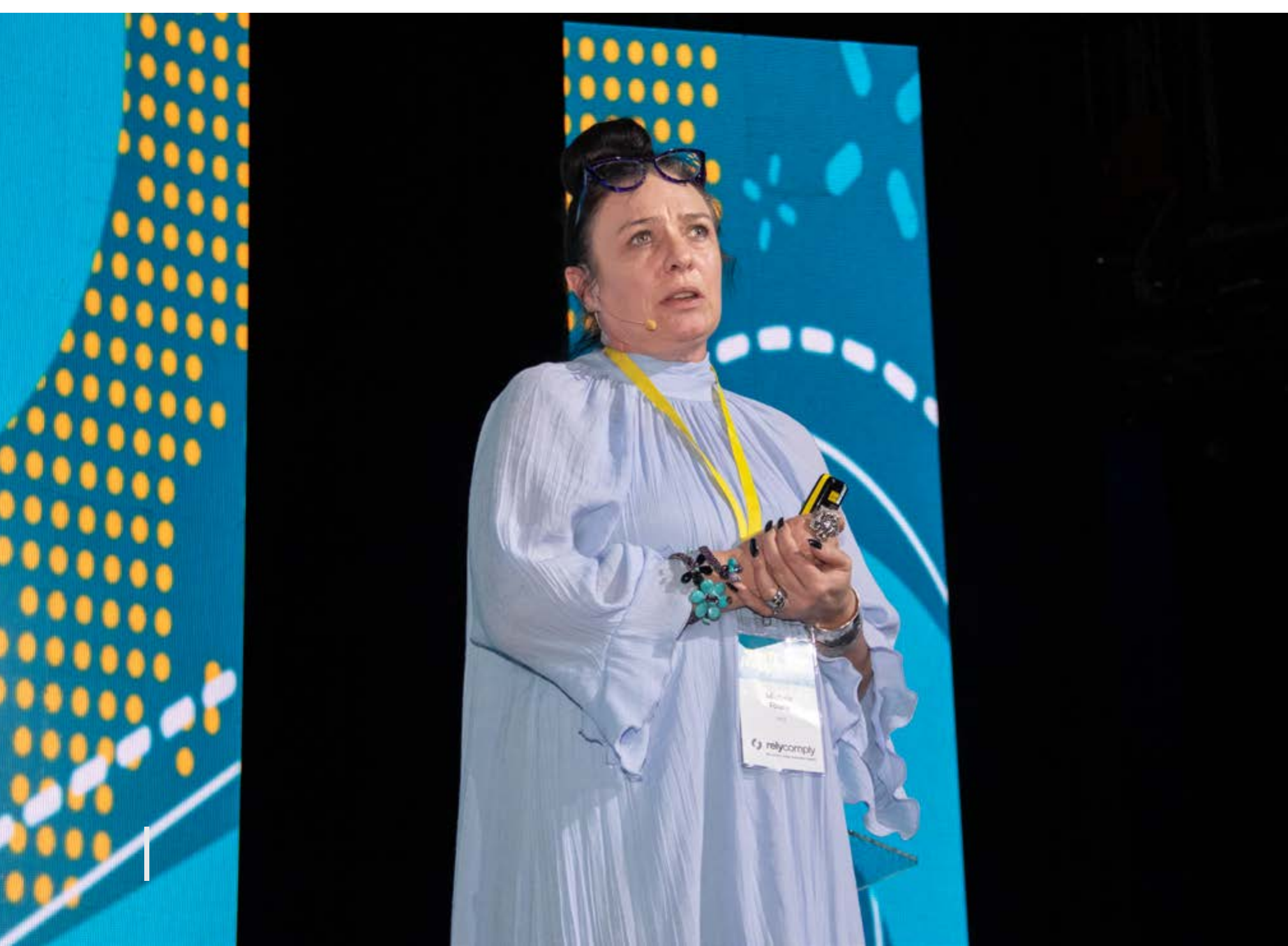


11<sup>th</sup> Thabo Makgoba  
Development Trust Annual  
Lecture





CISA Conference





SAIMF Summit





## Shareholder Meetings & Corporate Governance Roundtable



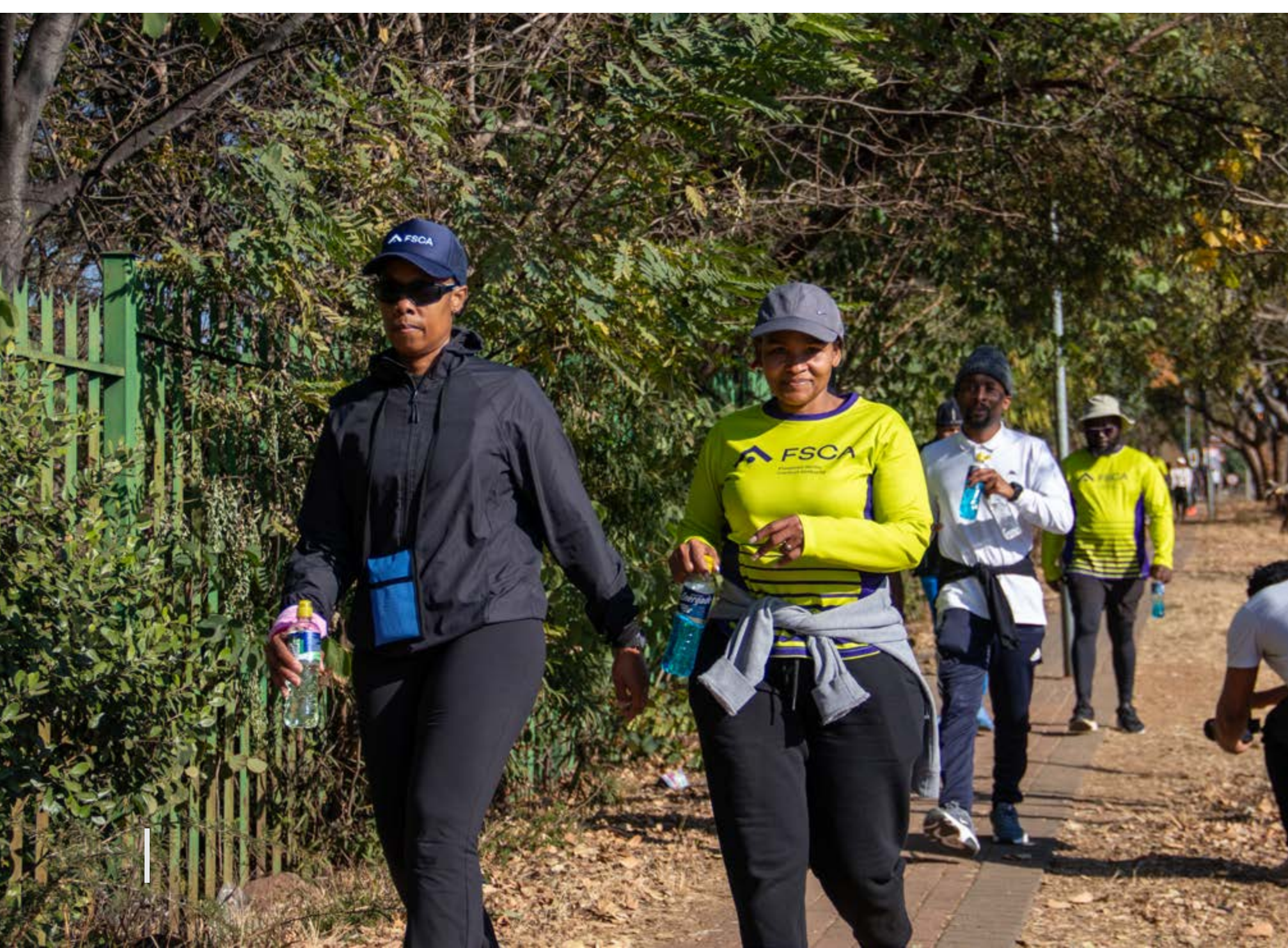


# FSCA Women’s Month Celebration





## Mandela Day 6.7km Walk/Run



# Parting Shot

## **FSCA warns the public about impersonation of the FSCA and its ex-employee Mr. Brandon Topham**

The FSCA warns the public to be cautious when dealing with individuals impersonating the FSCA. The FSCA received a complaint from a foreign national, claiming that he received notices from the FSCA, purportedly signed by the FSCA's ex-divisional executive Mr. Brandon Topham.

**Read more**

## **FSCA publishes its Regulatory Actions Report for 2024/25**

The FSCA has published its latest Regulatory Actions Report for the 2024/25 financial year. The report available on the FSCA website ([www.fsc.co.za](http://www.fsc.co.za)), outlines enforcement activities undertaken between 1 April 2024 and 31 March 2025. It also sets out the Authority's forward-looking priorities, informed by prevailing trends and emerging risks.

**Read more**

## **FSCA warns the public against fraudulent WhatsApp group claiming to be associated with the FSCA and the Johannesburg Stock Exchange**

The FSCA cautions the public not to deal with a syndicate operating on WhatsApp and claiming to be associated with the FSCA and the Johannesburg Stock Exchange ("JSE"). The WhatsApp group called A503 Stock Growth Community with an estimated 222 group members, is falsely presenting itself as being affiliated with the FSCA, the JSE and Mark Randall – Director of Information Services at the JSE.

**Read more**

## **FSCA publishes 2025 Regulation Plan**

The FSCA has published its 2025 Regulation Plan<sup>1</sup>, setting out its regulatory framework priorities for the period 1 April 2025 to 31 March 2028. The Plan is a key strategic tool designed to support the FSCA in managing its ongoing legislative review and development of the regulatory framework in line with its Regulatory Strategy 2025-2028.

**Read more**

Staff  
**Must-read**



### ***Submission by Muandanyi Tshikuvhe***

*Specialist Analyst: Financial Advisers and Intermediaries*

Title: **Your final verdict: Protect your legacy with a valid will**

#### **Context:**

"I chose this article because it highlights how a simple document can prevent legal complications, family disputes, and financial hardship after death, ensuring that a person's wishes are respected and their loved ones are protected."

**[Click here](#) to read**

### ***Submission by Ziyanda Nkopo & Sharon Mhlongo***

*Investigators: Enforcement*

Title: **2025 crypto crime trends from Chainanalysis**

#### **Context:**

"This was a joint effort between myself and my colleague, Ms. Sharon Mhlongo. Sharon is our department's go-to expert on all things crypto, and her insights were invaluable in putting this together. The reason why we chose this contribution is because Cryptocurrency is playing a major role in today's financial world."

The current state of crypto crime is that it is used predominantly for money laundering and fraud. We have seen a surge in crypto-related scams. Due to their decentralised nature, crypto scams have become the catalyst for fraud and crypto literacy has become such an important feature in our everyday lives.

Having to navigate these new emerging crypto scams requires organizations to have various investigative strategies to help members of the public from falling victim to such scams. Understanding crypto related trends is the first step towards effective investigations and crime prevention.

The fight against crypto fraud requires a new approach, one that blends traditional investigativenesskillswithadeepunderstanding of blockchain technology and the evolving digital landscape.

[Click here](#) to read

### ***Submission by Vuyile Thando Mnukwa***

*Manager: Investment Providers*

Title: **Global Regulations 3rd Edition from Environmental Resources Management (ERM) Sustainability Institute.**

#### **Context:**

My pick is the latest Global Regulations 3rd Edition from Environmental Resources Management (ERM) Sustainability Institute.

It's an interesting read because it highlights how the regulatory environment on ESG (Environmental, Social and Governance) is evolving in the context of shifting priorities and uncertainty.

Regulationcontinuestoadvanceworldwide, though with different levels of ambition and speed. This creates a fragmented landscape that financial services providers must carefully navigate.

For example, In Africa, recent initiatives are positioning the region as an emerging player in the development of carbon markets and climate governance.

[Click here](#) to read



Website  
**[www.fsca.co.za](http://www.fsca.co.za)**