



FSCA FMA Notice 2 of 2018

Financial Markets Act 19 of 2012

NOTICE OF EXTENSION

The Financial Sector Conduct Authority under section 279(1) of the Financial Sector Regulation Act, 2012 (Act No. 19 of 2012) hereby extends the period referred to in Regulation 43(1) of the Financial Markets Act Regulations as set out in the Schedule.



Jurgen Arnold Boyd

For THE FINANCIAL SECTOR CONDUCT AUTHORITY

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SCHEDULE

1. Definitions

In this Schedule, “the Act” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), any word or expression to which a meaning is assigned in the Act shall have that meaning, and unless the context otherwise indicates -

“**Authority**” means the Financial Sector Conduct Authority;

“**Conduct Standard 1 of 2018**” means Conduct Standard 1 of 2018: Criteria for Authorisation of OTC Derivatives Providers published on 27 July 2018;

“**Financial Markets Act**” means the Financial Markets Act, 2012 (No. 19 of 2012);

“**Financial Markets Act Regulations**” means the Financial Markets Act Regulations promulgated under the Financial Markets Act on 9 February 2018; and

2. Reason for extension

(1) Regulation 43(1) of the Financial Markets Act Regulations provides that a person conducting the business of an OTC derivative provider must, within six 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.

(2) Regulation 2 commenced on 9 February 2018, which means that Regulation 43(1) should have been complied with by 8 August 2018.

(3) The Authority made Conduct Standard 1 of 2018, which prescribes criteria for the authorisation of OTC derivative providers, as contemplated in section 6(8)(a) of the Financial Markets Act, on 27 July 2018.

(4) With the criteria only having been prescribed on the latter date, a person conducting the business of an OTC derivative provider would not have been afforded a six month period in which to lodge an application for authorisation as was intended by the Regulations. An extension of the relevant period for the submission of applications for authorisation was therefore necessary and extension was granted in terms of FSCA Notice 1 of 2018 for a further period of six months from the effective date of Conduct Standard 1 of 2018, namely from 27 July 2018 to 28 January 2019.

(5) Numerous enquiries have however been received from persons conducting the business of an OTC derivative provider and are experiencing difficulties in completing and submitting the required information timeously. A further extension of the relevant period for the submission of applications for authorisation is therefore necessary.

3. Extension

- (6) Section 279(1) of the Act empowers the Authority to, for a valid reason, extend any period for compliance with, or a period prescribed by, a provision of a financial sector law.
- (7) A 'financial sector law' is defined as, among others, a Regulation made in terms of a law listed in Schedule 1 of the Act which includes the Financial Markets Act.
- (8) The period prescribed in Regulation 43(1) was accordingly for the reason set out in paragraph 2 of this Notice extended for a further period of two months thus in total 8 months from the effective date of Conduct Standard 1 of 2018, namely from 27 July 2018 to 31 March 2019.

