

FSCA RF NOTICE 25 OF 2024

PENSION FUNDS ACT, 1956

DETERMINATION OF FORMAT AND MANNER OF REGULATION 28 QUARTERLY NON-COMPLIANCE REPORTS

The Financial Sector Conduct Authority hereby, in terms of paragraph 3(2) of FSCA Prudential Standard 1 of 2024 (RF) – Regulation 28 Quarterly Reporting Requirements for Pension Funds (Prudential Standard), determines the format and manner of the quarterly reports required in terms of paragraphs 2 and 3(2) of the Prudential Standard, as set out in the Schedule.

UNATHI KAMLANA COMMISSIONER FINANCIAL SECTOR CONDUCT AUTHORITY

Date of publication: 10 December 2024

SCHEDULE

DETERMINATION OF FORMAT AND MANNER OF REGULATION 28 QUARTERLY NON-COMPLIANCE REPORTS

1. Interpretation

In this Schedule **"the Act"** means the Pension Funds Act, 1956 (Act No. 24 of 1956) and **"the Prudential Standard"** means the Regulation 28 Quarterly Reporting Requirements for Pension Funds, 2024, published in FSCA Prudential Standard 1 of 2024 (RF) on 2 April 2024, and any word or expression to which a meaning has been assigned in the Act or Prudential Standard bears, subject to context, that meaning.

2. Determination of manner of reporting

The Authority hereby determines, in terms of paragraph 2(1) of the Prudential Standard, that the quarterly reports must be completed electronically on the online portal of the Authority.

3. Determination of format of reporting

The Authority hereby determines, in terms of paragraph 2(1) of the Prudential Standard, the format of the quarterly reports to be submitted to the Authority in accordance with paragraphs 2 and 3(2) of the Prudential Standard as Annexure A to this Schedule.

4. Amendment, and withdrawal of Determination

This Determination is subject to –

- (a) amendment thereof published by the Authority by notice on its website; and
- (b) withdrawal in a like manner.

5. Short title, commencement and withdrawal

- (1) Determination of format and manner of regulation 28 quarterly reports, published under FSCA RF Notice 8 of 2024 on 2 April 2024, is hereby withdrawn.
- (2) This Determination is called the Determination of format and manner of regulation 28 quarterly non-compliance reports, and takes effect on the date of publication.

Annexure A

Notes and instructions:

- 1. Funds are only required to report on **non-compliances** or **breaches** in terms of regulation 28 for the relevant quarter and must complete all applicable fields.
- 2. Where funds exceed the limits for reasons other than regulation 28(3)(j) and have not been granted exemption in terms of regulation 28(9), they are required to complete the non-compliance report on a fund level, issuer/entity level and member level, where applicable.
- 3. The following need **not** to be reported on:
 - 3.1 Assets which are subject to the grandfathering provision as set out in regulation 28(3)(c);
 - 3.2 infrastructure assets excluded from quarterly reporting;
 - 3.3 where asset limits are exceeded as a result of the change in fair value or characteristic of the assets, as set out in regulation 28(3)(j); and
 - 3.4 where funds have exceeded the limits for reasons other than regulation 28(3)(j),but have obtained exemption in terms of regulation 28(9).
- 4. Funds are not required to complete this report where a-
 - 4.1 liquidator has been appointed and such appointment has been approved by the Authority in terms of section 28(2) of the Act;
 - 4.2 fund has been exempted from liquidation in terms of section 28(17) of the Act; or
 - 4.3 full transfer was approved by the Registrar in terms of section 14 of the Act.
- 5. This report must be-
 - 5.1 submitted in the electronic template provided for on the Authority's website; and
 - 5.2 attached to the Quarterly Non-Compliance Reporting package as a .pdf file on the following link: <u>Quarterly Reg28 Reports</u>

TABLE 1:

ASSETS HELD IN TERMS OF REGULATION 28

As at quarter ...

Fair value R

A Total investments

B Less: Investments not disclosed /data not available for disclosure

C TOTAL ASSETS for REGULATION 28 DISCLOSURE

					1	FUND LEV	EL	MEMB	ER LEVEL	
		FUND LEVEL			Number of issuers/e s non-	ntitie non-co issuer	percentage of ompliance on / entity level	Number of members non-compliant during the period	Highest perc non-compli member-	iance on
			R	%	complian during the period		%		Inside the Republic %	Foreign %
1	CASH	100%								
1.1	Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments	100%								
(a)	Notes and coins, any balance or deposit in an account held with a South African bank -per issuer/entity	25%								
(b)	A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument -per issuer/entity	25%								
(c)	Any positive net balance in a margin account with an exchange -per issuer/entity	25%								
(d)	Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets									
	-per issuer/entity	25%							L_	
1.2	Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments									
(a)	Any balance or deposit held with a foreign bank -per issuer/entity	5%								
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(b)	Any balance or deposit held with an African bank -per issuer/entity	n/a								
(c)	A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument									

	-per issuer/entity	5%		<u> </u>				
2	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS 100% issued/guarantee by the Republic otherwise 75%	75/100%						
2.1	Inside the Republic			1				
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	100%						
(b)	Debt instruments issued or guaranteed by the government of a foreign country -per issuer/entity	n/a n/a	-					
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	75%						
(c)(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed -per issuer/entity	25%						
(c)(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion or an amount or conditions as prescribed -per issuer/entity	15%						
(c)(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed -per issuer/entity							
(c)(iv)	Not listed on an exchange	10% 25%						
(~)(!*)	-per issuer/entity	5%						
(d)	Debt instruments issued or guaranteed by an entity that has	50%						

	equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed:	
	-per issuer/entity	10%
(d)(i)	Listed on an exchange	50%
	-per issuer/entity	10%
(d)(ii)	Not listed on an exchange	25%
	-per issuer/entity	5%
(e)	Other debt instruments:-	25%
(e)(i)	Listed on an exchange	25%
	 per issuer/entity 	5%
(e)(ii)	Not listed on an exchange	15%
	- per issuer/entity	5%
2.2	Foreign assets	SARB maximum limits
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	n/a
(b)	Debt instruments issued or guaranteed by the government of a foreign country -per issuer/entity	SARB maximum limits 10%
(c)	Debt instruments issued or	SARB
.,	guaranteed by a South African	maximum
(c)(i)	bank against its balance sheet: Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	limit
	- per issuer/entity	25%
(c)(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	
	- per issuer/entity	15%
(c)(iii)	Listed on an exchange with an issuer market capitalisation of less	

-	-			

(c)(iv) (d)	 than R2 billion, or an amount or conditions as prescribed per issuer/entity Not listed on an exchange per issuer/entity Debt instruments issued or guaranteed by an entity that has equity listed on a foreign exchange 	10% 5% SARB maximum limits			
	-per issuer/entity	10%			
(d)(i)	Listed on an exchange	SARB maximum limits 10%			
(d)(ii)	Not listed on an exchange	25%			
(u)(ii)	- per issuer/entity	5%			
(e)	Other debt instruments:-	25%		L J	
(e)(i)	Listed on an exchange	25%			
	- per issuer/entity	5%			
(e)(ii)	Not listed on an exchange	15%			
	- per issuer/entity	5%			
3	EQUITIES	75%			
3.1	Inside the Republic				
(a) (a)(i)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:- Issuer market capitalisation of R20	75%			
(4)(1)	billion or more, or an amount or conditions as prescribed - per issuer/entity	15%			
(a)(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed				
(a)(iii)	 per issuer/entity Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed 	10%			
	- per issuer/entity	5%			

(b) Preference and ordinary shares in companies, excluding shares in 10% property companies, not listed on an exchange - per issuer/entity 2.5% SARB 3.2 Foreign assets maximum limits (a) Preference and ordinary shares in SARB companies, excluding shares in maximum property companies, listed on an limits exchange:-(a)(i) Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed - per issuer/entity 15% (a)(ii) Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed - per issuer/entity 10% Issuer market capitalisation of less (a)(iii) than R2 billion, or an amount or conditions as prescribed - per issuer/entity 5% (b) Preference and ordinary shares in companies, excluding shares in 10% property companies, not listed on an exchange - per issuer/entity 2.5%

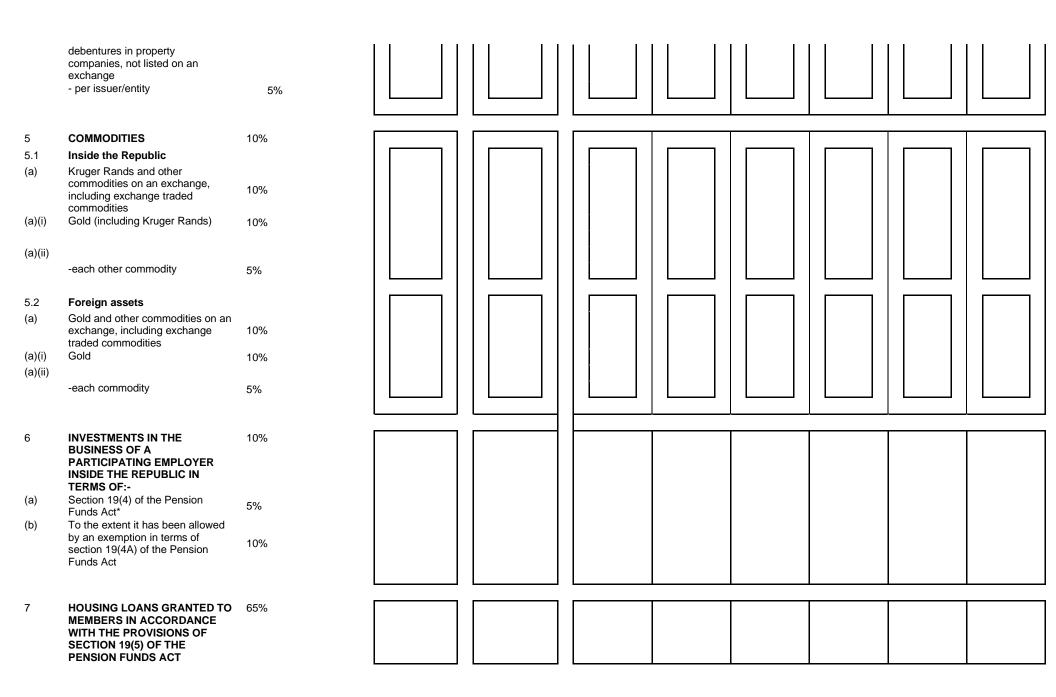
4 IMMOVABLE PROPERTY 25%

4.1 Inside the Republic

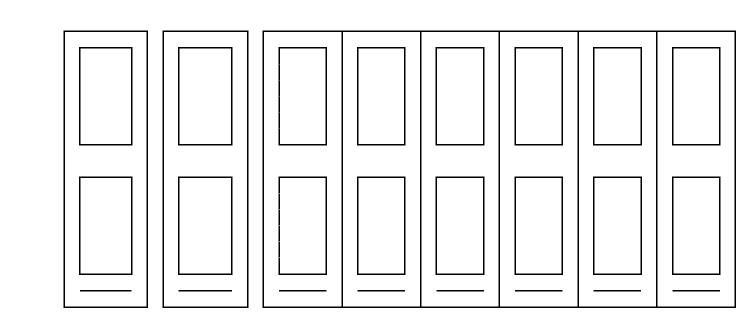
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in	25%
(a)(i)	Property, listed on an exchange Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed - per issuer/entity	150/
	- per issuei/entity	15%

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(a)(ii) (a)(iii)	Issuer market capitalisation of between R5 billion and R10 billion, or an amount or conditions as prescribed - per issuer/entity Issuer market capitalisation of less than R5 billion or an amount or conditions as prescribed - per issuer/entity	10% 5%					
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange - per issuer/entity	15% 5%					
4.2	Foreign assets						
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange	25%					
(a)(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed - per issuer/entity	15%					
(a)(ii)	Issuer market capitalisation of between R5 billion and R10 billion, or an amount or conditions as prescribed - per issuer/entity	10%					
(a)(iii)	Issuer market capitalisation of less than R5billion or an amount or conditions as prescribed - per issuer/entity	5%					
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to	15%					



8 8.1	HEDGE FUNDS Inside the Republic	10%
(a) (a)(i)	Hedge funds Funds of hedge funds	10%
(a)(ii)	 per issuer/entity Hedge funds 	5%
()()	- per issuer/entity	2.5%
8.2	Foreign assets	
o.z (a) (a)(i)	Hedge funds Funds of hedge funds	10%
(a)(ii)	 per issuer/entity Hedge funds 	5%
	- per issuer/entity	2.5%



9 9.1 9.1(a) 9.1(b)	PRIVATE EQUITY FUNDS Inside the Republic Funds of private equity funds Private equity funds	15% 10% 5%				
9.2 9.2(a) 9.2(b)	Foreign assets Funds of private equity funds* Private equity funds	10% 5%				
10	OTHER ASSETS NOT REFERRED TO IN THIS SCHEDULE	2.5%				
	Total Investments	-	 			

DECLARATION BY THE BOARD OF THE FUND

Fund I	name:	Quarter ending on:	
		the information contained herein is, to the best of our kno	
2.	The Board of the fund also confirms that the Reserve Bank (SARB).	e fund did/did not exceed the aggregate foreign exposur	e as determined by the South African
3.	Any other relevant information:		
	CHAIRPERSON (Signature)		

<u>Note:</u> Where the completion, submission and declaration in respect of this return has been delegated to the principal officer, board member, administrator or any other person/entity, such delegation must be duly authorised and it should be noted that the Board of the fund remains ultimately responsible for the accuracy and completeness of this submission.

I, (print name), have been duly authorised by the Board of the fund and hereby confirm that the information contained herein is, to the best of our knowledge accurate, and complete.

PERSON RESPONSIBLE (signature)

.....

PRINT NAME

DATE

.....

DESIGNATION: