

## **FSCA COMMUNICATION 8 OF 2023 (CIS)**

### **NOTICE OF PUBLICATION: NOTICE REGARDING THE PUBLICATION OF DRAFT NOTICE OF AMENDMENT OF BOARD NOTICE 90 OF 2014**

#### **1. PURPOSE**

The purpose of this Communication is to inform stakeholders that today the Financial Sector Conduct Authority (FSCA) published the following documents on its website :

- 1.1 Notice regarding the Publication of Draft Notice of Amendment of Board Notice 90 of 2014 (draft Amendment Notice);
- 1.2 Statement supporting the draft Amendment Notice (the Statement); and
- 1.3 Comments Template for draft Amendment Notice.

#### **2. BACKGROUND AND CONTEXT**

2.1 The FSCA, in conjunction with the Prudential Authority, is currently busy with a holistic review of the Determination of securities, classes of securities, assets or classes of assets that may be included in a portfolio of a collective investment scheme in securities and the manner in which and the limits and conditions subject to which securities or assets may be so included, published under Board Notice 90 of 2014 in Government *Gazette* No. 37895 on 8 August 2014 (BN 90).

2.2 However The holistic review of BN90 will take time and in the interim the FSCA has identified three aspects relating to BN90 that it wishes to address as an interim step pending the finalisation of the holistic review of BN 90.

2.3 These three aspects entail the following:

- Allowing CIS Managers to include actively managed exchange traded funds in its portfolios;
- allowing CIS Managers to include hedge funds in its portfolios that are approved to be managed in accordance with the Pension Funds Act Regulation 28; and
- increasing the current 20% allowed maximum exposure in an underlying portfolio to 45%, where the underlying portfolio is a foreign collective investment scheme.

2.4 Further detail regarding these proposals, the need therefore and the expected impact of the proposals is set out in the Statement.

#### **3. INVITATION TO COMMENT ON DRAFT EXEMPTION NOTICE**

3.1 The documents referred to in paragraph 1 are available on the FSCA's website at [www.fsca.co.za](http://www.fsca.co.za).

3.2 Interested parties are invited to submit comments on the draft Exemption Notice on the Comments Template published herewith, in Word format, on or before **21 April 2023** to [FSCA.RFDstandards@fsca.co.za](mailto:FSCA.RFDstandards@fsca.co.za).

#### 4. CONTACT

For further information regarding this Communication please contact the Regulatory Framework Department of the FSCA by emailing Marianne van Rooyen at [marianne.vanrooyen@fsca.co.za](mailto:marianne.vanrooyen@fsca.co.za).

A handwritten signature in black ink, appearing to read 'Unathi Kamlana', is written over a large, stylized checkmark.

**UNATHI KAMLANA  
COMMISSIONER  
FINANCIAL SECTOR CONDUCT AUTHORITY**

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