



Retail Distribution Review: General Status Update as at December 2019

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1. BACKGROUND

The FSCA's predecessor, the Financial Services Board, published its Retail Distribution Review discussion document ("initial RDR document") in November 2014, proposing a number of wide-ranging reforms to the regulatory framework for financial advice and the distribution of financial products, as part of a multi-year implementation project. A number of subsequent RDR communications including general status updates, RDR related regulatory instruments, and further discussion documents and position papers have been published since the publication of the initial RDR discussion document. The most recent of these subsequent communications, all published in December 2019, are the following:

- RDR Discussion Document on Adviser Categorisation and Related Matters
- RDR Second Discussion Document on Investment Related Matters
- RDR Discussion Document on a Remuneration Dispensation for Savings and Investment Products for the Low Income Market (Proposal TT)
- RDR Position Paper on Equivalence of Reward (Proposal RR)
- RDR paper on Intermediary Activity Segmentation and Related Matters.

This document includes references to these recent communications, and should be read together with them.

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2. RDR GENERAL STATUS UPDATE FORMAT

This RDR General Status Update is structured as a Table, setting out the current status of all the regulatory proposals contained in the initial RDR document, noting developments since the RDR Status Update published in June 2018. The Table is structured as follows:

Column 1: Sets out the **initial RDR proposal** number and short description, as per the November 2014 initial RDR document. Where the description of a proposal has changed in light of subsequent RDR updates, the change is shown as “**Restated**”.

Column 2: A number of the RDR proposals comprise two or more **sub-elements**, which may be at different implementation stages. Column 2 sets out these sub-elements.

Column 3: Sets out the **status** of each proposal **as at December 2019** and, where applicable, each sub-element of the proposal, using the key below.

Column 4: Provides further explanatory **detail** on the current status of each proposal or sub-element.

N/A = Proposal / element no longer applicable or no longer being pursued
1 = Proposal / element being deliberated within the FSCA, no significant public developments since initial proposal
2 = Informal stakeholder consultation at an early stage
3 = Stakeholder consultation and / or technical work at an advanced stage (including publication of official FSCA Discussion Documents and Position Papers)
4 = Formal public consultation on a regulatory instrument in progress
5 = Final regulatory instrument published, subject to transitional periods before coming into operation
6 = Final regulatory instrument published and operational

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Table:

Initial RDR proposal	Sub-elements	Status 12/19	Detail
A. Forms of advice defined		N/A	Different forms of advice will not be formally defined. Where appropriate, standards relating to advice generally will include requirements where advice is provided on an ongoing basis or up-front. <i>Exception:</i> Financial planning will be defined (see proposals T and U).
B. Standards for “low advice” distribution models Restated: Flexibility of suitability analysis requirements to be clarified/		5	This proposal will not be pursued in its initial form. Instead, changes have been made to s.8(4) of the <i>FAIS General Code of Conduct</i> to clarify that suitability analysis requirements are flexible enough to be scaled to the circumstances of each transaction. These amendments have been finalised after consultation, and have been submitted to National Treasury for onward submission to Parliament for a period of 30 days while Parliament is in session. After this period the revised s.8(4) will come into operation when the amendment is published in the Government Gazette.
C. Standards for “wholesale” financial advice		5	See proposed changes to s.8(1)(a) of the <i>FAIS General Code of Conduct</i> , which have been finalised after consultation and and have been submitted to National Treasury for onward submission to Parliament for a period of 30 days while Parliament is in session. After this period the revised s.8(1)(a)

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			will come into operation when the amendment is published in the Government Gazette.
<i>D. Standards for sales execution</i>	Defining sales execution	6	See amended <i>FAIS Fit & Proper standards</i> , which define “execution of sales”. The definition came into operation on 1 April 2018.
	Fit and proper standards for sales execution	6	See amended <i>FAIS Fit & Proper standards</i> . These include fit and proper standards for “execution of sales” which came into operation between April and August 2018. Within these, specific standards apply to execution of sales carried out using a script.
	Other conduct standards for sales execution	1	<p>The FSCA is considering whether more direct conduct standards for sales execution (including in relation to establishing the customer’s financial capability) are required, over and above the <i>FAIS Fit & Proper standards</i> for this activity. Such more direct standards would be effected through further future changes to the <i>FAIS General Code of Conduct</i> or through conduct standards under the future COFI Act.</p> <p>Note that the draft <i>Conduct of Financial Institutions (COFI) Bill</i> proposes “Sales and Execution” as an activity that will require a licence from the FSCA.</p>

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<i>E. Standards for ongoing product servicing</i>	Standards for servicing by intermediaries (FAIS General Code standards)	5	Certain of the <i>FAIS General Code of Conduct</i> changes that have been finalised and submitted to National Treasury for onward submission to Parliament, address servicing matters (for e.g. strengthened standards for advertising and marketing and for complaints management). Transitional arrangements for various of the new amendments have been provided for which ranges between 6 to 12 months after the effective date of the amendment notice.
	Additional standards for servicing related activities performed by intermediaries.	3	See the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i> , also published in December 2019. These findings will inform additional standards in relation to certain activities performed by intermediaries.
	Standards for servicing by product suppliers	See per sector	These standards are being introduced on an ongoing basis through various sectoral instruments to support both RDR proposals and a range of other regulatory reforms. See detail below.
	Servicing by Insurers	6	Various service related standards introduced through the Insurance PPRs came into operation in December 2017, subject to various transitional arrangements.

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	Servicing by Banks	5	A draft <i>Conduct Standard for Banks</i> was published for comment on 29 April 2019. Comments have been considered and the final Conduct Standard is expected to be submitted to National Treasury early in 2020 for onward submission to Parliament.
	Servicing by Retirement Funds and Retirement Fund benefit Administrators	4	Proposed guidance and reporting requirements for fair treatment of members, including complaints handling, were published for comment in November 2017. Comments have been considered and the FSCA is in the process of considering how to take these proposals forward.
<i>F. Insurance premium collection to be limited to qualifying intermediaries</i>	Governance and operational standards for premium collection	6	See amendments to the LTIA and STIA Regulations respectively that came into operation on 28 September 2018, subject to various transitional arrangements extending to an effective date of 28 September 2019.
	Additional premium collection interventions	3	A need for additional interventions to mitigate risks arising from premium collection activities has been identified. The FSCA published a Position Paper setting out proposals on the future premium collection regulatory framework for public comment in April 2019, followed by engagements with stakeholders to discuss comments received. Inputs from these engagements are being considered and will inform formal regulatory

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			proposals. Also see the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i> , also published in December 2019.
<i>G. Revised standards for investment platform administration</i>	Relationships between platforms and other entities in the investments value chain	3	See updated proposals regarding relationships between Administrative FSPs, investment advisers and investment managers set out in the <i>RDR Second Discussion Document on Investment Related Matters</i> , also published in December 2019.
	Standards for Administrative FSPs	2	Regulatory interventions, including amendments to implement “clean pricing” for investment platforms and enhanced governance requirements, will take the form of proposed changes to the FAIS Code of Conduct for Administrative FSPs and / or conduct standards under the FSR Act. These will in part be informed by feedback on the <i>RDR Second Discussion Document on Investment Related Matters</i> , also published in December 2019.
<i>H. Standards for product aggregation and comparison services</i>		2	Analysis of current business models is being undertaken by the FSCA’s Business Model and Product Analysis unit. Findings of this analysis will inform regulatory proposals. Also note that the draft <i>Conduct of Financial</i>

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			<i>Institutions Bill</i> proposes that product comparison and aggregation services will be a licensed activity, and includes a draft definition of the activity.
<i>I. Standards for referrals and lead generation</i>	Referrals and leads in context of limiting tied advisers to their home supplier's products only	3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , also published in December 2019.
	Other standards for referrals and leads	2	Fact-finding research and engagements on practices around referrals and lead generation have commenced in order to identify potential risks arising from these business models. Outcomes from the research will inform the possible regulatory proposals to address these risks.
<i>J. Outsourced services on behalf of product suppliers to be more clearly identified and regulated</i>	Insurance binder arrangements	6	See various provisions relating to binder arrangements in amendments to the Regulations and Policyholder Protection Rules, 2017 under the Long-term Insurance and Short-term Insurance Acts, coming into operation at various dates between January 2018 and January 2020.
	Other outsourcing in the Insurance sector	3	See the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i> , also published in December 2019. These findings will inform additional standards in relation to certain activities

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			performed by intermediaries, including clarifying which activities will be regarded as outsourced activities justifying additional remuneration.
	Outsourcing in the Investments sector	3	See updated proposals relating to third party co-branding arrangements in the <i>RDR Second Discussion Document on Investment Related Matters</i> , also published in December 2019. Also see reasons provided in the FSCA's recent administrative penalty decision against MET Collective Investments (Pty) Ltd (FSCA Case number 11/2019). In addition, the FAIS Fit & Proper Requirements that came into effect on 1 April 2018 set specific requirements for all FSPs regarding the outsourcing of functions.
	General outsourcing standards	6	General outsourcing standards are provided for in the <i>FAIS Fit & Proper</i> requirements which came into effect on 1 April 2018. General outsourcing standards for the insurance sector, to date set out in Directive 159, have been included in the Prudential Standards issued under the Insurance Act. Also note that the FSR Act contains far-reaching regulatory standard setting, supervisory and enforcement powers in relation to outsourcing arrangements. The FSCA and the PA are in the process of converting the Prudential Standard on Outsourcing into a Joint Standard on Outsourcing. The FSCA is currently considering to what extent specific conduct

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			<p>requirements should be incorporated into the draft Joint Standard. The FSCA and PA are aiming to publish the draft Joint Standard on Outsourcing for public comment during the course of 2020.</p> <p>Also see the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i>, also published in December 2019. Although focused on the Insurance sector, these findings may also inform broader outsourcing conduct standards.</p>
<p><i>K. Types of adviser defined: independent, multi-tied or tied</i></p> <p><i>Restated: Types of adviser defined: Product supplier agent (PSA or tied adviser); registered financial adviser (RFA or non-tied adviser).</i></p>		3	<p>See detailed updated proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> and updated proposals regarding adviser categorisation in the investments sector in the <i>RDR Second Discussion Document on Investment Related Matters</i>, both published in December 2019.</p> <p><i>Note:</i> The <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> invites input on the final terminology to be used to describe different categories of financial advisers, as informed by the findings of a consumer testing exercise completed in September 2018 and shared with industry stakeholders.</p>

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<i>L. An IFA may advise on certain products on a multi-tied basis</i>		N/A	No longer applicable in light of revised approach to adviser categorisation.
<i>M. Criteria for IFAs to offer sufficient product and product supplier choice</i>		N/A	No longer applicable in light of revised approach to adviser categorisation.
<i>N. Criteria for IFAs to be free of product supplier influence</i> <i>Restated: Criteria for an RFA / non-tied adviser to be entitled to use the descriptor “independent”</i>		5	See new s.3(5) of the amended <i>FAIS General Code of Conduct</i> . These amendments have been finalised after consultation, and have been submitted to National Treasury for onward submission to Parliament for a period of 30 days while Parliament is in session. After this period the revised s.3(5) will come into operation when the amendment is published in the Government Gazette. Also see further detail in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.
<i>O. Status disclosure to be made by IFAs</i>		N/A	See restated Proposal N.

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<i>P. Criteria for multi-tied advisers</i> <i>Restated: Criteria for RFAs / non-tied advisers</i>		3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.
<i>Q. Status disclosure to be made by multi-tied advisers</i> <i>Restated: Status disclosure to be made by RFAs / non-tied advisers</i>		3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.
<i>R. Criteria for tied advisers</i>		3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.
<i>S. Status disclosure to be made by tied advisers</i>		3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.

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<i>T. Criteria for financial planners</i>		3	See proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.
<i>U. Status disclosure to be made by financial planners</i>		3	See Proposal T.
<i>V. Insurer tied advisers may no longer provide advice or services in relation to another insurer's products</i>		6	See amended definition of “representative” in the LTIA Regulations, which came into operation on 1 January 2018.
<i>W. “Juristic representatives” to be disallowed from providing financial advice</i>		3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019. <i>Note:</i> Proposals regarding the use of juristic representatives have been extended to apply to non-advice distribution models, for reasons set out in the discussion document.

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<i>X. Standards for juristic intermediaries (adviser firms)</i>		3	<p>See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i>, published in December 2019.</p> <p><i>Note:</i> The discussion document includes a discussion on the implications of changes in contractual relationships between advisers, advice firms and product suppliers.</p>
<i>Y. Advisers may not act as representatives of more than one juristic intermediary (adviser firm)</i>		3	<p>See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i>, published in December 2019.</p>
<i>Z. Restricted outsourcing to financial advisers.</i>		Various stages. See Detail	<p>See detail under Proposals E and J, setting out various developments for different forms of outsourcing and other services.</p> <p>Also note new Part 3D of the LTIA Regulations and Part 5C of the STIA Regulations (which came into operation on 1 January 2018), requiring insurers to notify the regulator of any intent to remunerate an intermediary for services other than services as intermediary or a binder function.</p>

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			In particular, see the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i> , also published in December 2019.
AA. Certain functions permitted to be outsourced to financial advisers		Various stages. See Detail	See detail under Proposals E and J setting out various developments for different forms of outsourcing. In particular, see the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i> , also published in December 2019.
BB. Product supplier responsibility for tied advisers		See Detail.	This matter is not expected to be contentious or require detailed standards. Product suppliers clearly bear full legal accountability for advice provided by their tied advisers in accordance with ordinary agency principles. Also see detail in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019
	Specific responsibilities for insurers	6	Note the following provisions of the PPRs:

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<p>CC. Product supplier responsibility for multi-tied advisers</p> <p>Restated: Product supplier responsibility for RFAs / non-tied advisers</p>			<ul style="list-style-type: none"> • Rule 1.4(d) and 1.9 of the LTIA and STIA PPRs, which came into operation on 1 January 2018 and 1 January 2019 respectively, describing the insurer's responsibility in relation to advice provided. • Rule 12.2.1 of the LTIA and STIA PPRs, which came into operation on 1 January 2018 for new intermediary agreements and on 1 January 2019 for existing intermediary agreements, which require insurers to ensure that intermediaries with whom they contract comply with FAIS product knowledge requirements. • Rule 18 of the LTIA and STIA PPRs, which came into operation on 1 January 2019, which includes requirements for insurers to have processes in place to deal with customer complaints relating to advisers.
	Additional product supplier responsibility standards	3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.
<p>DD. Product supplier responsibility for IFAs</p>		3	See detailed proposals in the <i>RDR Discussion Document on Adviser Categorisation and Related Matters</i> , published in December 2019.

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<i>Restated: Product supplier responsibility for RFAs entitled to use the descriptor “independent:</i>			
<i>EE. Product supplier responsibility for non-advice sales execution</i>		1	Standards to be considered together with additional standards for non-advice sales execution under Proposal D. Note however that, in the Insurance sector, the specific insurer responsibilities outlined under Proposal CC apply equally to non-advice distribution channels used by the insurer.
<i>FF. General product supplier responsibilities in relation to receiving and providing customer related data</i>	Standards in the Insurance sector	6	See general data related responsibilities in the LTIA and STIA PPRs and specific data related provisions relating to binder and outsourcing arrangements in the LTIA and STIA Regulations, all coming into operation on 1 January 2020.
	Standards for other sectors	1	We are considering appropriate instruments for data related responsibilities for product suppliers generally. Note that the provisions of the POPI legislation are also applicable.

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GG. Ownership structures to be reviewed to assess conflicts of interest		3	Potential conflicts arising from ownership arrangements are being taken into account in the development of various other RDR proposals – including (among others) those relating to adviser categorisation, product supplier responsibility and use of the descriptor “independent”. We have accepted that the mere existence of an ownership relationship between a product supplier and an adviser firm does not in and of itself mean that the adviser firm is “tied” to the product supplier.
HH. General disclosure standards in relation to fees or other remuneration	FAIS enhancements	5	See proposed strengthened remuneration disclosure provisions in s.7 of the amended <i>FAIS General Code of Conduct</i> . These amendments have been finalised after consultation, and have been submitted to National Treasury for onward submission to Parliament for a period of 30 days while Parliament is in session. After this period the revised s.7 will become effective 6 months after the effective date of the amendment notice.
	Additional disclosure standards	See Detail	Additional standards will be developed in parallel with standards for Proposals JJ and KK.
II. Standards for financial planning / risk planning fees		3	Standards will be developed in parallel with standards for Proposal T. Also see detail in the <i>RDR Discussion Document on Adviser Categorisation and</i>

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			<i>Related Matters</i> , regarding use of the terms “financial planner” and “financial planning”.
JJ. Standards for up-front and ongoing product advice fees	FAIS enhancements	5	See the general remuneration principles introduced by the amendments to s.3A of the <i>FAIS General Code of Conduct</i> . These amendments have been finalised after consultation, and have been submitted to National Treasury for onward submission to Parliament for a period of 30 days while Parliament is in session. After this period the revised s.3A will become effective 6 months after the effective date of the amendment notice.
	Advice fees in the Insurance sector	2	Further amendments to the Regulations under the LTIA and STIA will be required to allow for the payment of advice fees separately from commission. Also see the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i> , also published in December 2019.
	Additional advice fee standards	3	The RDR discussion document on Investment Related Matters published in June 2018 invited input on certain aspects of advice fees in the investments sector. See updates in the <i>RDR Second Discussion Document on Investment Related Matters</i> . Further consultation on remuneration matters in the investments sector is planned.

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<i>KK. Additional standards for ongoing advice fees</i>		Various stages.	As for Proposal JJ.
<i>LL. Product suppliers to facilitate advice fees</i>	Facilitation of advice fees for investment products	3	See updates in the <i>RDR Second Discussion Document on Investment Related Matters</i> . Further consultation on remuneration matters in the investments sector is planned.
	Facilitation of other advice fees	Various stages	Standards to be developed in parallel with Proposals JJ, MM, NN and UU.
<i>MM. Remuneration for selling & servicing investment products</i>		3	See updates in the <i>RDR Second Discussion Document on Investment Related Matters</i> . Further consultation on remuneration matters in the investments sector is planned.
<i>NN. Remuneration for selling & servicing risk policies</i>		3	Technical work on developing an actuarial model to test new life risk commission model impacts had been completed by ASISA. The FSCA has identified a need for some adjustments to the model and the developers are updating it. We have also identified various scenarios we would like to test, and the developers are adapting the model so that these can be tested.

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<i>OO. Product supplier commission prohibited on replacement life risk policies</i>	Interim measure: Insurers to monitor quality of replacement disclosures	6	See Rule 19 of the LTIA PPRs, which came into operation on 1 September 2019.
	Defining replacement	5	See definition in Rule 19 of the LTIA PPRs, which came into operation on 1 September 2019 , and in the amended <i>FAIS General Code of Conduct</i> . The FAIS General Code amendments have been finalised after consultation, and have been submitted to National Treasury for onward submission to Parliament for a period of 30 days while Parliament is in session. The new definition will come into operation when the amendment is published in the Government Gazette.
	Remuneration on replacement life risk policies	2	A decision on potential remuneration interventions on replacements will be informed by the modelling work to be undertaken for Proposal NN. In the interim, Regulation 3.9A under the LTIA Regulations, which came into operation on 1 September 2019 provides in effect for non-payment of commission on replacement risk policies in the event of non-compliance with prescribed replacement disclosure standards.

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<i>PP. Commission regulation anomalies on “legacy” insurance policies to be addressed</i>		6	See Regulation 3.10(1)(b) and definition of “variable premium increase” in Regulation 5.1 of the Regulations under the LTIA, which came into operation on 1 January 2018.
<i>QQ. Conflicted remuneration on RA transfers to be addressed</i>		1	Under consideration. Note that the definition of “replacement” in the amendments to the <i>FAIS General Code of Conduct</i> (see Proposal OO) confirms that such transfers constitute a replacement.
<i>RR. Equivalence of reward to be reviewed</i>	Strengthening regulator’s powers to determine what constitutes “Equivalence”	6	See Regulations 3.2(4A) and (5) and 3.11(2) of the LTIA Regulations, which came into operation on 1 January 2018.
	Interim measure to address specific practices Restated:	3	See the <i>RDR Position Paper on Equivalence of Reward (Proposal RR)</i> , published in December 2019.

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	FSCA approach to defining and enforcing “Equivalence of Reward” to be finalised.		
	Equivalence of Reward to apply at individual adviser level	3	See the <i>RDR Position Paper on Equivalence of Reward (Proposal RR)</i> , published in December 2019. The position paper confirms that this Proposal will not be proceeded with in its initial form, subject to a requirement for insurers to have appropriate governance and remuneration monitoring and reporting procedures in place.
<i>SS. Standards for remuneration arrangements between adviser firms and individual advisers</i>		Various stages	Standards to be developed in parallel with standards for the various other RDR proposals relating to remuneration.
<i>TT. Special remuneration dispensation for the low income market</i>	Dispensation for investment / savings products	3	See the <i>RDR Discussion Document on a Remuneration Dispensation for Savings and Investment Products for the Low Income Market (Proposal TT)</i> , published in December 2019.

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	Dispensation for life risk products	6	See amendments to the commission regulations relating to micro-insurance and funeral policies as contained in the amendments to the LTIA Regulations that came into operation on 28 September 2018.
<i>UU. Remuneration for selling & servicing short-term insurance policies</i>	“Section 8(5) fees”	6	Provision for these fees has been repealed and replaced with PPR provisions stipulating specific limited circumstances in which an insurer may facilitate the collection of fees other than commission on behalf of an intermediary. See Rule 12.4 of the STIA PPRs, which came into operation on 1 January 2019. Also see the findings set out in the RDR paper <i>on Intermediary Activity Segmentation and Related Matters</i> , published in December 2019, which include the FSCA’s concerns relating to the poor quality of insurer oversight in this regard.
	Intermediary activity analysis	3	See the findings set out in the RDR paper <i>on Intermediary Activity Segmentation and Related Matters</i> , published in December 2019.
	Additional short-term remuneration standards	3	See the findings set out in the RDR paper <i>on Intermediary Activity Segmentation and Related Matters</i> , published in December 2019.

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<i>VV. Conditions for short-term insurance cover cancellations</i> <i>Restated: Conditions for insurance cover cancellations.</i>		6	See Rule 19 of the STIA PPRs and Rule 20 of the LTIA PPRs, coming into operation on 1 January 2020. Note that the standards apply to both long-term and short-term insurance.
<i>WW. Remuneration for direct non-advice sales execution</i>		1	Standards to be considered together with additional standards for non-advice sales execution under Proposal D.
<i>XX. Remuneration for referrals, leads, product aggregation and comparison services</i>		3	Standards to be considered together with standards under Proposals H and I.
<i>YY. Remuneration for investment platform administration</i>		2	Standards to be developed in parallel with standards under Proposal G. These will in part be informed by feedback on the <i>RDR Second Discussion Document on Investment Related Matters</i> , also published in December 2019.
<i>ZZ. Binder fees to multi-tied intermediaries to be capped</i>		6	See new Part 3C of the LTIA Regulations and Part 5B of the STIA Regulations, which came into operation between 1 January 2018 and 1 January 2019. Note that these Regulations must be read with the

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<i>Restated: Binder fees to financial advisers to be capped</i>		12/19	strengthened operational and governance requirements imposed by Part 6 of the Regulations.
<i>AAA. Commission cap for credit life schemes with “administrative work” to be removed</i>		6	See revised commission caps for credit schemes in the commission Table (Annexure 1) of the LTIA Regulations, which came into operation on 1 January 2019.
<i>BBB. Outsourcing fees for issuing insurance policy documents</i>		N/A	This activity is generally regarded as incidental to a binder activity. In instances where the insurer believes that additional remuneration should be paid because the nature of the work required to issue such documentation falls outside the scope of binder or intermediary activities, details of such remuneration must be notified to the FSCA in terms of the new Part 3D of the LTIA Regulations and Part 5C of the STIA Regulations (which came into operation on 1 January 2018). Also see the findings set out in the RDR paper on <i>Intermediary Activity Segmentation and Related Matters</i> , published in December 2019.
<i>CCC. General standard re financial interests</i>		1	Under consideration. Also see general remuneration principles introduced by the amendments to s.3A of the <i>FAIS General Code of Conduct</i> .

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