INTEGRATED REPORT 2024/25

FSCA

Financial Sector
Conduct Authority

Navigating this Report

Material matters

- Talent management
- Digital transformation
- Managing stakeholders
- Governance and reputation
- Fair outcomes for financial customers
- Funding

Capitals

- FC Financial capital
- HC Human capital
- SC Social capital
- IC Intellectual capital
- MC Manufacturing capital
- NC Natural capital

Stakeholders

- Employees
- Government
- Financial customers
- Media
- Suppliers
- Parliament
- Regulated persons
- Other regulators

Value indicators

- Value created
- Value eroded
- Value preserved

Integrated Annual Report of the FSCA for the year ended 31 March 2025

FSCA is the market conduct regulator of financial institutions in South Africa

Contents

A About this report

Introduction 6
Approval of the report 7
Our value creation in practice 8
Introduction by the Minister of Finance 10
Reflection by the Commissioner 14

B About the FSCA

Who we are 20
Our vision and values 20
Our mission 20
What we do 20
Who we regulate 20
Aligning with global and national development goals 22

C How we create value

Our value creation model 26
Engaging with stakeholders 28

D How we sustain value

Strategic performance 36
Managing our material matters 41
Managing our risks and opportunities 46

E Managing our capitals

Strengthening our financial capital 58
Building social capital 60
Developing our human capital 81
Leveraging our intellectual capital 84
Protecting our natural and manufacturing capital 85

F Value creating governance

Introduction 90
Governance committees and key activities 90
Who leads us – Executive Committee 94
Remuneration statement 98

G Annual financial statements 101

H PFMA compliance report 160

I Annual performance report 166

J Administration

General information 176
Acronyms 177

PART A

About this report

Inside Part A:

- Introduction 6
- Material matters 6
- Basis for preparation 6
- Control and combined assurance 6
- Approval of the report 7
- Our value creation in practice 8
- Introduction by the Minister 10
- Reflection by the Commissioner 12

About this report

Introduction

This report aims to communicate to our stakeholders how we create, preserve or erode value over the short, medium, and long term. This report covers our leadership overviews, operational overview, our strategic performance, our governance accountability, and our financial performance. We aim to provide our stakeholders with a focused and balanced report that demonstrates our integrated thinking.

This report covers the period from 1 April 2024 to 31 March 2025. Material events that occurred after this date and up to the Executive Committee approval date have been included.

Material matters

We have implemented a materiality identification process in determining the matters that materially impact our ability to create, preserve, or erode value over time. Our Executive Committee reviews and approves these material matters in line with our governance processes. We have identified six material matters that are linked to our strategic risks, strategy, and functions and report on them to serve the information and decision-making needs of our stakeholders. The material matters are: i) effective talent management, ii) digital transformation, iii) managing stakeholders' needs, iv) maintaining good governance and reputation, v) fair outcome for financial customers, and vi) funding. The process is conducted annually to ensure our material matters remain relevant and enable us to achieve our strategic objectives.

Basis for preparation

Our report has been prepared according to the Generally Recognised Accounting Practice (GRAP) standards, the King IV Report on Corporate Governance, and the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). The report was compiled in accordance with the principles and content elements outlined in the International Integrated Reporting Council's International Framework.

Control and combined assurance

We have established a Combined Assurance Model to implement and embed the principles of the combined assurance framework approved by the Audit subcommittee. The model will help us improve our efficiency and understanding of enterprise risk management and internal control. In addition, the model also assures defined risk ownership responsibilities with independent levels of oversight.

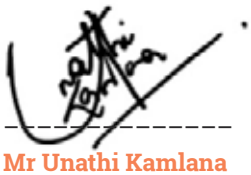
The Audit and Risk Subcommittees provide oversight on the combined assurance model and consider the levels of assurance to be appropriate. As outlined in the table below, assurance has been provided on specific disclosures in our integrated report for the year ended 31 March 2025.

Assurance Provider	Assurance provided
Auditor-General of South Africa	Unqualified audit opinion on Annual Financial Statements (refer to page 103 of the AFS) Reported performance information and compliance with legislation
Internal Audit	Assurance provided over: Risk management Governance and ethics Information technology ("IT") governance Internal control systems Financial control

Approval of the report

The Accounting Authority acknowledges its responsibility to ensure the integrity of our Integrated Report. Accordingly, the Audit Subcommittee, which has oversight responsibility for the report, recommended it for approval by the Accounting Authority.

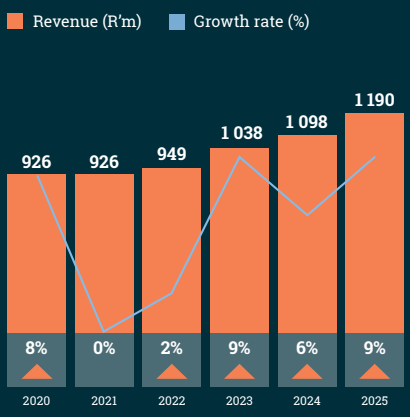
The Accounting Authority confirmed that it has assessed the report and is satisfied that it represents all material matters, presents a balanced account of our performance and ability to create value, and that sound controls are in place and implemented effectively to ensure the integrity of the report.



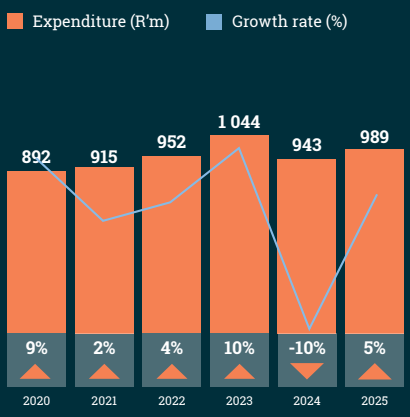
Mr Unathi Kamlana
Commissioner

OUR VALUE CREATION IN PRACTICE

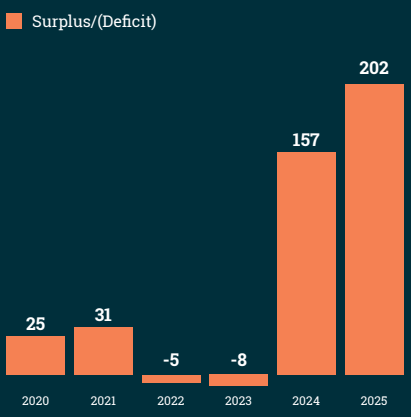
REVENUE



EXPENDITURE



NET SURPLUS/(DEFICIT)



779
licences granted for providers of financial products, services and market infrastructures

24
workshops conducted for people with disabilities

4 718
learners participated in the financial literacy competition in nine provinces

131
debarment orders issued

R234 million
spent on procurement

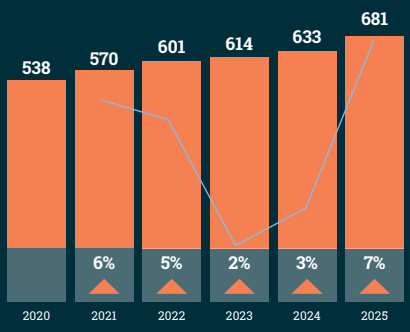
633
investigations finalised

R119 million
imposed in penalties and fines

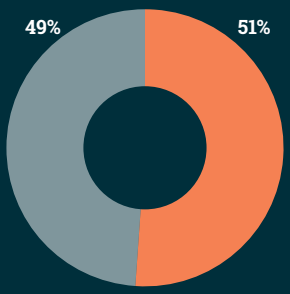
382
licences withdrawn

107
scam alerts issued

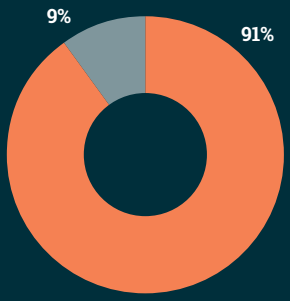
NUMBER OF EMPLOYEES



GENDER



RACE



9 037
financial customers complaints resolved

14
enforceable undertakings

264
licences granted for crypto asset service providers

24
licences suspended

110
financial educational activities conducted

45
regulatory requests received from foreign regulators

9 918
FSPs annual financial statement reviews conducted

13
directives issued

10
regulatory requests directed to foreign regulators

Introduction by the Minister

The growing volume of unclaimed financial assets remains a matter of national concern. In this regard, I commend the work of the FSCA in contributing meaningfully to policy development and technical efforts toward establishing a regulatory framework for the treatment of unclaimed assets.

Mr Enoch Godongwana
Minister of Finance

The financial year 2024/25 was characterised by low economic growth, given heightened global uncertainty, and the persistence of structural challenges within the domestic economy. South Africa's GDP increased by just 0.1% in the first quarter of 2025, following annual growth of 0.6% in 2024, well below the National Treasury's October 2024 forecast of 1.1% for the year.

The official unemployment rate rose by one percentage point to 32.9% in the first quarter of 2025, up from 31.9% in the fourth quarter of 2024, further underscoring the scale of our socio-economic challenges. There was, however, some relief on the inflation front, with the average inflation rate for 2024 standing at 4.4%, down from 6% in 2023. Furthermore, the financial year ended on a positive note, with annual inflation dropping to 2.7% in March 2025, offering a degree of stability in the cost of living amid ongoing pressures on households. Globally, elevated risks, including geopolitical instability, inflationary pressures, and volatility in energy markets continued to weigh on investor confidence and trade flows.

In this context, the role of a stable, inclusive, and well-regulated financial sector becomes even more important, with the FSCA remaining central to this effort. As South Africa's dedicated market conduct regulator, the FSCA plays a vital role in promoting market integrity, safeguarding financial customers, and supporting national development objectives.

I am pleased to note that the FSCA once again demonstrated strong performance during the financial year under review, despite a complex and evolving operating environment. The FSCA made significant progress in strengthening regulatory frameworks that support sound market conduct and uphold the integrity of the financial markets. Its ongoing work to prepare for the implementation of the Conduct of Financial Institutions (COFI) Bill, particularly in relation to licensing, supervision, and the shift towards an outcomes-based regulatory and supervisory approach demonstrates its readiness to assume an expanded and more strategic role in driving improved conduct outcomes across the sector.

A key driver of the FSCA's effectiveness has been its investment in digital transformation. By modernising its ICT infrastructure and enhancing data capabilities, the FSCA is strengthening its ability to supervise emerging risks, respond more efficiently to market conduct issues, and improve regulatory agility in a dynamic financial sector landscape. One of the most significant investments in this regard is the procurement and ongoing implementation of an Integrated Regulatory System (IRS).

From a social impact perspective, the FSCA has deepened its efforts to promote financial literacy and financial education, with a particular focus on vulnerable and underserved groups. Through initiatives such as the National Financial Literacy Speech Competition, the FSCA has helped cultivate financial awareness among school learners across the country. It has also continued to roll out critical programmes tailored to the needs of small and medium enterprises (SMEs), recognising their role in driving inclusive economic growth.

The FSCA's work on financial inclusion advanced meaningfully during the year, particularly through its ongoing capacity-building initiatives and compliance support aimed at small financial institutions. Its application of proportionality within the regulatory framework has been instrumental in reducing barriers to entry and enabling the sustainable participation of smaller players in the financial sector. This approach is critical to broadening access to financial services and promoting greater diversity within the sector. Importantly, it is also directly linked to the broader transformation of the financial sector, as inclusive regulation facilitates the participation and growth of historically disadvantaged institutions.

In this regard, the implementation of the FSCA's Financial Inclusion Strategy progressed alongside Phase 1 of its Strategy for Promoting Transformation within the Financial Sector. This foundational phase focused on building constructive relationships with key stakeholders and strengthening internal readiness to assume a more active and enabling role under the forthcoming COFI Bill.

The FSCA has also played a pivotal role in South Africa's broader national efforts to exit the Financial Action Task Force (FATF) grey list. Its contributions were instrumental in the country's substantial progress in addressing the 22 action items identified by the FATF.

As South Africa moves closer to full removal from the grey list, the FSCA's continued vigilance and sustained investment in supervisory and enforcement capabilities will be critical to safeguarding the integrity of the financial system and preventing future vulnerabilities.

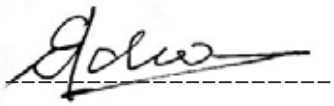
The growing volume of unclaimed financial assets remains a matter of national concern. In this regard, I commend the work of the FSCA in contributing meaningfully to policy development and technical efforts toward establishing a regulatory framework for the treatment of unclaimed assets.

The FSCA and National Treasury must continue with this work as a priority, not only to ensure that rightful beneficiaries can access what is owed to them, but also to promote transparency, trust, and accountability within the broader financial system. Sustained collaboration will be essential to address the systemic and operational challenges that have contributed to the accumulation of unclaimed assets across financial institutions. This includes strengthening reporting and disclosure obligations, enhancing data quality, and fostering greater coordination among industry participants. Continued investment in digital platforms and public awareness campaigns will also be key to empowering individuals to locate and claim their benefits.

Equally pressing is the issue of pension fund arrear contributions, with an estimated R5.6 billion owed by employers to retirement funds. The FSCA's efforts in publishing communications that list employers in arrears have been instrumental in shining a spotlight on this issue. These interventions have had a tangible impact, prompting several employers to either settle their outstanding contributions or enter into formal repayment arrangements. The FSCA's continued collaboration with National Treasury, SARS, and law enforcement agencies is essential to addressing this systemic challenge and ensuring the protection of retirement fund members.

In light of the important work that the FSCA is doing, it is clear that, as government, we must continue to provide our full support to ensure that it is well-resourced and empowered to deliver on its mandate effectively. As the executive authority, I remain committed to working closely with the FSCA to strengthen regulatory coherence, enhance institutional capacity, and promote a financial sector that is both globally competitive and responsive to the needs of all South Africans.

I would like to extend my sincere appreciation to the Commissioner and Deputy Commissioners for their capable and visionary leadership. My gratitude also goes to the dedicated staff of the FSCA for their tireless efforts and unwavering commitment. Your collective work continues to underpin a financial sector that is not only more stable and inclusive, but also increasingly responsive to the needs of all South Africans. Your dedication is instrumental in shaping a regulatory environment that promotes trust, fairness, and long-term growth.



Mr Enoch Godongwana
Minister of Finance

FSCA
Financial Sector
Conduct Authority

Reflection by the Commissioner

Alongside robust supervision and enforcement, we remained committed to enabling the development of an innovative, inclusive, and sustainable financial system. This included sustained efforts to remove barriers to entry, promote meaningful participation by smaller institutions, and ensure that regulation supports rather than stifles innovation.

Mr Unathi Kamlana
Commissioner, FSCA

It gives me great pleasure to introduce the FSCA Integrated Report for the 2024/25 financial year. The year marked the conclusion of the FSCA's 2020–2025 strategic cycle, a period characterised by sustained progress, despite an operating environment shaped by economic uncertainty, increased consumer vulnerability, and rapid technological change.

During this period, we strengthened the conduct of business and market integrity regulatory framework, embedded a more risk-based and data-driven supervisory approach, and took firm action against misconduct to support confidence and integrity in the financial sector.

It was also a time in which we advanced our role in shaping an innovative, inclusive, and sustainable financial system, while continuing to empower financial customers through focused financial education initiatives. As a result of these efforts, we achieved 89% of our performance targets during the reporting period, demonstrating consistent execution, institutional resilience, and strong alignment with our strategic objectives.

In strengthening our regulatory framework, we made meaningful progress in implementing our rolling three-year Regulation Plan and achieved over 80% of its targets. During the year, we published several important conduct standards, joint standards and guidance notices aimed at strengthening market conduct, supporting market integrity, and improving outcomes for financial customers. These included requirements for financial education initiatives, advertising and disclosure obligations for collective investment schemes.

Our work on harmonisation and themed regulatory frameworks also progressed well, with focused efforts to align existing conduct requirements with the anticipated COFI Bill. This included the consolidation and streamlining of subordinate legislation across financial subsectors to promote consistency, regulatory coherence, and readiness for the implementation of a principles-based conduct framework.

Our supervisory approach also evolved further in line with our risk-based model. We continued conducting market reviews, sector risk assessments, and thematic supervisory activities to better understand emerging trends, identify areas of potential consumer harm, and prioritise supervisory responses accordingly. These tools enabled more agile responses to emerging risks and improved our engagement with regulated entities. As part of our active role in South Africa's broader response to the FATF greylisting, we enhanced our supervisory capacity in the areas of anti-money laundering and combating the financing of terrorism (AML/CFT). This resulted in strengthened oversight of financial institutions' compliance with AML/CFT obligations, as well as the imposition of appropriate enforcement measures and administrative penalties in cases of non-compliance.

Our enforcement function continued to play a critical role in maintaining confidence in the financial sector and ensuring accountability. In the 2024/25 financial year, 633 investigations were finalised, 131 debarment orders were issued, 382 licences were withdrawn, and penalties and fines amounting to R119 million were imposed. These outcomes reflect our commitment to acting decisively where misconduct or regulatory breaches occur and underscore our role in promoting trust, fairness, and discipline across the financial sector.

Alongside robust supervision and enforcement, we remained committed to enabling the development of an innovative, inclusive, and sustainable financial system. This included sustained efforts to remove barriers to entry, promote meaningful participation by smaller institutions, and ensure that regulation supports rather than stifles innovation.

With rapid technological advancement transforming financial services, we maintained active participation in the Intergovernmental Fintech Working Group (IFWG), contributing to discussions on emerging technologies, regulatory sandboxes, and responsible innovation.

We also advanced our Sustainable Finance Programme by publishing the Investment Providers Sustainable Finance Survey Report, which provided insights into market readiness and implementation challenges. In addition, we made further progress on considering implementation of South Africa's Green Finance Taxonomy, a key step in supporting environmentally-

aligned investment flows and integrating climate-related risks and opportunities into the financial system. These efforts contribute meaningfully to South Africa's broader developmental and climate goals, while positioning the FSCA as a forward-looking regulator in the sustainability space.

We continued to provide financial consumer education programmes across various channels, in partnership with a wide range of stakeholders. Our campaigns included banking fraud and scam awareness, digital outreach, and youth-targeted content. A significant milestone was the hosting of the FSCA's inaugural Financial Education Summit, which provided a platform to consolidate efforts and promote collaboration across sectors in delivering impactful and inclusive financial education.

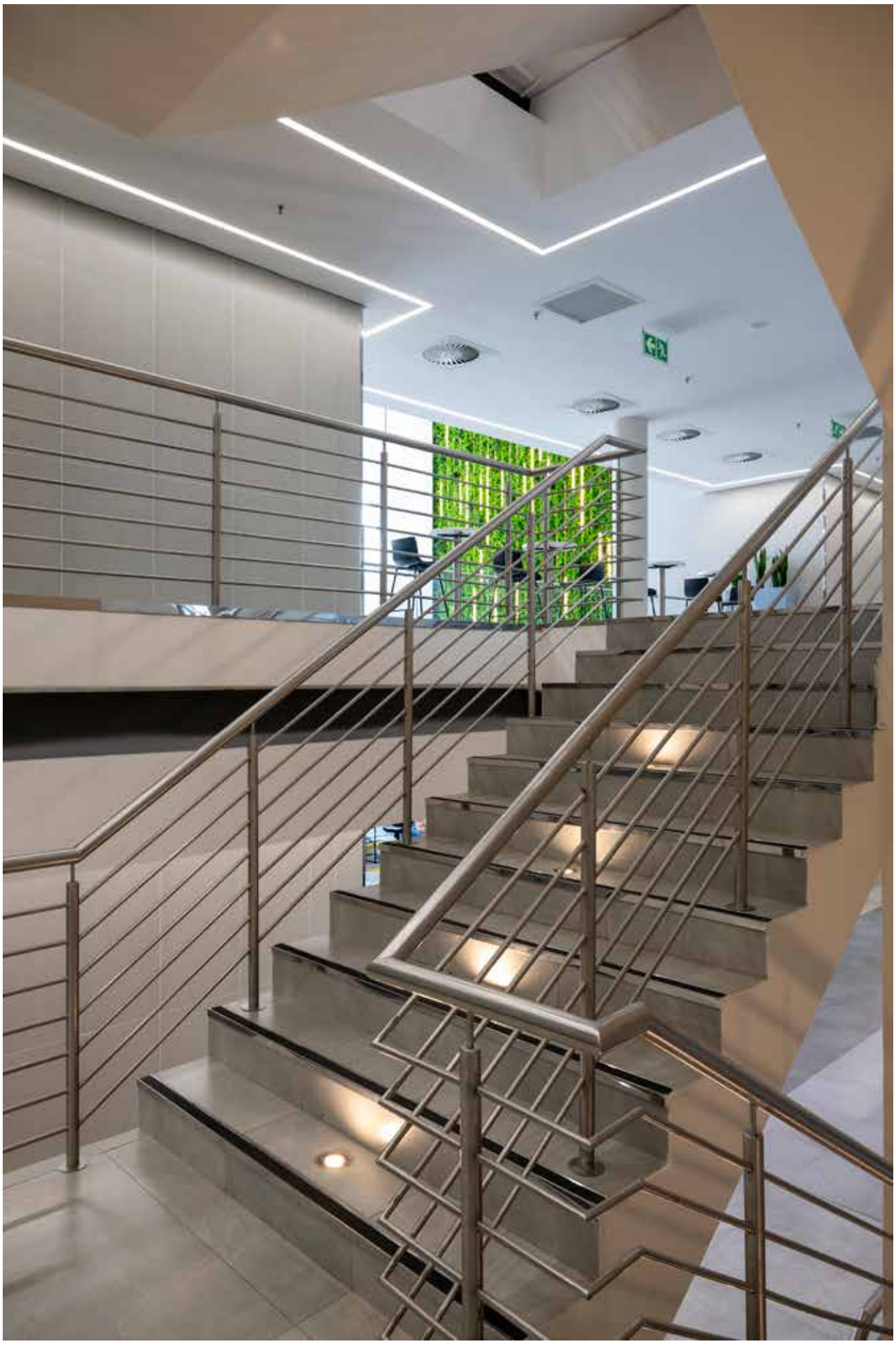
Internally, we continued our efforts to strengthen the FSCA as an organisation. Talent management remained a priority, particularly as we prepare for the implementation of new technologies and respond to the growing complexity of our mandate. We invested in leadership development, technical training, and wellness initiatives to build a capable and resilient team. We also made progress in implementing our digital transformation strategy. A key development was the ongoing phased rollout of our IRS, which is set to enhance data collection, automate regulatory processes, and improve our supervisory agility.

Stakeholder engagement continued to underpin much of our work. Throughout the year, we actively engaged with industry bodies, consumer groups, government partners, and international counterparts and standard-setting bodies to strengthen trust, improve regulatory alignment, and promote shared learning.

A key highlight of these efforts was the FSCA Annual Conference, held in March 2025, which brought together diverse stakeholders under the theme "Embracing the Evolving Financial Sector Landscape". The conference provided a valuable platform to reflect on developments in the financial sector, discuss regulatory priorities, and reinforce our shared commitment to fair outcomes for financial customers.

As I reflect on this year's accomplishments, I extend my deep appreciation to our staff for their professionalism, resilience, and dedication. I am also grateful for the support of the Minister of Finance and the Executive Committee (Exco) for their guidance, leadership, and continued commitment to the FSCA's mandate. I would also like to thank all our stakeholders across industry, government, and civil society for their constructive engagement and collaboration, which remain critical to the success of our regulatory efforts and to delivering value across the financial sector.

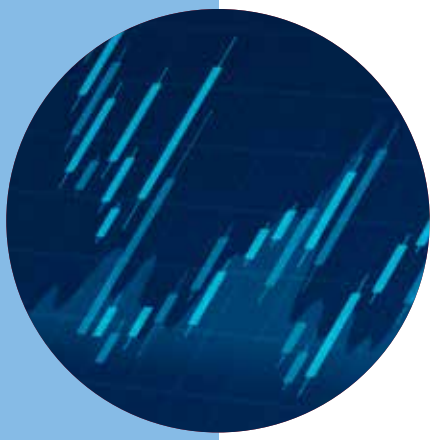
Mr Unathi Kamlana
Commissioner, FSCA



Start Vol
623.66 812.03 43.94 8.97
1059.66 1033.61 352.28 3.20
Volume
Volume

PART B

About the FSCA



Inside Part B

- Who we are 20
- Our vision and values 20
- Our mission 20
- What we do 21
- Who we regulate 21
- Aligning with global and national development goals 22

About the FSCA

Who we are

The FSCA is the market conduct regulator of financial institutions in South Africa. We are an independent and impartial statutory body responsible for the public function of regulating and supervising the market conduct of the financial sector. We exercise our powers and perform our duties without fear, favour or prejudice. We are governed by the democratic values and principles enshrined in the Constitution and strive to uphold high standards of professionalism and ethics. We report to the Minister of Finance, who is accountable to Parliament.

Our vision and values

Vision

To foster a fair, efficient and resilient financial system that supports inclusive and sustainable economic growth in South Africa.

Values

Agility	Collaboration	Sustainability	Integrity and Accountability	Excellence
We respond promptly, innovatively and smartly to changing needs and circumstances.	We work together in a spirit of consultation, cooperation, mutual respect and trust.	We meet the needs of the present without compromising the ability of future generations to meet their own needs by adopting socially responsible practices.	We are transparent, honest, fair and consistent in our actions and decisions.	We set high standards for ourselves and strive to perform our functions with professionalism.

Our mission

Our mission is to promote an inclusive, customer-centric, and competitive financial sector wherein:

- financial customers have access to innovative and appropriate products and services, and are empowered to make financially capable and informed decisions;
- financial markets function fairly, effectively, and efficiently; and
- proactive and responsive regulation, supervision, and enforcement result in accountable financial institutions.

What we do – our legislative mandate at a glance

The Financial Sector Regulations Act 9 of 2017 created the FSCA, from which it derives its legislative mandate.

Section 57 of the FSR Act sets the objective of the FSCA as follows:

- Enhance and support the efficiency and integrity of the financial markets and protect financial customers by:
  - promoting fair treatment of financial customers by financial institutions;
  - providing financial customers and potential financial customers with financial education programmes, and otherwise promoting financial literacy and the ability of financial customers and potential financial customers to make sound financial decisions; and
  - assisting in maintaining financial stability.

Who we regulate

We regulate the conduct of financial institutions, which include:

- banks
- insurers
- retirement funds
- financial services providers (FSPs)
- collective investment schemes
- credit rating companies
- co-operative financial institutions
- central securities depositors
- pension fund administrators
- market infrastructures

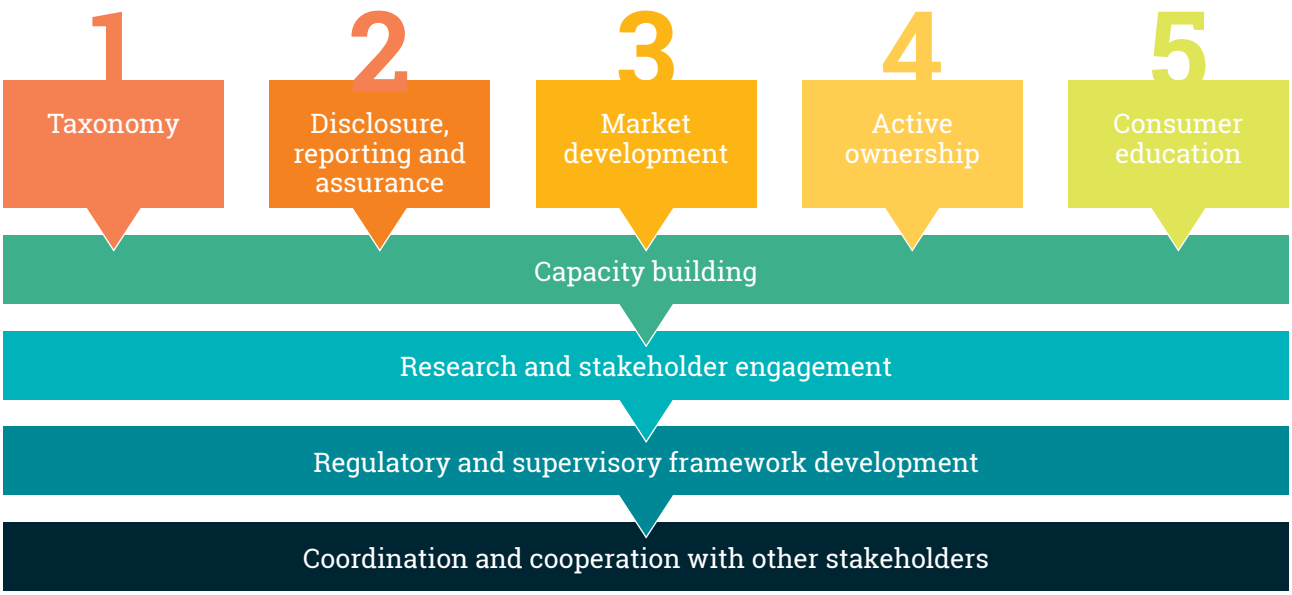
In regulating these institutions, we have adopted a risk-based and proportionate approach, recognising that regulated persons vary in size, complexity, and the potential harm they may pose to financial customers.

32 Banks	**146** Insurers	**114** Section 13B administrators	**44** Insurers providing funeral policies
15 Micro-insurers	**197** Friendly societies	**4** Co-operative banks	**12 401** Financial services providers
2 Central security depositors	**5** Licensed exchanges	**2** Associated clearing houses	**13** Over-the-counter derivative providers
23 Co-operative financial institutions	**4 868** Retirement funds	**4** Credit rating agencies	**2** Collective investment schemes (CISs) in participation bonds
3 CISs in property	**12** CIS in hedge funds	**46** CISs in securities	**162** Foreign collective investment schemes

Aligning with global and national development goals

Sustainable finance remains crucial in supporting the achievement of sustainable objectives such as the Sustainable Development Goals. By directing capital towards sustainable projects and businesses, the financial sector can help mitigate climate change, reduce environmental degradation, and foster social equity.

We continue to drive our sustainable finance programme work, to foster a fair, efficient, and resilient financial system that supports inclusive and sustainable economic growth in South Africa. Our sustainable finance update report was published in March 2025, providing an update on the programme as outlined below:



Much of our work is focused on improving market information through the Taxonomy and Disclosure pillars. We are finalising our Green Finance Taxonomy (GFT) pilot project, and will consider how to implement recommendations made to support broader uptake of the GFT. We will also consult on the introduction of disclosure requirements relating to sustainability information – including an initial focus on mandatory climate disclosure requirements for large, listed corporates.

We undertook a survey to assess the readiness of investment providers to integrate sustainable finance and environment, social and governance (ESG) investing considerations into their investment strategies. The full report was published at the beginning of 2025 and is available on our website[2]. The survey focused on three elements, namely governance, operations and products, and risk and disclosure. Key recommendations include that we should develop a clear and comprehensive regulatory framework for sustainable finance that outlines the regulatory requirements, standards, and guidelines for financial institutions and market participants. The introduction of disclosure requirements will go some way toward establishing such a framework, which will be built over time. Cooperation and coordination with other stakeholders, including the Prudential Authority, other public sector organisations, and the private sector, will continue to inform our work.

Our contributions to the United Nations Sustainable Development Goals

Contributing to achieving the Sustainable Development Goals (SDGs) is imperative to our mandate of advancing the National Development Plan. We contribute directly and indirectly to SDGs 4, 5, 8, and 13 through our public value functions.

2 Available on https://www.fsca.co.za/Documents/IP%20Sustainable%20Finance%20Survey%20Report.pdf

4 QUALITY EDUCATION

We have invested R5,9 million in employee training and development. In addition, we have conducted various financial literacy programmes in six universities. We have also awarded bursaries amounting to R2 million to 20 students.

5 GENDER EQUALITY

As at 31 March 2025, our staff complement stood at 51% female and 75% Exco female. This is a clear demonstration of our commitment to gender equality. We have also implemented HR policies to support and empower women.

8 DECENT WORK AND ECONOMIC GROWTH

We have implemented a talent management strategy that will ensure job security for our employees. As at 31 March 2025, we employed 681 employees and continue to create employment indirectly through our procurement activities.

13 CLIMATE ACTION

Remote working and the installation of energy-saving lighting in our buildings resulted in a 13,84% reduction in the consumption of electricity. Due to the reduction in load shedding, fuel consumption has decreased by 90% as at 31 March 2025.

PART C

How we create value

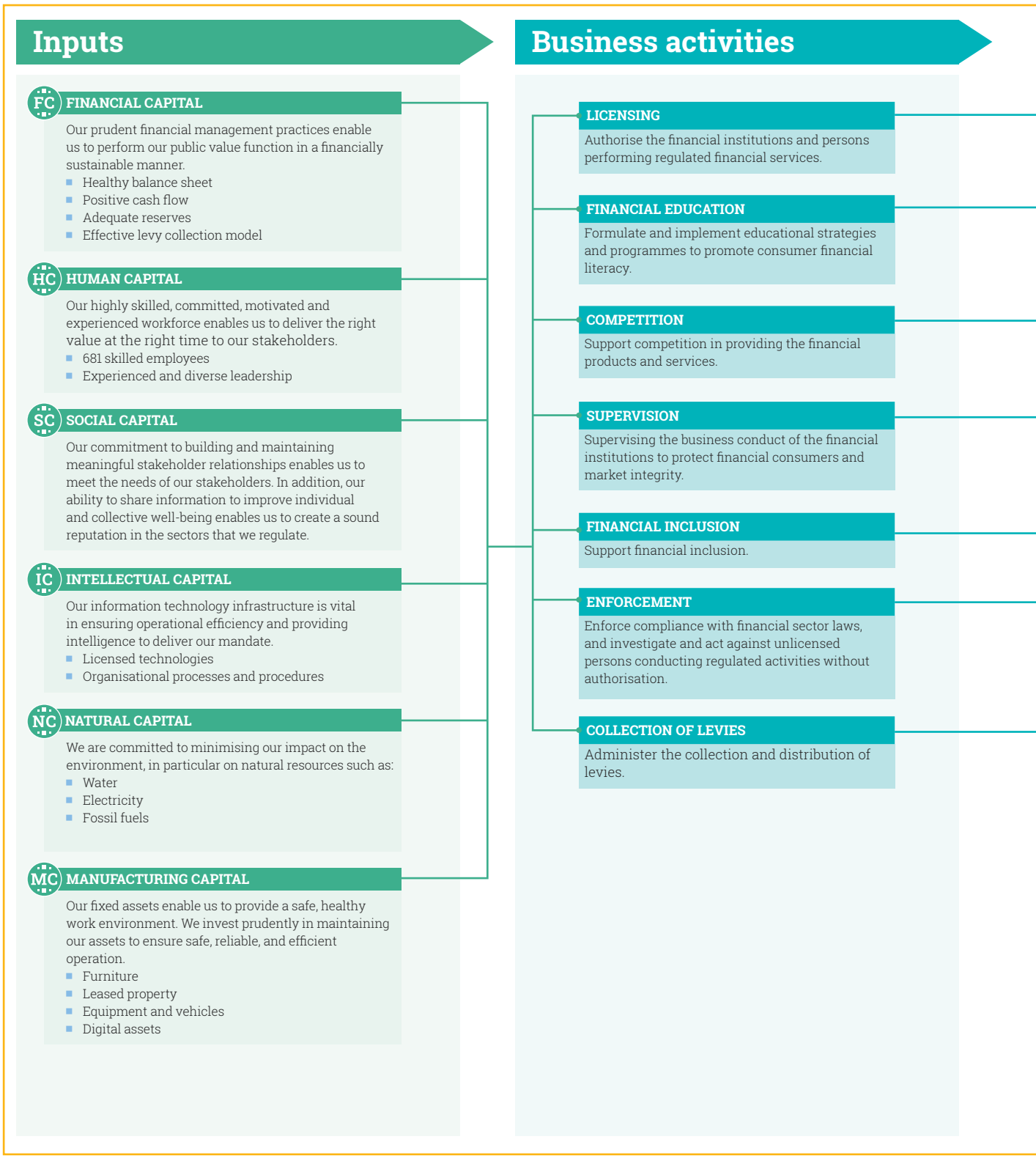
Inside Part C

- Our value creation model 26
- Engaging with stakeholders 28

HOW WE CREATE VALUE

Our value creation model

Our value creation model provides an overview of our value-creation process. The model was developed in line with the integrated reporting framework's six capitals. In creating value for our stakeholders, the six capitals - manufacturing, financial, intellectual, human, social and natural - are transformed by our business activities (which could result in value creation, erosion, or preservation).



Outcomes

FC FINANCIAL CAPITAL

- Net assets value R840 million (2024: R638 million)
- Cash generated from operations R1,2 billion (2024: R1,1 billion)
- Total assets R1,3 billion (2024: R952 million)
- Levy collected R1,2 billion (2024: R1,1 billion)
- Net surplus R202 million (2024: R157 million)

Stakeholders impacted:

HC HUMAN CAPITAL

- R744 million paid in salaries and benefits (2024: R625 million)
- A diverse workforce (81% African and 51% female representation)
- 75% of Exco members are female (2024: 75%)
- Staff attrition increased to 13% (2024: 7%)
- 157 employees benefited from the staff bursary programme (2024: 111)
- R5.9 million (2024: R7.2 million) spent in training and development.
- 61% of employees have served the FSCA for longer than ten years (2024: 55%)
- Two employee wellness programmes conducted (2024:10)
- 15 Interns appointed with an absorption rate of 76% (2024: 64%)
- Certified top employer

Stakeholders impacted:

IC INTELLECTUAL CAPITAL

- IRS under development
- R47 million spent on information and communication technology (ICT) (2024: R1 million)
- Processes and procedures in place

Stakeholders impacted:

SC SOCIAL CAPITAL

- R119 million penalties and fines imposed (2024: R943 million)
- 779 licences authorised (2024: 668)
- 382 licences withdrawn (2024: 75)
- Issued 107 (2024: 104) scam warnings
- Finalised 633 investigations (2024: 430)
- 87% of complaints and queries received were resolved (2024: 87%)
- 131 debarments order issued (2024: 156)
- Total of R234 million procurement spent (2024: R438 million)
- 14 Enforceable undertakings
- Conducted eight media activities reaching 27 million customers
- 95% valid invoices paid within 30 days in line with PFMA (2024: 91%)

Stakeholders impacted:

NC NATURAL CAPITAL

- Ethical waste management
- Recycling initiatives implemented, including shredding, and the recycling of glass, plastic, and paper to support sustainable practices.
- 860 kilolitres of water consumed (2024: 1 076 kilolitres)
- 1 382 932 kilowatt-hours of electricity used (2024: 1 572 371)
- 11 218 litres of fuel for generator (2024: 108 844)

Stakeholders impacted:

MC MANUFACTURING CAPITAL

- Investment in building maintenance to provide a safe work environment
- R15 million worth of computer equipment acquired (2024: R25 million).
- R35 million building lease (2024: R60 million)

Stakeholders impacted:

Our trade-offs

Maximising value to our stakeholders requires efficient trade-offs in how value is created, eroded, and shared between different stakeholders. These involve transforming our inventory of capital to achieve positive outcomes and curtail negative impacts. These trade-offs are carefully considered to preserve shareholder value. We strive to create stakeholder value and manage capital trade-offs responsibly. We seek to grow inclusively, responsibly, and sustainably.

DIGITAL TRANSFORMATION

We have embarked on a process to implement a digital strategy intended to increase operational efficiency, improve customer experience, and enhance agility. This will require significant investments (financial capital) in transforming our digital landscape (intellectual capital) to be a socially responsive regulator. However, enhanced operational efficiency and effectiveness in decision making benefit our human capital and improve our engagements with stakeholders (social capital).

Impacted capitals: FC IC HC SC

EFFECTIVE TALENT MANAGEMENT

Continuous training and development of our employees is critical to improve performance and staff motivation. This will require us to invest in employee development, which will decrease financial capital but enhance our human capital. An experienced, motivated, and skilled workforce will improve our public value function, which will be beneficial for our stakeholders (social capital).

Impacted capitals: FC HC

REVIEW OF TARGETED OPERATING MODEL TO ACHIEVE FIT-FOR-PURPOSE OPERATIONS

We are reviewing our current operating model to assess whether it remains fit-for-purpose. While this process will result in increased effectiveness and improved operational efficiency (intellectual capital), it will require significant investments (financial capital). Still, it will be financially beneficial in the medium to long term by building a fit-for-purpose and agile regulator, well-positioned to fulfil its mandate.

Impacted capitals: FC IC

Engaging with stakeholders

To succeed in delivering on our mandate, we must establish and maintain meaningful relations with all stakeholders. We are committed to transparent communication with stakeholders within the jurisdiction of our statutory obligations and seek opportunities for effective communication. We regularly review our stakeholder strategy to ensure it remains relevant and fit for purpose, meeting the needs and expectations of our stakeholders.

EMPLOYEES

Quality of relationship

Capitals involved: FC HC IC SC

What they need from us

- Provision of a fair and competitive employee value proposition
- Safe and healthy work environment
- Employee empowerment through training and development
- Creating an environment that embraces diversity and inclusivity
- Timely and transparent communication

What we need from them

- Living the FSCA's values, vision and mission
- Commitment to the FSCA mandate
- Optimal performance levels

How we engage

- Quarterly Commissioner's town hall meeting
- Quarterly human resource communique
- Management and staff meetings
- Internal publications
- Performance reviews
- Intranet
- Surveys

Value shared

- Fair remuneration, rewards, and recognition
- Productive employees
- R744 million in wages and benefits
- Two wellness programmes launched for employees' well-being.
- R5,9 million in training and development
- 157 employees benefited from the bursary programme

SUPPLIERS

Quality of relationship

Capitals involved: FC HC SC

What they need from us

- Timely payment of invoices in line with the PFMA
- Improved value for money
- Fair and transparent procurement process providing equal opportunities

What we need from them

- Supplier performance as per contract
- Delivery of the right services/products at the right time and quality
- No fraud, corruption or abuse of procurement processes

How we engage

- Briefing sessions
- Regular meetings with service providers
- Site visits
- Electronic communication mode

Value shared

- R234 million in preferential procurement
- 95% valid invoices paid within 30 days in line with the PFMA

NATIONAL TREASURY/NATIONAL GOVERNMENT

Quality of relationship

Capitals involved: FC HC IC SC

What they need from us	What we need from them	How we engage	Value shared
■ Advice on financial sector policy matters ■ Compliance with legislative requirements ■ Stable and transformed financial sector ■ Financial customer protection	■ Timely approval of submissions ■ Timely approval of the budget ■ Providing policy direction	■ Regular meetings ■ Electronic communications ■ On-site visits ■ Participation and consultation on bills ■ Integrated Report ■ Quarterly progress reports on the annual performance plan	■ Delivered on our mandate ■ R119 million in penalties and fines ■ R1,2 billion levies collected as per the approved budget ■ Compliant with legislative requirements ■ Promoted financial inclusion ■ Assisted in maintaining financial stability

FINANCIAL CONSUMERS AND CONSUMER ORGANISATIONS

Quality of relationship

Capitals involved: FC HC SC MC

What they need from us	What we need from them	How we engage	Value shared
■ Financial education to make informed decisions ■ Financial customer protection resulting in fair treatment ■ Access to quality and affordable financial products and services	■ Provide feedback to the FSCA ■ Provide intelligence data to assist in regulating the sector ■ Know their rights and obligations ■ Obtain knowledge about financial sector policies	■ Website ■ FSCA Bulletin ■ General media and public notices ■ Social media ■ Integrated Report ■ Consumer advisory panel	■ Conducted 24 workshops for people with disabilities ■ Issued 107 scam warnings to protect customers ■ Finalised 633 of investigations to enforce consequences ■ Withdrew 382 licences

Mr Colin Stevens, Consumer Education Specialist attending our industry conference in Johannesburg

REGULATED PERSONS/INDUSTRY BODIES

Quality of relationship

Capitals involved: FC HC IC SC

What they need from us
- Access to updated information
- Removal of barriers to market entry
- Efficient and predictable processes
- Proportionate regulation and supervision that reduce regulatory burden

What we need from them
- Business model and culture that promote the fair treatment of consumers
- Comply with financial sector laws
- Transparent disclosure of relevant facts to customers and investors
- Avoid anti-competitive practices.
- Promote financial sector transformation, including preferential procurement

How we engage
- Integrated Report
- FSCA website
- In-person meetings
- Media
- Quarterly newsletters
- Conferences/seminars, expo, and Financial Crime Symposium

Value shared
- Efficient turnaround times on licence applications
- Access to the regulator and regular, quarterly updates on new policy developments.
- Activities and functions performed within agreed and published SLAs

OTHER REGULATORS

Quality of relationship

Capitals involved: HC SC

What they need from us
- Share knowledge and best practices
- Collaborate on areas of mutually beneficial interest

What we need from them
- Share knowledge and best practices
- Collaborate on areas of mutually beneficial interest

How we engage
- Integrated Report
- In-person meetings
- Website
- FSCA Bulletin
- Memorandum of Understanding

Value shared
- Five joint licence approvals
- Conducted two joint onsite visits
- Responded to ten requests for information from foreign regulators on suspected misconduct
- Submitted 12 investigated cases to law enforcement agencies

MEDIA

Quality of relationship

Capitals involved: HC SC

What they need from us	What we need from them	How we engage	Value shared
■ Transparency and access to accurate information ■ Pro-active communication in matters of public interest	■ Partnerships in consumer education programmes ■ Fair and accurate reporting ■ Platforms to communicate	■ Quarterly media round tables ■ Interviews (broadcast and other) ■ Integrated Report ■ Media lunches ■ Thought leadership articles and press releases	■ Informed stakeholders about our mandate ■ Maintained our constructive relationship with the media ■ Conducted four Commissioner's roundtable engagements ■ 146 media releases

PARLIAMENT

Quality of relationship

Capitals involved: HC SC

What they need from us	What we need from them	How we engage	Value shared
■ Attendance of committee meetings ■ Prompt submission of the Integrated Report, Annual Performance Plan and other information ■ Respond to parliamentary questions ■ Bill drafting	■ Timely processing of sector legislations ■ Timely involvement in and consultation on policy development	■ Integrated Report ■ Face-to-face /virtual committee meetings ■ Parliamentary questions	■ Compliant with legislative requirements ■ Delivered on our public mandate

FSCA Industry Conference

The FSCA hosted its annual Industry Conference on 19-20 March 2025, at The Forum, Hyde Park, Johannesburg. This pivotal conference, themed "Embracing the evolving financial sector landscape: Improving industry practices for fair customer outcomes," served as a crucial gathering for industry leaders across the financial services sector.

Key discussions at the conference focused on navigating the dynamic changes shaping the financial industry, with a strong emphasis on adapting to emerging trends while prioritising fair consumer outcomes. Sessions focused on improving industry practices, covering regulatory updates, compliance, and ethical conduct, aiming to foster enhanced standards across the sector.

As always, the FSCA's commitment to consumer protection was a central theme, with discussions exploring ways to strengthen consumer confidence and ensure fair treatment. Delegates also benefited from valuable updates on FSCA regulations and initiatives, with the conference providing a crucial platform for direct engagement with FSCA officials. Notably, the FSCA is embracing modern communication and has utilised platforms like LinkedIn and YouTube live streams to keep the public and industry informed, as evidenced by the use of the #FSCACon25 hashtag across FSCA social media platforms.

Expanding educational reach

Nationally, we continued to provide financial education thought leadership insights in our engagement with the National Consumer Financial Education Committee and its Money Smart Week South Africa Steering Committee subcommittees.

We partnered with the Discovery Group's Institute of Training — our second collaboration with a regulated entity. The partnership delivered three targeted social media campaigns, reaching over 1.2 million Discovery clients and expanding our financial education outreach via targeted relationships.

Internationally, we serve on the Advisory Board of the OECD/International Network in Financial Education (INFE) and their technical committee and working groups. Our officials provide valuable insights into standard-setting documents drafted by the various working groups on Digital Financial Literacy, Sustainable Finance, Financial Education Standards and Implementation, as well as Measurement, Evaluation, and Impact.

We also represented IOSCO's Committee 8 on Retail Investors, where discussions and papers on, among others, Finfluencers and Crypto Assets are being drafted for approval by the IOSCO board.

Partnering with and participating in local and international fora not only provides us the opportunity to showcase our financial education initiatives but also gives us a national and global view of financial issues, which we can utilise to improve the design and implementation of financial education programmes in South Africa.

FSCA Financial Education Summit

In collaboration with VISA and the JSE, we hosted our first Financial Education Summit on 28 August 2024 under the theme "Creating Accessible Financial Education for All South Africans". The Summit elevated the national dialogue on financial literacy and education, bringing together leaders from the financial sector, policymakers, and education experts to explore challenges, opportunities, and best practices. A key highlight was the joint presentation with National Treasury on the Financial Education Commitment Charter. The charter encourages financial institutions to adopt Board-approved financial education strategies aligned with national objectives, promoting initiatives that are measurable, inclusive, scalable, sustainable, high-impact, and collaborative.

Face-to-face workshops and roadshows were conducted in various provinces across the country, with the aim of collaborating with Consumer Protection Forums and Consumer Affairs offices in the respective provinces. In addition, we published various press releases on the project and the collaborative initiative to bring awareness to consumers on money management and debt counselling. Radio advertisements and interviews were conducted through local and national radio stations, including Ukhozi, Lesedi, Phalafala, Umhlobo Wenene, Thobela, and Motsweding FM.

Awareness Programmes

We started the digital fraud awareness project in 2024 to understand digital fraud, engage all stakeholders, and find long-term solutions to this digital fraud pandemic. Digital transformation has grown exponentially over the last five years, significantly affecting customers. For example, some customers have been defrauded of their monthly salaries and lifetime savings.

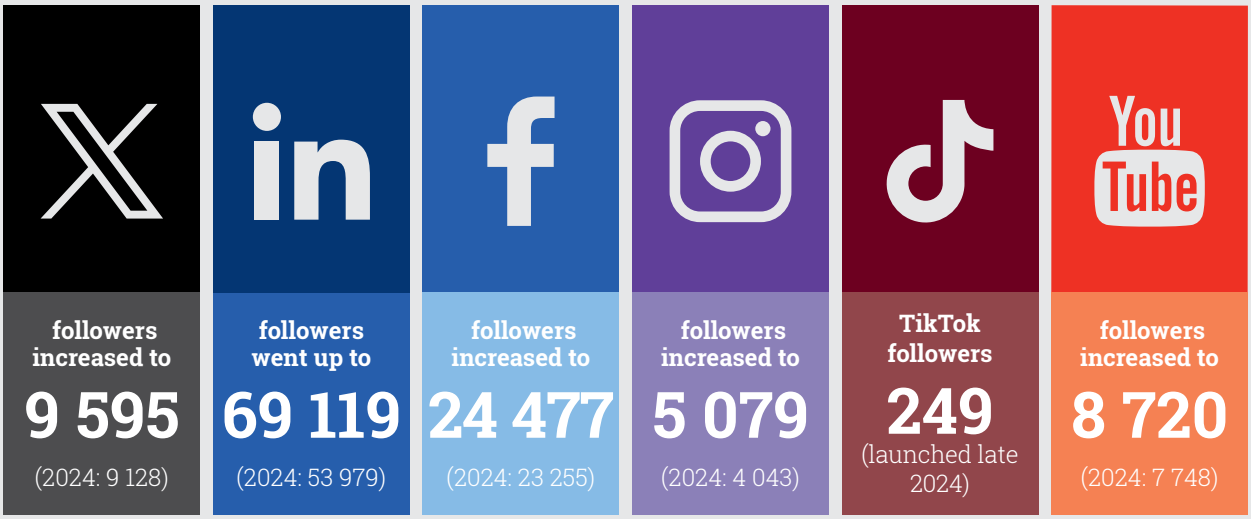
The digital transformation and accelerated digitisation pose a considerable challenge due to digital literacy challenges and the significant digital divide in South Africa.

We also initiated engagements with the Independent Communications Authority of South Africa (ICASA), as it was identified that the digital fraud ecosystem also impacted the telecommunications industry. This engagement was truly positive; both regulators shared the challenges they have experienced.

This led to our first-ever digital fraud workshop, which included both sectors (banking and telecommunications), plus additional stakeholders that are impacted by digital fraud and with whom we can collaborate in finding effective and lasting solutions. The workshop provided set outcomes that were formulated collaboratively in order to decrease digital fraud, either short-term or long-term solutions.

We also collaborated with SABRIC by concluding a memorandum of understanding (MOU), which will ensure that we receive real-time fraud data, which will assist when dealing with combative strategies. Lastly, we joined forces with the National Credit Regulator to educate consumers on money management and debt counselling as solutions for financial struggles, as well as to highlight the prevalence of fraud and scams in the banking sector.

Total FSCA social media community count has grown by over 21 000 followers/subscribers to 117 239.



PART D

How we sustain value

Inside Part D

- Strategic performance 36
- Managing our material matters 41
- Managing our risk 46

HOW WE SUSTAIN VALUE

Strategic performance

Our performance against the key performance indicators set to achieve the mandate outlined in the approved Annual Performance Plan is presented below and in the Annual Performance Report on pages 168 to 175. In addition, the performance against expected outcomes is discussed to improve institutional capacity. These further demonstrate how we have created, preserved or eroded value over the short, medium and long term for all stakeholders in achieving our mandate and supporting the National Development Plan and SDGs.

SO1 Strategic Objective: Improve industry practices to achieve fair outcomes for financial customers

Good conduct and TCF outcomes will be embedded in the financial sector by ensuring that clear conduct standards are developed that are applicable across the financial sector.

Expected Outcome	How we performed	Capital Employed
Good conduct and Treating Customers Fairly (TCF) principles are embedded consistently across the financial sector	The FSCA successfully implemented its three-year Regulation Plan, which entailed the making of five regulatory instruments/Standards,[1] the finalisation of two FSCA Notices/Determinations, the submission of three draft Standards to Parliament/National Treasury and public consultation on seven Standards/projects. Good progress was also made in various other focus areas reflected in the Regulation Plan. Implementation of the Regulation Plan is on track, and no material delays were experienced. The Regulation Plan, which is far-reaching, is critical in the context of the FSCA's strategic objectives of improving fair outcomes for financial customers and supporting confidence and integrity in the financial sector.	Human Capital Financial Capital Manufactured Capital Social Capital Intellectual Capital

Lyndwill Clarke, Department Head Consumer Education, speaking at an industry conferences

SO1 Strategic Objective: Improve industry practices to achieve fair outcomes for financial customers

Good conduct and TCF outcomes will be embedded in the financial sector by ensuring that clear conduct standards are developed that are applicable across the financial sector.

Expected Outcome	How we performed	Capital Employed
Conduct risks mitigated	The TTK was strategically launched in two phases, the first phase comprising 11 modules was launched on 26 September 2023 and the second phase comprising 11 modules was launched on 28 March 2024, achieving remarkable participation rates with 7 365 trustees registering for the first set of 11 modules (81% completion rate with 5 984 completions by the registered trustees) and 5 887 trustees for the second set (90% completion rate with 5 273 completions). Recognising the need for accurate and updated trustee information, the FSCA published Information Request 3 of 2024 (RF) on 9 October 2024. This request instructed principal officers and administrators to submit their current trustee details. By 6 November 2024, 863 out of the 865 normally active retirement funds had submitted the requested information. The data obtained were consolidated, cleaned and compared to the data available on the Trustee Toolkit system. Typically, active retirement funds have been prioritised. The robust dual-process data analysis enabled targeted regulatory action against non-compliant trustees. The FSCA and PA in 2024 launched a comprehensive review of the regulatory framework for funeral insurance distribution in South Africa, responding to concerns raised by both the Authorities and funeral parlour industry representatives regarding the appropriateness of the current framework given the sector's unique socio-economic and market dynamics. The Authorities issued Joint Communication 7 of 2024 on 6 November 2024, outlining current regulatory positions, specific industry and regulatory concerns, and the proposed inter-regulatory project aimed at addressing these issues through a consultative approach.	Human Capital Manufactured Capital Financial Capital Intellectual Capital

Challenges Experience

Inadequate human and financial resources.

Third-party dependencies negatively impacted our ability to progress and finalise the planned activities within the stated deliverable timeframes.

Near to medium-term outlook

Regular engagement with the Consumer Advisory Panel.

The FSCA will issue Section 26(4) letters to the identified non-compliant trustees which provided them with 30 days to revert with reasons as to why they should not be removed, on the basis of no longer being fit and proper, by having failed to complete the TTK and in so doing having failed to comply with Conduct Standard 4 of 2020.

We will continue to implement and roll out its three-year Regulation Plan strengthen the conduct regulatory framework leading to better and more consistent customer outcomes.

SO2 Strategic Objective: Act against misconduct to support confidence and integrity in the financial sector.

Trust in the financial sector will be maintained by acting decisively and visibly against misconduct.

Expected Outcome	How we performed	Capital Employed
Improved trust in the financial sector.	The FSCA's Regulatory Actions Report for the period 1 April 2024 to 31 March 2025 was published on 30 June 2025. This demonstrates increased enforcement activity, with the Authority taking decisive action through 131 debarments, 14 enforceable undertakings, 1 061 licence suspensions, 13 Directives, 382 licence withdrawals, and penalties totalling R119 million. The report underscores the FSCA's strengthened domestic and international collaboration, highlighting strategic partnerships with the PA, FIC, National Consumer Commission, National Credit Regulator, and numerous foreign regulators—significantly enhancing its capacity for cross-border investigations. It also emphasises enhanced cooperation with the Hawks and the National Prosecuting Authority, and the invaluable collaboration through the annual Financial Crime Symposium.	Manufactured Capital Human Capital Financial Capital

Challenges Experienced

Capacity constraints due to the influx of unplanned fraud cases, resulting in resource diversion.
Stakeholder consultations took longer than expected.

SO3 Strategic Objective: Promote the development of an innovative, inclusive, and sustainable financial system.

We will establish close relationships with key stakeholders responsible for transformation and implement ways to collect data on transformation and monitor changes over time.

Expected Outcome	How we performed	Capital Employed
Greater competition and contestability in the financial sector enabled	During December 2024, the FSCA published the Decentralised Finance (DeFi) market study. The purpose of the market study is to understand better DeFi related activities currently being performed in South Africa; to highlight consumer exposure to these activities; and to identify risks that may negatively impact consumer well-being. The FSCA progressed work in relation to its sustainable finance work programme over the past year. A pilot project on the GFT is underway, and participants from the banking, asset management and retirement fund sectors have been identified to participate. The pilot is expected to provide recommendations on interventions that the FSCA can consider to encourage greater take up of the GFT. Final outputs are expected by August 2025. The FSCA will develop a guidance notice regarding how existing legislative provisions relating to misleading information can be considered from a sustainability perspective. The FSCA is also considering the appropriateness of mandatory sustainability disclosure requirements for large, listed entities, aligned with IFRS S2, and the extent to which this can be implemented.	Human Capital Financial Capital Manufactured Capital

Challenges Experienced

The concept of sustainability is wide-ranging and dynamic. There are many stakeholders involved and a myriad of emerging best practices and guidelines.

Near to medium-term outlook

We will continue building capacity to oversee transformation more strongly in the financial sector in anticipation of the COFI Bill enactment.
We will also engage with the industry about financial sector transformation and current levels within the industry.
We will engage with relevant government and private sector stakeholders to strengthen our approach to sustainable finance and more clearly define our role.
We will continue to promote the development of an innovative, inclusive and sustainable financial system, through its various work programmes.

SO4 Strategic Objective: Empower households and small businesses to be financially resilient.

We will focus on promoting financial literacy among consumers by enabling them to make informed financial decisions.

Expected Outcome	How we performed	Capital Employed
Financial customers able to make better and more informed financial decisions	The FSCA achieved 100% completion of its Financial Education Plan targets by expanding its educational reach to over 4.8 million South Africans through social media platforms and delivering hands-on learning experiences via 524 in-person activities that directly engaged more than 30 500 participants nationwide. Through this plan, the FSCA created multiple touchpoints that empower individuals, households and small businesses with the knowledge and confidence needed to navigate the financial landscape and make informed decisions about their financial futures. In March 2025, the FSCA published Conduct Standard 1 of 2025 (General) – Requirements for Financial Institutions Providing Financial Education Initiatives. This is the first Conduct Standard specifically focused on enhancing the quality and effectiveness of financial education initiatives. The standard aims to ensure that such initiatives are designed, delivered, and evaluated in a manner that promotes informed financial decision-making and protects the interests of financial customers	Financial Manufactured Human Social Capital

Challenges Experienced

Third-party dependencies negatively impacted our planning, but the schedule was adjusted accordingly.

Near to medium-term outlook

We will continue to expand our digital footprint to increase our reach.
Collaboration and partnering with stakeholders on various activities and campaigns will also help reach more consumers and potential consumers of financial products, thereby improving and enhancing the brand recognition of the FSCA.
The Consumer Advocacy Panel will develop a tool for the comparison of banking products and prices.

Colleagues attending our Industry Conference held in Johannesburg

SO5 Strategic Objective: Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive organisation.

We will focus on enhancing its performance and responsiveness as an institution by improving our service delivery commitments by technology and better business processes.

Expected Outcome	How we performed	Capital Employed
Operational excellence is embedded across all functions of the FSCA	Throughout the 2024/25 financial year, our ICT Division demonstrated strong strategic alignment with our broader digital transformation objectives. Key highlights included our successful deployment of Phase 1 of the IRS, from project charter approval to production release and post-implementation testing. We rolled out our Identity and Access Management (IAM) solution into the production environment, enhancing user access control and governance. We delivered major milestones to our Digital Transformation Strategy implementation, including MVP development and quality assurance, alongside key data consolidation for insight generation. Furthermore, we successfully implemented four (4) Business Intelligence dashboards, and digitised and automated 50% of all our client-facing processes, enabling seamless integration with IRS. We completed our ERP project, culminating in the signing of the project close-out report. While our strategic execution remained on track overall, we experienced challenges, including delays in HR system migration and the IFWG website go-live, the latter now scheduled for April following stakeholder feedback. We managed these issues effectively, with minimal impact on our broader ICT strategic delivery roadmap.	Human Capital Financial Capital Intellectual Capital
	We initiated changes to internal processes, which include systems changes, recruitment, changes in delegations, etc., during the year to deal with backlog cases, which has led to improved turnaround times and clearing the backlogs.	
FSCA is recognised and trusted by financial institutions, financial customers, financial sector ombuds and other financial sector regulators in South Africa and internationally	We hosted the second FSCA industry conference which featured a series of expert-led sessions focusing on the latest trends, regulatory updates, and best practices in financial compliance. Attendees had the opportunity to engage with industry leaders, participate in panel discussions, and network with representatives from various sectors. Key topics included AI and customer protection, crypto assets, sustainable finance and SA's progress in exiting the FATF greylist. In December 2024, we co-hosted the International Association of Insurance Supervisors (IAIS) Annual Conference in collaboration with the IAIS and the Prudential Authority (PA). This global event brought together insurance supervisors, policymakers, and industry stakeholders to discuss emerging trends, regulatory developments, and key issues shaping the future of insurance supervision.	

Challenges Experienced

High volumes in and limited resources for processing applications relating to asset transfers, liquidations and rule amendments.

Unclaimed benefits remain high, and there is still a public debate and continuing internal discussions on how best to approach the challenge.

Impasse on transformation targets and retirement funds scorecard at the Financial Sector Transformation Council.

Near to medium-term outlook

We embarked on a digital transformation strategy to fundamentally transform our operational effectiveness and efficiencies across all functions of the entity. The strategy aims to transform the internal and external customers of the FSCA by creating digital enabling capabilities.

The FSCA is developing a sustainability strategy aimed at ensuring long-term resilience and stability within the organisation. By integrating sustainable practices, the FSCA plans to mitigate risks associated with ESG factors.

Managing our material matters

We have implemented materiality identification processes in determining the matters that materially impact our ability to create, preserve, or erode value over time. Our Exco reviews and approves these material matters in line with our governance processes. We have identified six material matters that are linked to our strategic risks, strategy, and functions, and report on them to serve the information and decision-making needs of our stakeholders. The material matters are: i) effective talent management, ii) digital transformation, iii) managing stakeholders' needs, iv) maintaining good governance and reputation, v) compliance with a regulatory framework by regulated persons, and vi) funding. The process is conducted annually to ensure that our material matters are assessed and remain relevant, enabling us to achieve our strategic objectives.

IDENTIFY	ASSESS	PRIORITISE	RESPOND	REPORT
We identify our material matters based on their impact on our ability to create and sustain value for stakeholders. Twelve issues were identified through departmental engagements.	Internal stakeholders assessed and identified material issues in evaluating impacts from internal and external viewpoints.	Six existing matters were reviewed and identified as still relevant based on the magnitude of their impact on strategy, governance, financial, and operational performance, as well as stakeholders' interests.	Mitigating treatments are implemented to respond to material matters. Annual departmental business plans are developed for managing material matters.	Report quarterly to SMC and the Exco on material matters. Report to our stakeholders on material matters in the Integrated Annual Report.

EFFECTIVE TALENT MANAGEMENT

Link to Strategic Objective: SO5

Capitals involved: FC HC IC

Why this is considered material	What we have done	What we continue to do	Linkages
To effectively regulate and supervise the financial sector, we depend on our ability to attract, develop, and retain competent people who will execute our mandate. Therefore, effective talent management is imperative to protect institutional capacity.	Implemented a talent management strategy that continues to capacitate employees to execute their functions with the excellence required of the authority. Implemented measures to attract, develop, and retain talent through initiatives such as secondment, job rotation, training, promotion, development programmes. Implemented employee wellness programmes to ensure their well-being, to enable the organisation's human capital to perform and improve our employee value proposition optimally.	Provide a work environment that fosters job mobility, learning, and professional development. Reviewed our HR policies to facilitate operational efficiency and excellence.	**Link to risks** ■ Mandate risk ■ Sustainability risk ■ Talent risk **Link to stakeholders** ■ Government ■ Employees ■ Regulated persons ■ Suppliers ■ Financial consumers

DIGITAL TRANSFORMATION

Link to Strategic Objective: SO5

Capitals involved: IC FC HC

Why this is considered material	What we have done	What we continue to do	Linkages
The regulated environment is changing rapidly due to digital transformation. This requires us to modernise our processes, procedures, and systems to respond to increased cyber threats; exponential growth of data points and a need to be more accessible, efficient, and responsive in the changing business operating environment.	Adopted a digital transformation strategy and made substantial investments in establishing an enabling technological platform for digitisation. In line with our digital transformation strategy, processes are underway to implement the integrated regulatory system to improve and automate operational and regulatory processes. Implemented an ERP system to integrate our legacy systems for the support function to enhance agility in responding to operational requirements. Implemented a CRM system to improve the FSCA's accessibility to its external customers and improve internal efficiencies and responsiveness on how customer complaints and other engagements are handled. Established a digitalisation committee to oversee, evaluate, and monitor our digital transformation journey. Made significant investments in maturing our cybersecurity resilience. Improved our Infrastructure back office to give effect to our Hybrid Cloud strategy.	Monitor the implementation of the Digital Transformation Strategy as a strategic imperative. Monitor the implementation of core ICT systems to ensure operational efficiency. Invest in new skills for digitisation and reskilling/ upskilling the current workforce. Implementation of the data quality initiatives Enhancement of collection processes (e.g., Section 14) Optimised and modernised the FSCA's infrastructure (HCI)	**Link to risks** ■ Data risk ■ Talent risk ■ Cyber risk ■ IRS project risk **Link to stakeholders** ■ Government ■ Employees ■ Financial consumers ■ Regulated persons ■ Suppliers ■ Other regulators

MANAGING STAKEHOLDERS' NEEDS

Link to Strategic Objective: SO5

Capitals involved: FC SC HC

Why this is considered material	What we have done	What we continue to do	Linkages
To remain a respected regulator, we are expected to consistently meet the needs of our stakeholders, thereby building and maintaining trust and confidence in South Africa's financial system.	Implemented a stakeholder engagement strategy, which improved relations. Conducted engagements with stakeholders to improve transparency, financial literacy, and customer protection.	Build and maintain relationships with stakeholders by ensuring that their needs are met. Trustee Tool Kit new roll-out with new functionality	**Link to risks** ■ Mandate risk ■ Stakeholder risk ■ Talent risk ■ Data risk **Link to stakeholders** ■ All

MAINTAIN GOOD GOVERNANCE AND REPUTATION

Link to Strategic Objective: SO2

Capitals involved: SC HC FC

Why this is considered material	What we have done	What we continue to do	Linkages
As the authoritative voice in the financial sector, we are expected to demonstrate a high standard of ethics and good governance to ensure that trust and confidence in the financial industry are maintained.	Implemented effective controls and governance, resulting in a clean audit outcome. Developed whistleblowing policy to reinforce the Code of Conduct and provide overall guidance for the reporting of suspicious, unethical behaviour, fraud, or corruption. FTAF implementation of Benefit Ownership (portal implementation and integration platforms with other verification agents) Established the FSCA Fraud Technical Task Forum that meets quarterly to oversee and monitor all fraud-related matters in the FSCA. Approved FSCA ethics policy and procedure manual.	Comply with government legislative regulations as a responsible regulator. Implement sound controls and effective governance structures to ensure transparency and accountability. Annual ethics e-learning training is compulsory for all FSCA staff.	**Link to risks** ■ Mandate risk ■ Sustainability risk **Link to stakeholders** ■ All

FAIR REGULATORY OUTCOMES FOR FINANCIAL CUSTOMERS

Link to Strategic Objective: SO2

Capitals involved: FC HC SC IC

Why this is considered material	What we have done	What we continue to do	Linkages
We must put measures in place through our regulatory, supervisory and enforcement work to promote positive regulatory outcomes for financial customers.	Implemented proactive and reactive supervisory measures to ensure positive outcomes for financial customers. Issued regulatory instruments to protect financial consumers, enhance market efficiency and integrity, and assist in maintaining financial stability. . The Consumer Advisory Panel continues to provide ongoing advice and consumer-relevant perspectives to the FSCA concerning its work as a market conduct regulator for the South African financial sector. Participated in various structures to develop policies to enhance compliance with our regulatory requirements.	Revise our regulatory and supervisory instruments to enhance customer protection. Continue to closely monitor compliance by conducting risk-based assessments to guide regulatory and supervisory focus and activities. Continue regular engagements with regulated persons. Implement the FSCA three-Year Regulation Plan and review it on an annual basis to ensure that it remains up-to-date, effective and continues to align to the FSCA's strategic objectives. We continue to pursue enforcement actions that are timely, meaningful, transparent, efficient, fair, and consistent to address misconduct and promote positive outcomes for customers and financial markets.	**Link to risks** ■ Mandate risk ■ Sustainability risk ■ Talent risk ■ Data risk **Link to stakeholders** ■ Government ■ Employees ■ Regulated persons

Ms Chwayita Mtebele, Departmental Head presenting at our Industry Conference 2025 held in Johannesburg

FUNDING

Link to Strategic Objective: SO5

Capitals involved: FC HC SC IC

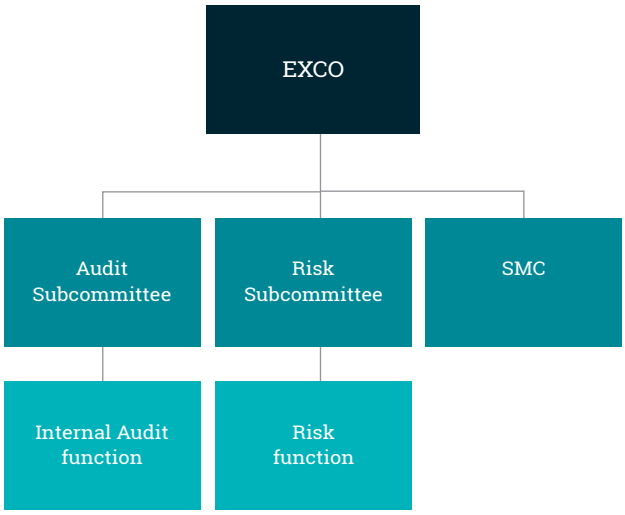
Why this is considered material	What we have done	What we continue to do	Linkages
The FSCA's budget, supported by levies and fees, is critical to ensure that the FSCA is adequately funded to execute on its mandate effectively.	We reviewed our financial management and Supply Chain Management (SCM) policies to strengthen controls and stay up-to-date with the latest regulations. We conducted extensive consultations with stakeholders to explain our funding requirements. Implemented sound financial control systems to ensure that allocated funds are deployed efficiently and effectively. Implemented a new system to align with the new bill and automation of the levy collection process.	We will continue to review and enhance the internal financial control systems to ensure all financial risks are mitigated. We will continue to ensure prudent financial discipline on the spending of allocated resources to maintain long-term financial sustainability. Continue to strengthen our relationships with levy payers.	**Link to risks** ■ Mandate risk ■ Sustainability risk ■ Talent risk ■ Data risk **Link to stakeholders** ■ Government ■ Employees ■ Regulated persons ■ Suppliers

Minister of Finance, Mr Enoch Godongwana, Technical Advisor at National Treasury,Mr Ismail Momoniat, Deputy commissioners, Ms Katherine Gibson and Astrid Ludin listening to the presentations at our Industry Conference held in Johannesburg

Managing our risk

Section 51 of the PFMA requires that an accounting authority must ensure that the entity has and maintains an effective, efficient, and transparent risk management system. Our risk management approach involves identifying, assessing, and reporting on the risks that could impact our ability to fulfil our mandate. Our robust risk culture continues to demonstrate agility and resilience in proactively managing identified high-priority risks. This has created and protected value for our stakeholders.

Risk management process



Our Enterprise Risk Management Framework (ERM) guides to implement a consistent, efficient, and economical approach to identify, evaluate, and respond to key risks and opportunities that may impact business objectives. Through this balanced approach to risk management, the FSCA maintains its position as a well-governed organisation with robust internal controls, prepared to navigate challenges while embracing opportunities that advance our operational capabilities and institutional effectiveness.

ERM Stakeholders	Responsibilities
Subcommittees	Advise EXCO on risk management effectiveness and recommend corrective actions.
EXCO	Provides strategic oversight and sets risk appetite for the organisation.
Strategic Management Committee (SMC)	Implements and executes risk management activities across divisions.
Third line: Internal and external audit	Performs independent evaluation of the effectiveness of the ERM process and assures the effectiveness of controls.
Second line: Governance and Risk Department	Overall ownership of the ERM framework
First line: Employees	Execute risk management activities in their day-to-day activities following the ERM framework and risk management procedures.

Top 11 strategic risks

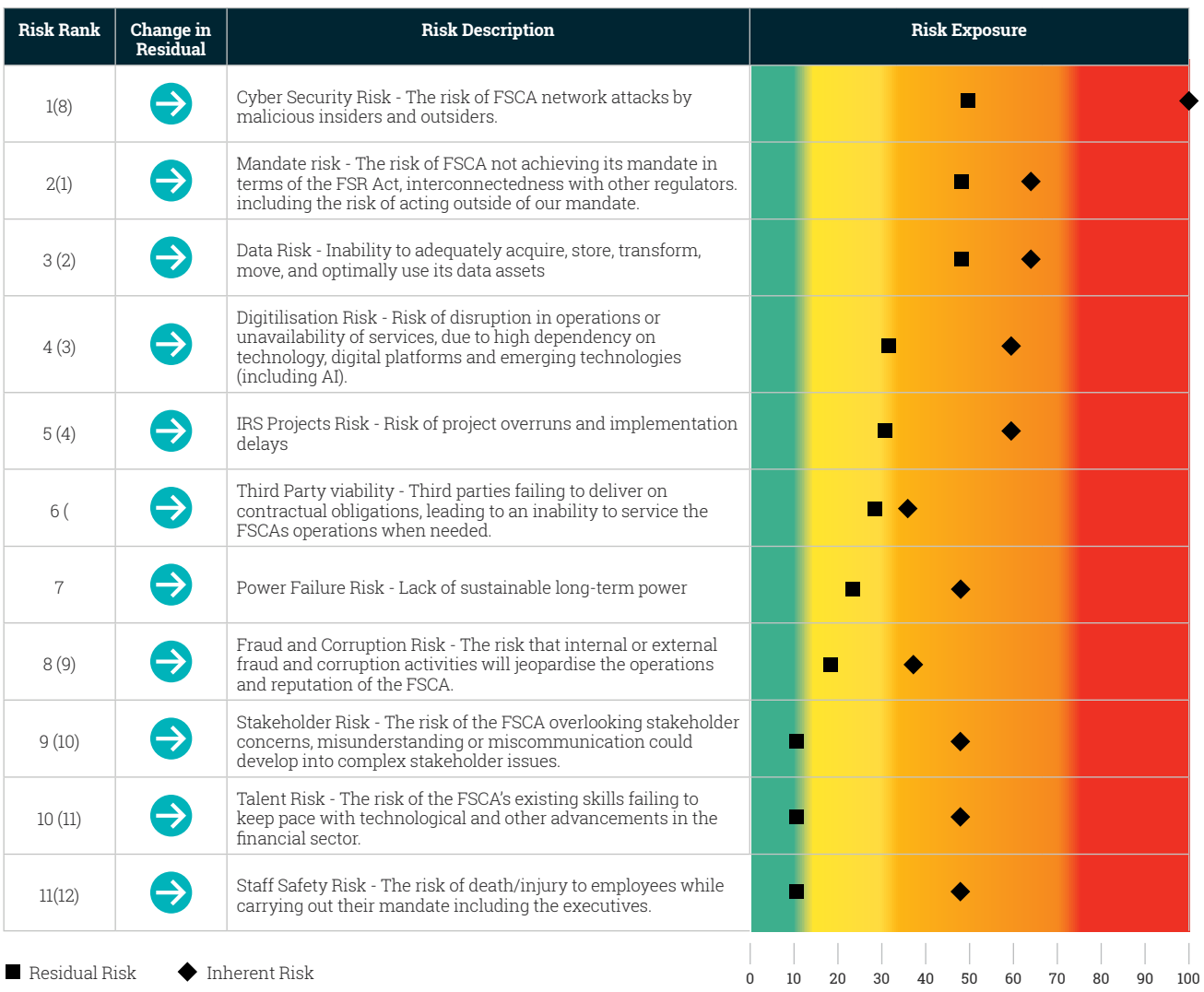
The top 11 strategic risks as at 31 March 2025 are outlined below, together with strategic objective, control level and mitigating factors:

Risk ranking	Risk description	Residual risk value	Strategic objectives	Capital affected	Material matter
R01	Cybersecurity Risk	Cautionary	SO1 SO2 SO5	SC HC FC IC	
R02	Mandate Risk	Acceptable	SO1 SO2 SO3 SO4	HC FC SC IC	
R03	Data Risk	Acceptable	SO1 SO2 SO3 SO5	FC IC HC	
R04	Digitalisation Risk	Acceptable	SO1 SO2 SO5	FC IC HC	
R05	IRS Projects Risk	Acceptable	SO1 SO2 SO3 SO5	HC FC IC	
R06	Third Party Viability	Acceptable	SO2 SO5	SC HC FC	
R07	Power Failure Risk	Acceptable	SO1 SO2 SO3	SC HC FC	
R08	Fraud and Corruption Risk	Acceptable	SO1 SO2 SO3 SO4	SC HC FC	
R09	Stakeholder Risk	Acceptable	SO4 SO5	SC HC FC	
R10	Talent Risk	Acceptable	SO5	SC HC FC	
R11	Staff Safety Risk	Acceptable	SO5	FC HC MC	

The 2024/25 Strategic Risk Register (Register) comprises eleven risks and opportunities. Our strategic risks are continuously reviewed by risk owners and Exco. We have employed a decentralised model of risk management through the appointment of Risk Champions within each department. These individuals play a pivotal role in supporting Risk Owners by ensuring that identified risks, associated mitigating and planned controls, are effectively monitored and managed. This collaborative approach ensures that risks are addressed proactively and consistently, ultimately reducing them to acceptable levels in alignment with the organisation's risk appetite.

Below is a risk heatmap indicating the risk movement from the previous year to the review year. In addition, this map shows the residual risk rating of each risk.

Risk Rank	Change in Residual	Risk Description	Risk Exposure
1(8)	→	Cyber Security Risk - The risk of FSCA network attacks by malicious insiders and outsiders.	
2(1)	→	Mandate risk - The risk of FSCA not achieving its mandate in terms of the FSR Act, interconnectedness with other regulators. including the risk of acting outside of our mandate.	
3 (2)	→	Data Risk - Inability to adequately acquire, store, transform, move, and optimally use its data assets	
4 (3)	→	Digitilisation Risk - Risk of disruption in operations or unavailability of services, due to high dependency on technology, digital platforms and emerging technologies (including AI).	
5 (4)	→	IRS Projects Risk - Risk of project overruns and implementation delays	
6 (	→	Third Party viability - Third parties failing to deliver on contractual obligations, leading to an inability to service the FSCAs operations when needed.	
7	→	Power Failure Risk - Lack of sustainable long-term power	
8 (9)	→	Fraud and Corruption Risk - The risk that internal or external fraud and corruption activities will jeopardise the operations and reputation of the FSCA.	
9 (10)	→	Stakeholder Risk - The risk of the FSCA overlooking stakeholder concerns, misunderstanding or miscommunication could develop into complex stakeholder issues.	
10 (11)	→	Talent Risk - The risk of the FSCA's existing skills failing to keep pace with technological and other advancements in the financial sector.	
11(12)	→	Staff Safety Risk - The risk of death/injury to employees while carrying out their mandate including the executives.	



To manage our strategic risk effectively, we rank risks quarterly. Based on scores for impact and likelihood, five risks were classified as major and three as moderate. Residual exposure is determined after considering risk mitigation.

70 - 100	Critical	**Improve -** High-risk exposure where mitigation actions aren't adequate, urgent attention required to improve control environment.
40 - 69	Major	**Monitor -** High-risk exposure where mitigation actions are nascent or inefficient, further controls are required.
10 - 39	Moderate	**Tolerate -** Low-risk exposure where mitigation actions are sufficient.
< 9	Minor	**Operate -** Low-risk exposure where mitigation actions are effective

Stable/no change	→
Decreasing risk exposure	↘
Increasing risk exposure	↗

R01 RISK 1: Cybersecurity Risk

Risk description	Risk mitigation	Impact on value
The risk of FSCA network attacks by malicious insiders and outsiders.	■ Recovery assisted by experts (Cybersecurity Insurance in place). ■ Periodic Business Continuity Management, including DR Testing. ■ Cybersecurity risk management is incorporated in the FSCA's ERM and operationalised. ■ Email encryption implemented. ■ Periodic ICT Security Governance Documents review (Cybersecurity Strategy, ICT Security Policy) as & when required. ■ User software installation restrictions on the endpoint.	■ Reputational damage. ■ Financial loss. ■ Loss of critical business data. ■ Loss of trust. ■ Transgression of regulation and FSCA policies. ■ Operational shutdown. ■ Inability to deliver on mandate i.e. not being able to effectively regulate the industry as a result of loss of data.

Opportunity:
- Enhance cybersecurity measures to protect against evolving threats:
- The rapid evolution of cybersecurity technologies.
- Increasing importance of data protection.

Planned controls
- Recovery assisted by experts (Cybersecurity Insurance in place).
- Periodic Business Continuity Management, including DR Testing.
- Cybersecurity risk management is incorporated in the FSCA's ERM and operationalised.
- Email encryption implemented.
- Periodic ICT Security Governance Documents review (Cybersecurity Strategy, ICT Security Policy) as & when required.

R02 RISK 2: Data Risk

Risk description	Risk mitigation	Impact on value
The FSCAs inability to adequately acquire, store, transform, move, and optimally use its data assets.	■ Adoption of sound policies, internal data information control and procedures. ■ Digital transformation committee in place. ■ Sound data and information governance structure established. ■ Enterprise Information Governance Office. ■ BCM and data recovery. ■ Implementation of POPIA controls. ■ Establishment of a data management. department with a data quality unit and an analytics platform implemented.	■ Ineffective regulator. ■ Reputational damage. ■ Incorrect rulings. ■ Operational inefficiencies. ■ Incorrect reporting. ■ Possible penalties. ■ Contravention of the POPI and PAIA acts.

Opportunity:
- Leverage data as a strategic asset for informed decision-making:
- Advancements in data analytics.
- Availability of secure and efficient data management systems.
- Real-time data processing capabilities.

Planned controls
- Implement the data strategy (Revised date: 31 March 2026).
- Augment skills in the data management and data analysis department (ongoing).
- Adopt a data literacy programme.
- Build data analytical skills across the organisation (ongoing).

R03 RISK 3: Digitalisation Risk

Risk description	Risk mitigation	Impact on value
Risk of disruption in operations or unavailability of services, due to high dependency on technology, digital platforms, and emerging technologies (including AI).	■ The contract template includes data privacy protection (i.e., POPIA compliance). ■ Intellectual property protection. ■ Penalty standard clauses to enforce compliance with FSCA requirements. ■ Ensure all risk insurance cover. ■ Cyber risk insurance.	■ Inability to perform the day-to-day business and ICT operational tasks, negatively impacting service delivery to external and internal stakeholders.

Opportunity:
- Embrace digital transformation to enhance operational efficiency:
- Implementation of IRS
- Ongoing digitisation of FSCA processes and systems.
- Staff time savings from an improved IT structure.
- Integration of emerging technologies (e.g., AI, blockchain).

Planned controls
- Use the ERM governance, risk management, and compliance and assurance (GRC) software solution to implement, monitor, and measure the effectiveness of internal controls and any gaps in compliance (31 March 2026)
- Define the Business Target Operating Model (Revised date: 30 September 2025).

R04 RISK 4: IRS Projects Risk

Risk description	Risk mitigation	Impact on value
Risk of project overruns and implementation delays.	■ Develop internal skills required for successful project implementation. ■ Apply lessons learnt from ERP project implementation. ■ Technical skills: Knowledge transfer to be included in the contract. ■ Ensure post-implementation maintenance support. ■ Conduct a service provider risk assessment. ■ dedicated contract management specialist responsible for ensuring contract SLAs with service providers secure the interest of the FSCA.	■ Unmanageable project scope. ■ Cost and time overruns. ■ Reputational damage. ■ Business disruption. ■ Incorrect requirement delivery. ■ Inability to meet strategic milestones.

Opportunity:
- Optimise project management strategies to ensure timely and efficient delivery:
- Project Management Office.
- Adoption of agile project management methodologies.
- Increased availability of project management tools.
- Improved project risk assessment processes.

Planned controls
- Data Migration Audit (Revised date: In progress, 30 June 2025).

R05 RISK 5: Third Party viability

Risk description	Risk mitigation	Impact on value
Third parties fail to deliver on their contractual obligations, resulting in an inability to service the FSCA operations when needed.	■ Appointing financially sound suppliers for strategic projects (Financial viability test before appointment). ■ Quarterly performance reviews with the service provider (Review of financial stability). ■ Due diligence performed before appointment (Prototypes, site visits, accreditations). ■ Vendor resilience is tested through Service Provider risk assessments and performance appraisals.	■ Failure of suppliers or software providers to deliver goods or services. ■ Higher interest rates constrict liquidity for businesses, increasing the risk of insolvency. ■ Global trade and geopolitical issues. ■ Supplier dependency. ■ Economic volatility.

Opportunity:
- Create a resilient and efficient vendor ecosystem.
- Comprehensive third-party vetting processes.
- Regular performance evaluations.
- The growing importance of strategic partnerships.

Planned controls
- Continuous financial risk assessment of suppliers (ongoing).
- Data processing agreements are to be in place before sharing data with service providers (31 March 2025).
- Ensure escrow agreements are in place with service providers (31 March 2025

R06 RISK 6: Power Failure Risk

Risk description	Risk mitigation	Impact on value
Lack of sustainable long-term power.	■ Generator and UPS. ■ BCM plans are in place. ■ Availability of DR site. ■ Physical security is in place. ■ Electricity crisis plan in place. ■ Weekly testing of the generator. ■ Preventive maintenance plans for the generator and UPS. ■ Environmental monitoring system. ■ Implemented the power playbook. ■ Solar energy.	■ Business interruption. ■ Loss of data integrity. ■ ICT system failure. ■ Compromised security (staff and assets). ■ Injuries to staff. ■ Reputational damage.

Opportunity:
- Investment in sustainable power solutions to ensure operational continuity:
- Ability to continue operating during power disruptions.
- Available backup power systems (Solar, generators, UPS).
- Advancements in renewable energy technologies.

Planned controls
- Exploration of more feasible business premises (ongoing).
- Investigate the option to move the data centre to an off-site location (ongoing).

R07 RISK 7: Mandate risk

Risk description	Risk mitigation	Impact on value
The risk of FSCA not achieving its mandate in terms of the FSR Act, and interconnectedness with other regulators. Including the risk of acting outside of our mandate.	■ Signed MoUs to govern collaboration with co-regulators and other stakeholders, subject to review and updates as and when required. ■ Ongoing and regularised engagement/ relationships management. ■ Process mapping. ■ Identifying system gaps. ■ Mapping of concurrence and delegation. ■ Ongoing review of Regulatory Strategy. ■ A three-year rolling Regulation Plan and Annual Supervision Plans. ■ A three-year rolling Financial Education Plan and effective monitoring and implementation of the plan.	■ Reputational damage. ■ Ineffective regulation and supervision. ■ Inability to enforce regulatory action. ■ Ineffective regulation and supervision of the South African financial sector. ■ Inability to regulate new financial instruments.

Opportunity:
- Improved Regulatory and Supervisory Frameworks:
- Improved understanding of the FSCA's role.
- Integrated and Omni-licensing and supervision of regulated entities.
- Improved Regulatory and Supervisory Framework.

Planned controls
- Strengthen resources and skills relating to sustainable finance across core frontline divisions. (Revised date: 31 March 2026).
- COFI readiness project (Ongoing).
- Integrate case management/reporting tools into the IRS and extend to relevant divisions beyond Enforcement. (Revised date: 31 March 2027).
- Investigate the use of e-discovery software (Ongoing).

R08 RISK 8: Fraud and Corruption Risk

Risk description	Risk mitigation	Impact on value
The risk that internal or external fraud and corruption activities will jeopardise the operations and reputation of the FSCA.	■ Approved policies. ■ Sound accounting and systems controls. ■ Comprehensive fraud and corruption prevention strategy (including tip-offs and anonymous reporting line). ■ Sound HR processes in vetting new employees and checking for conflicts of interest in existing employees. ■ Comprehensive awareness programme on fraud and corruption prevention. ■ Established Fraud Risk Technical Task Forum (FRTTF).	■ Reputation damage. ■ Financial losses. ■ Loss of confidence in the FSCA by internal and external stakeholders.

Opportunity:
- Ethical organisations attract top talent.
- Opportunity to improve reputation.
- Advancements in fraud detection technologies.

Planned controls
- To expand business interest verification to include non-management employees (31 March 2025).
- FSCA staff to be required to disclose changes in their criminal record status (31 March 2025).
- To perform a lifestyle audit. (31 March 2026).

R09 RISK 9: Stakeholder Risk

Risk description	Risk mitigation	Impact on value
The risk of the FSCA overlooking stakeholder concerns, misunderstandings, or miscommunications could develop into complex stakeholder issues.	■ Stakeholder engagement plan. ■ Contracted a reputation management company. ■ Targets set for stakeholder engagement. ■ Conduct regular stakeholder engagement meetings as per the plan. ■ Regular monitoring of stakeholder activities and surveys to gauge stakeholder views.	■ Inefficient regulator. ■ Lack/loss of trust in the FSCA. ■ Reputational damage. ■ Possible increase in non-compliance by regulated entities.

Opportunity:
- Becoming a trusted source of information can also be an opportunity to build and elevate the FSCA brand.
- Increasing use of digital and social media platforms for communication.
- Rising demand for regulatory transparency.

R10 RISK 10: Talent Risk

Risk description	Risk mitigation	Impact on value
The risk is that the FSCA's existing skills will fail to keep pace with technological and other advancements in the financial sector.	■ Recruitment and retention strategies and policies are in place. ■ Remuneration benchmarked to industry. ■ Talent management initiatives. ■ Ongoing training and up-skilling of staff. ■ Implementation of the talent management framework. ■ Implementation of fair employment practices. ■ Implement effective training and development programmes. ■ Expedite/streamline the recruitment process. ■ Establish employee secondment opportunities. ■ Incentivise top two-quadrant employees.	■ Ineffective regulator. ■ Inefficient processes. ■ Reputational damage. ■ Possible litigation. ■ High staff turnover. ■ Low staff morale.

Opportunity:
- Opportunity to attract top talent and skills.
- Availability of continuous learning programmes.
- Growing talent pool in fintech, suptech and regtech.
- Increasing focus on diversity and inclusion in the workplace.

Planned controls
- Establish career paths for specialist skills.

R11 RISK 11: Staff Safety Risk

Risk description	Risk mitigation	Impact on value
The risk of death/ injury to employees while carrying out their mandate, including the executives.	■ SAPS accompanying investigators and consumer education staff on elevated risk engagements. ■ Group personal accident insurance cover. ■ Approved safety policy. ■ Improved access control at FSCA reception. ■ Personal protection services.	■ Possible death/injury/ kidnapping of employees. ■ Loss of skills. ■ Reputational damage. ■ Possible litigation.

Opportunity:
- Collaboration with SAPS and other security services.
- Advancements in safety technologies.
- Increasing focus on employee safety and well-being.

Planned controls
- De-escalation and situational awareness training for the enforcement team.

Colleagues at our office in Pretoria

PART E

Managing our capitals

Inside Part E

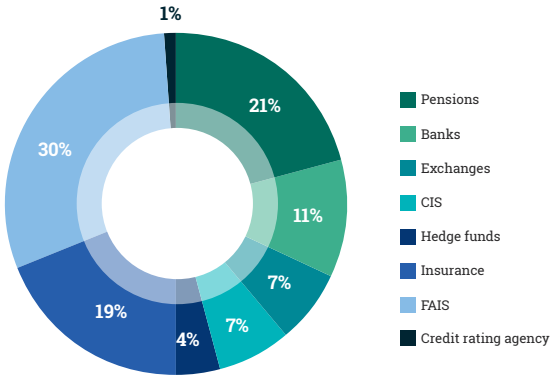
- Strengthening our financial capital 58
- Building social capital 60
- Developing our human capital 81
- Leveraging our intellectual capital 84
- Protecting our natural and manufacturing capital 85

Managing our capitals

Strengthening our financial capital

Our prudent financial management practices enabled us to perform our public value function in a financially sustainable manner. Our financial position remains strong, with moderate revenue growth and healthy liquidity. In executing our mandate, we continue to ensure high ethical standards and governance for long-term sustainability.

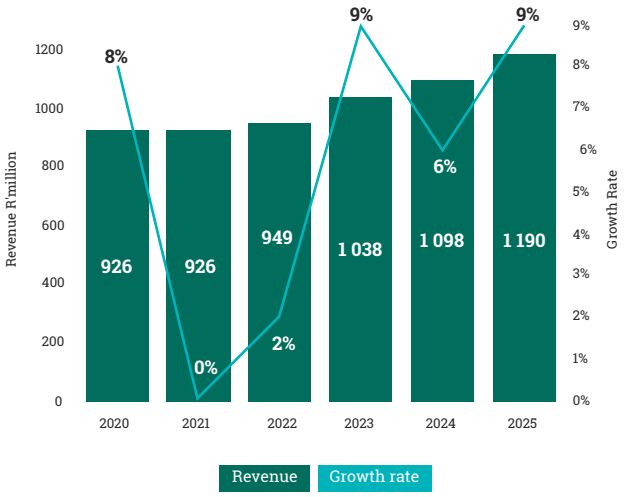
Levies and fees



The financial advisory and intermediary services (FAIS), pensions and insurance industries continued to be the major contributors to levy income, accounting for 30%, 21% and 19% respectively, with the remaining industries contributing 30%.

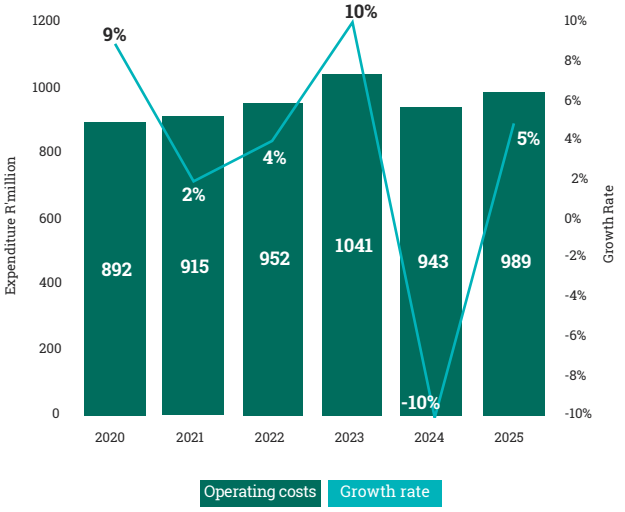
Our limited financial resources were efficiently and effectively deployed within the approved budget. Finance policies were reviewed and updated to enhance financial controls. The implemented ERP system continues to optimise resources and drive efficiencies across our value chain thereby improving our overall performance. Reviewed policies are approved by Exco and the Audit subcommittee.

Revenue growth



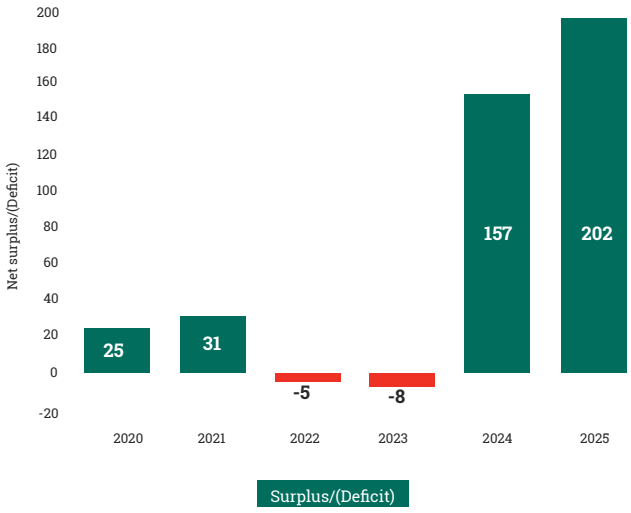
Revenue consists of fees, levies and penalties. For the year ended 31 March 2025, revenue grew by 9% to R1,2 billion (2023/24: R1.1 billion). The increase was primarily driven by annual levy variable increases, higher interest earned from investments, recoveries and other income.

Operating costs



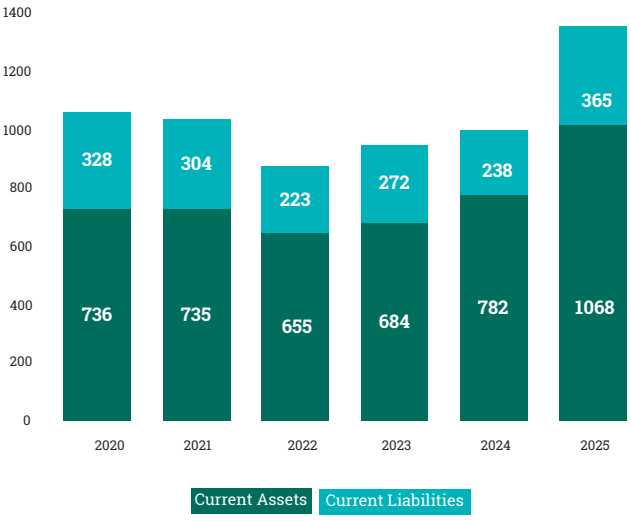
Total operating costs increased by 5% to R989 million, (2023/24: R943 million). The increase is aligned with annual inflationary adjustments in staff costs and contractual escalations.

Net surplus/(Deficit)



As at 31 March 2025, we reported a surplus of R202 million (2023/24: R157 million). This reflects the second and final year of the special levy in accordance with the provision of the Levies Act.

Working capital



We effectively manage working capital to ensure the availability of sufficient resources to meet maturing financial obligations. Cash flow is closely managed and surplus funds are invested in the Corporation for Public Deposits within the SARB. The net current assets remain positive at R703 million (2023/24: R544 million).

Trade and other payables

We target to settle trade payables within 30 days of receiving suppliers' invoices in line with National Treasury Regulations. In this regard, we have achieved an average of 26 days for the financial year (2023/24: 29 days), which is within the 30 days as prescribed by the National Treasury. As at 31 March 2025, trade payables amounted to R33 million (2023/24: R12 million).

Trade and other receivables

As at the financial year-end, the levy trade receivables amounted to R81 million (2023/24: R71 million), representing 7,56% of the levies income (2023/24: 7,25%). In terms of Section 167 of the FSR Act, the FSCA is responsible for administering the invoicing and collection of enforcement penalties on behalf of National Treasury. Amounts recovered by the FSCA from enforcement receivables are paid to the national revenue fund.

The net penalties and inspection receivables as at end of the financial year amounted to R103 million (2023/24: R21 million).

Outlook

The digital transformation strategy, currently in the execution stage, aims to position the FSCA as an integrated, insight-driven digital entity that is responsive, accessible, efficient and effective.

We ring-fenced resources to support the successful roll-out of capital expenditure programmes, including the full implementation of the IRS.

These initiatives are designed to embed operational excellence across our value chain, delivering short, medium and long term benefits to our stakeholders.

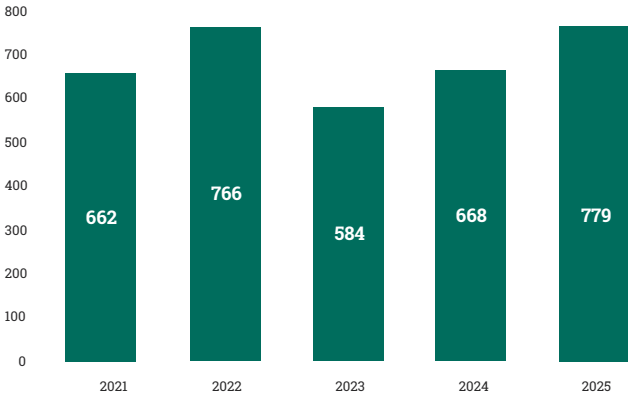
Mr Paul Kekana
Chief Financial Officer

Building social capital

Granting access to the financial sector

In terms of Section 111 of the FSR Act, a person may not provide as a business or part of a business a financial product, financial service or market infrastructure except by a licence in terms of a specific financial sector law, the National Credit Act or National Payment System Act, or if no specific financial sector law provides for such a licence, following a licence in terms of the FSR Act. Therefore, authorising licences to market participants is a crucial instrument in promoting market integrity and protecting financial consumers.

Number of licence applications processed



During the 2024/25 period, a total of 779 FSPs were approved compared to 668 in the previous financial year. This increase resulted in the number of authorised FSPs increasing from 11 890 in 2023/24 to 12 401 in the current reporting period.

As at 31 March 2025, a total of 42 ODPs comprising 17 banks and 25 non-bank entities were approved. This is a slight reduction from the 44 approved ODPs reported in the previous financial year. Two (2) non-bank ODPs voluntarily lapsed their licences. One (1) non-bank ODP licence application was declined during the quarter, and a total of six non-bank ODP licence applications were approved during the period.

A total of 13 local hedge fund managers with 220 portfolios were approved, and a further 17 foreign hedge fund schemes with a total of 47 hedge fund portfolios as at 31 March 2025. For the same period, a total of 45 local managers in CIS in securities with an aggregate of 1 979 portfolios were approved. Five (5) portfolios were withdrawn during the period. On the foreign side, a total of 155 CIS in securities schemes with a total of 707 foreign CIS in securities approved.

The total number of active Section 13B benefit administrators during the reporting period is 112, a decrease from the total of 114 reported in the previous financial year. This is due to two benefit administrators being considered for deregistration.

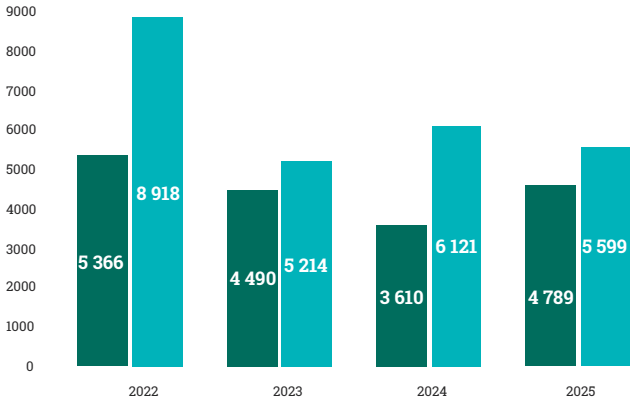
The number of approved friendly societies remained unchanged at 197.

In accordance with Section 126 of the FSR Act, the FSCA concurred with the PA to approve the registration of one local commercial bank. The FSCA also concurred with the PA in approving the deregistration of four co-operative financial institutions.

As regards insurance, the FSCA granted concurrence for the licensing of three microinsurers, controlling companies of insurance groups, and one branch of a foreign reinsurer to enable the PA to finalise the approval process.

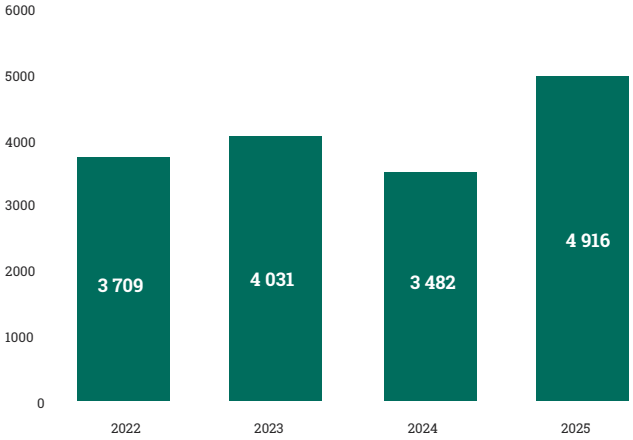
To ensure a coordinated and integrated approach to serving our stakeholders, we established the Business Centre as the single point of entry for all external stakeholder inputs, including queries, complaints, statutory submissions, and applications for financial services activities. Complaints are a valuable source of data that provide insights into undesirable conduct and practices by supervised financial institutions/ unregistered entities.

Complaints and Enquiries



We received 10 388 complaints and queries in 2025. This represented a 7% increase from 9 733 received in 2024. More than 87% of complaints and queries received were assessed and finalised in 2025. Complaints represented 46% of matters received, while queries accounted for 54% of all matters related to the issues received in 2025. A total of 2 398 matters received during the period fell outside of our jurisdiction. The majority of complaints continued to be against authorised financial institutions, entities conducting unregistered businesses of regulated activities.

Number of queries about unclaimed benefits

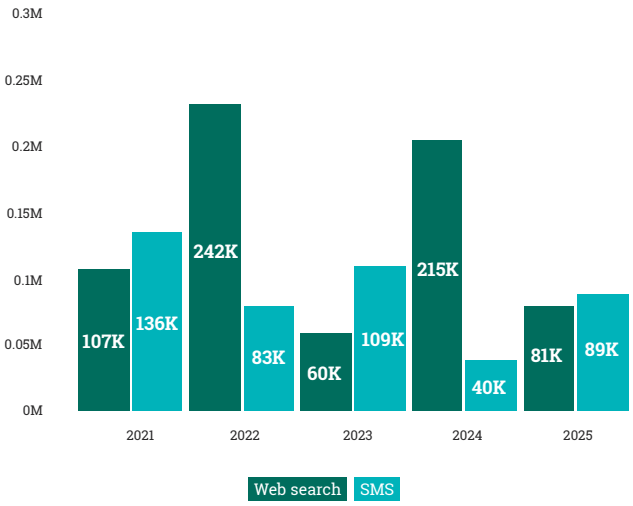


The FSCA has developed platforms to assist prospective members and beneficiaries of retirement funds to access their benefits cost-effectively. This initiative is a response to unscrupulous tracing agents taking advantage of vulnerable citizens by charging exorbitant fees for services that are available at no cost.

Through our online platforms (i.e., web search and SMS search), the public can conduct searches on any unclaimed retirement benefits that may be due to them. Additionally, the online search platform provides prospective members and beneficiaries of retirement funds with an automated search function, directly linking them to the relevant pension funds or pension fund administrators.

Unclaimed benefit queries during the reporting period included those made through outreach programmes, walk-ins, and email queries. During the reporting period, we received a total of 4 916 unclaimed benefits queries from the public. This is a year-on-year increase of 41,2% compared to the 3 482 unclaimed benefits queries received in the previous financial year. The year-on-year increase in unclaimed benefits queries can be attributed to awareness initiatives conducted through various media platforms, including radio interviews and social media. We finalised 85,8% of queries, with the remaining 14,2% still being considered. Finalising unclaimed benefits queries involves linking the prospective beneficiaries or members with the correct pension funds and obtaining a response.

Number of searches for unclaimed benefits



During the reporting period, a total of 170 561 unclaimed benefits searches were conducted through our automated online platforms. A total of 81 200 searches were conducted using the online web search channel, while 89 361 were conducted using the SMS platform. There was a significant year-on-year decrease of 62% in web searches from the previous year (2024), and this is attributable to added controls on our search platforms only to accept searches by identity numbers or a combination of names and date of birth. These system enhancements were made to ensure compliance with the Protection of Personal Information Act. On the other hand, the SMS searches increased by 126% from 39 549 in 2024. The increase is mainly due to the awareness of the use of the SMS channel as an easy-to-use search tool which is compatible with any mobile phone, as opposed to the web channel, which requires a smartphone or a computer.

Risk-based supervision

Conduct of business

During the year under review, ten communication and guidance notices were published. The purpose of these notices is to provide information and guidance to the industry about new developments and/or interpretation aspects on various matters.

Date/ number of Notice	Authority	Sectors	Summary
FSCA CIS Notice 4 of 2024	FSCA	CIS	Exemption of Ci Collective Investments (RF) (Pty) Ltd from specific provisions of Board Notice 90 of 2014
FSCA CIS Notice 5 of 2024	FSCA	CIS	Exemption of Sygnia Collective Investments (RF) (Pty) Ltd from Certain Requirements of Board Notice 90 of 2014
FSCA Communication 17 of 2024	FSCA	Accountable institutions engaging in crypto asset transfers	Financial Intelligence Centre Draft Directive on Implementation of Travel Rule for Accountable Institutions engaging in crypto asset transfers
FSCA Communication 20 of 2024	FSCA	Accountable institutions listed under items 5 and 12 of Schedule 1 to the FIC Act	Request to provide information on the level of AML/CFT compliance
FSCA Communication 39 of 2024	FSCA	Accountable institutions listed under items 4, 5 and 12 of the Schedule to the FIC Act	Notification of the publication of the webinar on YouTube
FSCA Communication 40 of 2024	FSCA	Accountable institutions listed under items 5 and 12 of Schedule 1 to the FIC Act	Final request to provide information on the level of AML/CFT compliance
FSCA Communication 44 of 2024	FSCA	Accountable institutions engaging in crypto asset transfers	Final request to provide information on the level of AML/CFT compliance

The purpose of onsite inspections is to identify the compliance of licensed entities with the legislation. Themed visits, where specific aspects are scrutinised, allow us to build trend reports focusing on supervisory activities. We adopted a risk-based approach in selecting institutions and appropriate inspection supervisory activities. For example, the inspections on banks were carried out due to complaints received and the level of media coverage on these matters. The objective of inspections is to determine whether the identified issues could cause harm to consumers, thereby eroding confidence in the financial system. We also commenced conducting inspections on crypto asset service providers to assess their readiness to comply with the FIC Act as well as implement the travel rule. The inspections were part of capacity building.

There have been engagements with some industry players who highlighted concerns related to policy wording certainty in cases where more than one insurer enters into a quota share agreement to underwrite risks in respect of a policy.

Some of the conduct risks identified include a lack of certainty regarding the extent of cover and a lack of clarity regarding policy exclusions. We had engagements with several industry associations and the Prudential Authority, and conducted an in-depth analysis to understand the extent of these risks. It has met with and is in the process of engaging further with the Competition Commission on proposed solutions to mitigate the conduct concerns identified.

We conducted a thematic review to assess compliance with Rule 12.4 of the Policyholder Protection Rules, as outlined in the Short-Term Insurance Act 53 of 1998. The focus of the review is to gather information on broker fee facilitation practices, assess regulatory compliance, and evaluate the effectiveness of the current regulatory framework. We completed the first phase of the review, and based on those findings, we have commenced with the second phase of the review, which includes drafting a guidance note communicating the conclusions of the first phase and engaging with more insurers and with brokers to obtain a more in-depth and holistic understanding of the practices.

Credit Life and Consumer Credit Review

In the credit life and consumer credit area, we have embarked on a project to evaluate the development and distribution of credit life and consumer credit insurance products to financial customers, including small businesses and self-employed individuals. The objective is to evaluate the appropriateness of current industry practices and promote fairer outcomes for policyholders.

During phase 1, the project team engaged with a range of industry bodies, whose members serve as distribution channels within the product value chain. These consultations provided valuable insights into product performance across various subsectors. Additionally, the team incorporated valuable input received from the World Bank, which enhanced the overall project approach and planning. Phase 2 is currently well underway. The project team has conducted extensive engagements with selected insurers, receiving relevant information that enables the team to commence desktop reviews for further assessment of product structures, sales practices, and ultimately, customer outcomes.

Outcomes of the Desktop Review on Complaints

We conducted a desktop review of the way banking institutions handle the complaints that they receive from their customers.

The overall industry outcome was unsatisfactory, and an industry paper detailing key areas for improvement was published on 18 March 2025. It is worth mentioning that banks have made significant progress and have implemented the recommendations to ensure that complaints are managed in line with the principles provided for in Section 8 of the Conduct Standard 3 of 2020 (Banks).

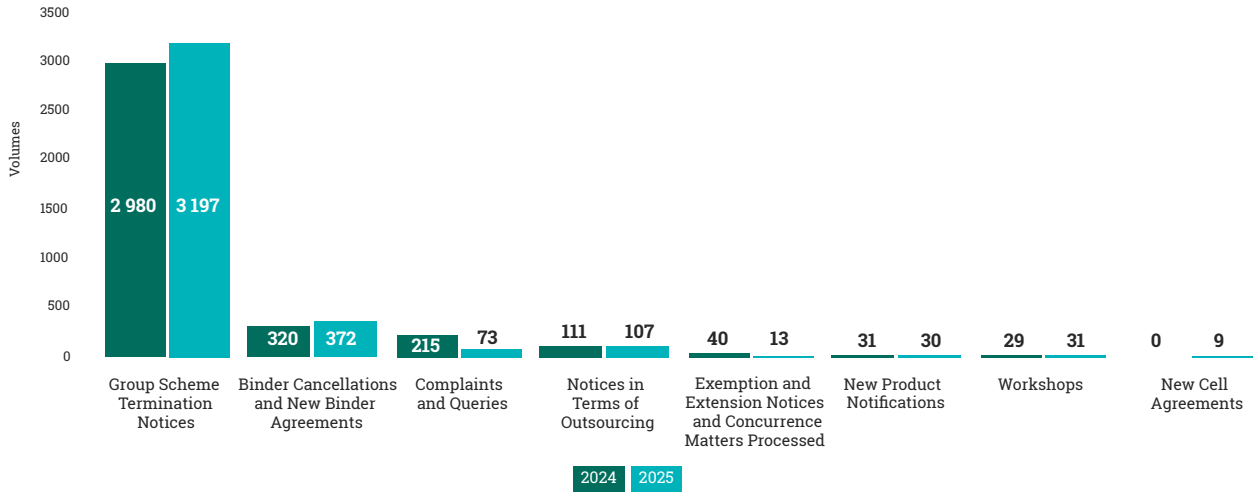
Conduct of business inspections carried our during 2024/25

Theme	Number of inspections	Type of entities concerned
General	4	Traditional Insurers
General	6	Co-operative Banks and CFIs
General Market Conduct on-site inspection	1	Banks
General	4	Microinsurers
Understanding ML/TF risk//Customer due diligence, including about beneficial owners and enhanced as well as ongoing customer due diligence /targeted financial sanctions//reporting obligations//governance	100	Inspections of Accountable Institutions conducted in terms of Section 45B of the Financial Intelligence Centre Act, 38 of 2001 (FIC Act)
Compliance with the General Code of Conduct and the Fit and Proper requirements.	45	FAIS reviews on Cat I and IV FSPs
General onsite inspection	40	Investment Providers

We have also conducted joint inspections with other supervisory bodies on dual-supervised institutions. This has reduced duplication, cost, and compliance fatigue in dual-supervised institutions, promoting the sharing of AML/CFT/CPF information among supervisors and advancing the understanding of risk in institutions and the sector as a whole. The first ten joint inspections were conducted by the FSCA and Financial Intelligence Centre on crypto asset service providers during the financial year, where the focus was on AML/CFT controls.

The industry provided extensive comments on this return. The return is currently undergoing significant revisions in response to the industry comments as well as internal digital transformation initiatives undertaken and shared with the industry at our 2025 annual conference. Further information in this regard will be shared in due course.

Interactions Volume 2024 -2025



Supervision of Category I and IV financial service providers

The table below depicts the supervisory activities undertaken on authorised FSPs:

	2020/21	2021/2022	2022/23	2023/24	2024/25
Authorised Cat I and IV FSPs	10 130	10 157	10 883	10 747	11 336

Desk-based supervision					2024/25
Financial statements	2 094	8 903	10 082	11 465	9 918
Compliance reports	120	92	158	20	0
Extension requests	306	1 555	1 631	718	410
Material irregularity reports	58	78	65	88	46
Referrals for regulatory action:					
FSPs	113	65	82	49	0

This represents a review of financial statements received from 80% of FSPs that are required to submit their financial statements within four months of their financial year-end in terms of the Financial Advisory and Intermediary Services Act, No. 37 of 2002. It is expected that around 9069/11336 financial statements category I and IV will be received and reviewed based on the general rate of reporting compliance currently experienced by the Division. It is also expected that 849/1062 financial statements category II, IIA and III will be received.

Irregularity reports

Under the FAIS Act, compliance officers and auditors are required to report any material non-compliance to the Authority. During the reporting period, 67 irregularity reports were received from category 1s, IIs, 2As, and IVs, considered, and the necessary action was taken.

Desk-based supervision of investment providers

Desk-based supervision is an off-site tool used to ensure adequate oversight over an entity's statutory returns to ensure that they meet various requirements like financial soundness and liquidity as prescribed in legislation.

Collective Investment Schemes	2021/22	2022/23	2023/24	2024/25
Capital Adequacy Reports	662	655	638	582
Mark-to-Market Valuation Reports	589	610	649	595
Quarterly Portfolio Holding Reports	197	193	181	180
Annual Financial Statements	49	46	45	45
Collective Investment Schemes in Hedge Funds				
Annual Financial Statements	13	12	12	10
Monthly Risk Reports	1 116	1 039	1 227	1 080
Quarterly Portfolio Risk Reports	824	1 805	411	866
Capital Adequacy Reports	182	144	144	113
Investment Providers - FSPs				
Compliance Reports				
Category II	0	3	0	0
Financial Statements				
Category II	779	621	670	792
Category IIA	134	100	97	127
Category III	39	21	24	35
Category II	267	292	109	17
Category III	4	19	12	3
Category II	15	9	31	21
Category IIA	3	2	2	0
Category II and IIA	0	3	0	0

Number and type of applications received from investment providers during 2024/25

	Register additional portfolio	Register additional foreign portfolio	Amalgama-tions	Amendments	FCIS Amend-ments	Terminations
Portfolio Review	104	33	27	201	41	45
Hedge Funds	22	7	3	20	15	13

Progress on FATF grey listing action items

- **Increase the supervisory resources and capacity**
  The AML/CFT supervision staff complement at the time of grey listing was 7. Following the necessary approval related to budget considerations with the support of the executives of the FSCA, the AML/CFT Supervision Department actioned an intensive recruitment drive, and the staff complement has increased to 26, which is a 271% increase

  - As a result of the new staff complement, supervisory activities have also increased:
  - The number of onsite inspections for the year 2023/24 to 2024/25 increased by 67%;
  - The type and nature of onsite inspections were broadened to include follow-up inspections to assess the level of remediation of previous non-compliance;
  - Offite's supervisory capacity was created to, *inter alia*,
    - follow up on remediation by accountable institutions on non-compliance issues identified;
    - conducting bilateral meetings with accountable institutions;
    - accompanying the Licensing Division to pre-licensing inspections on CASPs;
    - re-issuing the Directive to Provide Information; and
    - Issuing AML/CFT introductory letters to newly authorised accountable institutions.

- **Effective, proportionate, and dissuasive remedial actions and sanctions**

  - The number of entities sanctioned has progressively increased:
  - We reported 127% improvement in the monetary value of financial penalties issued since 2021 (R11,9 million) to March 2025 (R27,1 million).
  - Similarly, the increased by 533% issuance of non-financial penalties from 3 in 2021 to 19 in March 2025.
  - We have issued media releases to enhance the institutional and sectoral dissuasiveness of the sanctions.
  - This action item was upgraded to be addressed mainly in February 2025 (within the prescribed deadline).

- **Appeals finalised**

  - We have issued an administrative sanction against Tana Africa Capital Managers (Pty) Ltd (Tana) for failure to comply with various requirements in the FIC Act, including as it relates to development and effective implementation of the Risk Management and Compliance Programme (RMCP) and scrutinising clients against the Targeted Financial Sanction list. Tana proceeded to appeal against the decision of the FSCA to issue an administrative sanction. The FIC Act Appeal Board decided in favour of the FSCA, and Tana was obligated to comply with the sanction, inclusive of the financial penalty of R2,9 million (Media release).

Banking Supervision Enforcement

- On 17 March 2025, African Bank Limited was issued with an administrative penalty of R700 000 (R500 000 payable immediately and R200 000 suspended for two years) for misleading advertising which was found to be in contravention of Conduct Standard 3 of 2020 (Banks).
- The imposition of the penalty follows an investigation by the FSCA into African Bank's #KeFestive social media campaign, which was found to contain factually incorrect and misleading statements.
- As part of its ongoing supervisory activities, we have identified and assessed a social media advertisement featured by African Bank in December 2023. The advertisement, which featured a well-known public figure, encouraged consumers to take out personal loans with the phrase "It's not a skoloto chomi! Ke investment".
- We found the above statement to be factually incorrect and misleading as it misrepresented the nature of the loan product that was on offer, implying that it was an investment rather than a credit facility.
- By misleading financial customers and failing to provide clear and accurate information about the nature of the product, African Bank contravened Sections 6(1), 6(3)(a), and 6(3)(b) of the Conduct Standard.

Retirement funds

During the year, we focused on the winding down and cancellation of terminating funds and administrators, and increasing compliance by active funds, employers of active funds and active administrators.

We continued to take an active approach to assess the conduct of trustees and other officers of retirement funds. Acting under section 132 of the FSR Act, on-site inspections and engagements were conducted on retirement funds. In this regard, significant supervisory issues were identified in respect of the following:

- Vacancies on Boards were not filled within 90 days.
- Failure by Boards to monitor compliance with provisions of the PFA, specifically Section 13A of the PFA and Conduct Standard 1 of 2022
- Failure by boards to timeously submit annual financial statements and valuation reports.
- Failure by principal officers to comply with their fiduciary duties in terms of the applicable legislation.
- Increased arrear contributions
- Unclaimed benefits remain high.
- Delays in finalising death and withdrawal claims. This has increased complaints lodged with the Office of the Pension Funds Adjudicator.

Two-Component System

In February 2024, we issued Communication 3 of 2024 (RF), which outlined the initial requirements for submitting rule amendments to implement the Two-Component System.

Ongoing engagements with industry stakeholders necessitated further changes to be incorporated into the Two-Component legislation. As a result of these developments, we published Communication 16 of 2024 (RF) in April 2024. This updated communication provides revised requirements for the submission of rule amendments, with a submission period from May 2, 2024, to July 15, 2024. We indicated that the rule amendments should specifically relate to the Two-Component System to allow sufficient time for processing.

Due to the limited number of submissions received, we issued Communication 24 of 2024 (RF), which extended the submission deadline to July 31, 2024. It was indicated that submissions received after this date would be processed after the first batch of rule amendment submissions was completed and would follow standard service level commitment timelines.

As of 31 March 2025, we received 857 applications for rule amendments relating to the Two-Component System. We have registered 848 of these rule amendments, representing approximately 99% of the total received. In respect of the remaining 8 applications, we are awaiting responses from the administrators.

Trustee training toolkit

The TTK was launched in two phases, with the first set of 11 modules introduced on 26 September 2023 and the final set released on 28 March 2024. As at 31 March 2025:

- 7 356 trustees registered for the first set of 11 modules, with an 81% completion rate (5 984 completions).
- 5 887 trustees registered for the second set of 11 modules, with a 90% completion rate (5 273 completions) of those registered.

Recognising the need for accurate and updated trustee information, the FSCA published Information Request 3 of 2024 (RF) on 9 October 2024. This request instructed principal officers and administrators to submit pertinent trustee details by 6 November 2024. The requested information would enable the FSCA to take appropriate regulatory action against non-compliant trustees and publish the names of these trustees on the FSCA website. Regulatory action will be taken against trustees who fail to comply.

As at 31 March 2025, 863 of the 865 active retirement funds (99% compliance rate) had submitted the requested information to the Fund Governance and Trustee Conduct Department.

Two separate processes were in place to analyse the RFI data received:

- **Process 1:** Using the received data to update trustee information in the database.
- **Process 2:** Using the data received to identify non-compliant trustees.

Process 2 was instrumental in achieving our goal of taking regulatory action against non-compliant trustees. It involved collating all the data received from the RFI submissions and cross-checking it against the latest TTK statistics from ICT to identify all non-compliant trustees.

Letters notifying trustees of the regulatory action that will be taken against them, will be sent in April 2025 due to data verification. It should be noted that active funds are our first priority. Funds that are in the process of cancellation will be analysed thereafter.

Appointments of Statutory Managers, Curators and Boards in terms of Section 26 of the PFA

There have not been any curators and/or statutory manager appointments since 2021, the last of which was the appointment of a statutory manager to the Hospitality and General Provident Fund. An application has been made to cancel the statutory manager's appointment, as the statutory manager has since discharged his duties in terms of his appointment letter.

We actively monitor funds under curatorship to ensure that curators act within their mandate and that any non-compliances identified are resolved. The curators appointed to the Municipal Councillors Pension Fund discharged their duties and a court order canceled their appointment on 6 June 2024.

There have been various applications for the appointment of board members in terms of Section 26 of the PFA; the majority of the applications were for funds in the process of termination. The board members appointed are assigned specific duties, in addition to those ordinarily fulfilled in terms of Sections 7C and 7D of the PFA. The Boards are, *inter alia*, tasked with regularising the affairs of the fund, to ultimately apply for cancellation of the fund's registration in terms of Section 27 of the PFA or to appoint a liquidator in terms of Section 28 of the PFA.

Supervision of active administrators

In addition to the normal supervisory duties, we held numerous engagements with affected benefit administrators to ensure their Two-Component System readiness. Furthermore, a survey was conducted to assess the readiness of retirement fund benefit administrators in implementing the new Two-Component System legislation. Follow-ups were also done to ensure that benefit administrators submitted rule amendments on behalf of the funds that they administered.

The Conduct Standard dealing with Prescribed Conditions for Benefit Administrators was concluded over the period and was submitted to Parliament.

Contravention of Section 13A of the PFA

On 18 July 2024, we held an online webinar to assist administrators and funds in submitting the reports required in terms of Conduct Standard 1 of 2022.

A workshop/webinar was held with municipal retirement funds on January 21, 2025, to discuss proposed strategies that could be implemented by the municipal retirement funds to curb the increase in arrear contributions. We are working closely with National Treasury to ensure that municipalities make payments to the retirement funds.

The third list of employers that contravened Section 13A of the PFA was inserted into Communication 41 of 2024 and was published on 20 November 2024.

The FSCA had various engagements with the following stakeholders:

- PSiRA and the National Bargaining Council for the Private Security Sector in respect of Section 13A contraventions and the enforcement thereof in the private security sector.
- National Treasury, Auditor General, and SALGA in respect of municipal Section 13A contraventions which lead to the withholding of equitable shares of municipalities.
- National Prosecuting Authority and the Directorate for Priority Crime Investigations regarding the investigation and prosecution of cases related to the contravention of Section 13A.
- South African Revenue Services to determine whether the FSCA could refer cases for investigation and what information would be required.

Prudential supervision

In the prudential supervision area, we have issued two standards, such as the derivatives and Quarterly Regulation 28 Exception Reporting. The draft standard on the retirement funds accounting framework and revised annual financial statements are underway. We are considering the introduction of mandatory quarterly asset allocation reports, regardless of whether there are breaches. This will allow us to assess the asset spreading of funds proactively.

Lastly, we published the 2023 Retirement Funds Statistical Report containing aggregate data based on various submissions as well as transformation data. Future publications will take a closer look at investments and key trends. There is ongoing engagements with the various workstreams on the transitional arrangements with the Prudential Authority in term of Section 292 of the FSR Act.

We have conducted the supervisory activities, which included registration of retirement funds, on-site visits and review of annual financial statements.

ACTIVITY	NUMBER
Registrations of new funds	4
Umbrella schemes: Recording new participating employers and registration of revised special rules Recording of the termination of participation of employers	 5 630 2 611
Approving rule amendments, revised or consolidated rules	772
Approving schemes to transfer assets and/or liabilities between funds and other entities	2 751
Annual Financial Statements	2 429
Supervising fund liquidation: • Liquidation exemption Section 28(17) completed • Liquidation Section 28(15)(a) and (b)	 485 347
On-site visits and engagements	40
Complaints	39

Note: The table excludes applications received but not yet decided, as well as extensions and exemptions.

Retirement funds: Number of funds by administrator at 31 March 2025

Administrator	Active funds*	Other funds	Total funds
Liberty Group	33	1 115	1 148
MMI Group	44	576	620
Alex Forbes Financial Services	224	560	784
Sanlam Life Insurance	29	381	410
Old Mutual Life Assurance Company (South Africa)	15	138	153
NBC Fund Administration Services	55	76	131
NMG Consultants and Actuaries Administrators	24	88	112
Own administrator	24	82	106
All other administrators	411	752	1 163
Total	**859**	**3 768**	**4 627**

*Includes funds that have informed the FSCA that they intend to stop conducting business after their liquidations, transfer their assets and liabilities to other funds or other entities, such as insurers.

Promoting consumer education

Under Section 57 of the FSR Act, we are mandated to provide financial customers and potential financial customers with financial education programmes and promote financial literacy and the ability of existing and potential customers to make sound financial decisions. On 31 May 2024, we published our first Financial Education Plan (FEP). The FEP intended to better fulfill our strategic goals of increasing the reach and quality of financial education in South Africa through coordination amongst stakeholders and thought leadership, promoted through transparency of its planned financial education activities. During the year under review, we successfully implemented all 27 targets published in the FEP. This constitutes 100% achievement of the targets set.

The table below shows the reach of the various activities implemented as part of the 27 targets.

METRIC	DEFINITION	TOTAL
SOCIAL MEDIA		
Reach	The number of people who have viewed the content on FSCA social media platforms	4 843 545
Shares	The number of times content has been shared across social media platforms. The higher the shares, the bigger the reach of the campaign	1 211
Engagement	The number of times users interacted with content beyond views, e.g. likes, reactions, comments, etc. reposts	194 077
Traffic to website	The number of people who clicked on social media content and accessed the **fscamymoney website**	66 543
Impressions	The number of times the content was viewed, including multiple views from individual users.	528 432
Viewing Rate	The number of viewers who watched a video for a specific duration. (duration means, period, for example, 1-3 February 2025, i.e. length of the campaign)	1 006 225
Number of webinar participants	Actual attendees of webinar as per register (form based or electronic)	3 433
IN-PERSON		
Number of activities	As per the FEP schedule	545
Number of participants	As per the registers	35 300
Increased awareness and knowledge	Average difference between pre- and post-assessments	9%
RADIO, TV, PRINT		
Radio Reach – RAMS	Listenership Numbers as per Independent Assessment (eg BCRSA)	47 471 854
TV Reach – TAMS	Viewership Numbers as per Independent Assessment (e.g. BCRSA)	11 439 430
Circulation	Readership Numbers as per Independent Verification Agency (ABC)	31 488 990

Research, monitoring and evaluation

We commissioned two research studies and nine monitoring and evaluation reports to assess the impact and effectiveness of its financial education initiatives.

The longitudinal study, which was conducted to determine the impact of the National Treasury Financial Literacy Speech Competition since its inception in 2016, revealed that the initiative has significantly enhanced financial literacy, confidence, and aspirations among Grade 11 learners from disadvantaged schools. Participants demonstrated increased knowledge of financial concepts, enhanced research and public speaking skills, and exhibited long-term behavioural changes, including improved financial planning and a growing interest in entrepreneurship. Parents also reported positive academic and personal development in their children, and many became more mindful of their own financial decisions. However, the study also highlighted ongoing challenges, particularly digital access, resource constraints, and communication gaps, which limit broader participation and sustained impact. These findings underscore the competition's success while calling for strategic improvements to ensure long-term sustainability and inclusivity.

The Digital Financial Literacy and Education Feasibility Study was commissioned to assess the viability and impact of digital platforms in delivering financial education across South Africa. The study confirmed that digital tools such as mobile apps and e-learning platforms are effective in improving financial literacy, especially among youth and urban populations. However, it also highlighted ongoing challenges related to digital access in rural and low-income communities. Key outcomes included:

- Strong consumer interest in digital financial education.
- High engagement and learning retention through interactive, mobile-first platforms.
- A need for targeted strategies to ensure inclusivity and bridge the digital divide.

These insights will guide our future digital education initiatives, ensuring they are accessible, impactful, and aligned with national financial inclusion goals.

In addition to the feasibility and longitudinal studies, we conducted independent monitoring and evaluation of our consumer financial education initiatives. A total of nine M&E reports were completed, covering key programmes including the National Financial Literacy Speech Competition, Money Smart Week South Africa (MSWSA), Financial Literacy for Students in Tertiary Institutions, Grade R Speech Festival, Investor Education Project, Money Management and Debt Counselling Campaign, Financial Literacy for People with Disabilities (Visually Impaired and Deaf Communities), and the Expanded Public Works Programme (EPWP).

These evaluations provided critical insights into programme effectiveness, reach, and areas for improvement, supporting evidence-based decision-making and continuous enhancement of our consumer education strategy.

Research, monitoring, and evaluation reports are accessible via www.fscamymoney.co.za

Resource development

During the year under review, we refined our content strategy to prioritise short, accessible, and impactful financial education content. This approach ensures that financial literacy remains a continuous and evolving conversation, rather than being confined to the duration of specific projects or campaigns. The content is now tailored to specific target audiences for greater relevance and effectiveness, and is delivered through a variety of bite-sized formats, including infographics, short videos, interactive quizzes and polls, social media carousels, SlideShare, and micro-articles. These formats are distributed across multiple channels to maximise reach and accessibility, including:

- The dedicated consumer education website
- BazingaBiz business simulation app
- Social media platforms
- Community outreach programmes
- Partner networks and events

Our MyMoney Learning Series, a peer-to-peer financial education programme originally launched in 2019, is currently being updated to reflect legislative changes and the evolving economic landscape. Designed to be inclusive of the blind, partially sighted, deaf, and hard of hearing, the updated series will expand on its original five themes and 31 subtopics to include new content on: navigating and managing debt, the Two-Component System retirement system, running a business, money and travel and building financial confidence. All educational resources remain freely accessible via our consumer education website, supporting our commitment to inclusive, ongoing financial literacy for all South Africans.

All resources are available on the dedicated consumer education website, www.fscamymoney.co.za.

National Financial Literacy Speech Competition

The 2024 iteration of the National Financial Literacy Speech Competition was implemented in a hybrid format, with the schools and district rounds being run virtually, while the provincial finals and national final were in-person events. The competition has the following objectives:

- Promoting financial literacy in schools, with a focus on budgeting, savings, investments and consumer rights;
- Creating awareness of the need for financial planning and management;
- Promoting careers in the financial services industry; and
- Encouraging entrepreneurship.

The competition is open to Grade 11 learners from quintile 1, 2, 3, and 4 schools (low or no-fee paying schools). The 2024 iteration saw the participation of 4 718 learners, and the 2024 National Final was successfully held in Johannesburg on 4 October 2024. The nine provincial winners, their teachers, and provincial education officials from all provinces were transported to the venue and accommodated for two nights.

The top three learners at the final were:

Position	Name	School	Location	Prizes
Winner	Alizwa Mihlali Luna	Nombuso High School	Nzimakwe, KwaZulu-Natal	• R80 000 investment prize • Bursary to the value of R550,000 • Tablet and data
1st runner up	Karabo Mohlabanyana	Teto Senior Secondary School	Thabong, Welkom, Free State	• R60 000 investment prize • Bursary to the value of R550 000 • Tablet and data
2nd runner up	Karabo Relebogile Johanna Mashego	Esther Maleka Comprehensive	Marble Hall, Limpopo	• R50 000 investment prize • Bursary to the value of R550 000 • Tablet and data

The 2025 edition of the competition will once again be open to all Grade 11 learners, irrespective of the subject stream they are doing. In addition, the competition will employ a more rigorous publicity and communication strategy to further increase the participation rate.

The Grade R Financial Literacy Speech Festival was conceived as a pilot initiative to introduce foundational financial literacy concepts to young learners in an engaging and developmentally appropriate manner.

The purpose of the project was to lay the groundwork for lifelong financial awareness by combining practical money management skills with opportunities for creative expression and confidence-building through public speaking.

By embedding these elements into the Grade R curriculum, the festival aimed to support early childhood development while fostering essential life skills from an early age.

The M&E report revealed that the Grade R Financial Literacy Speech Festival demonstrated strong educational value in achieving its intended goals. Through interactive speeches and play-based activities, participants demonstrated an age-appropriate understanding of money, budgeting, and saving, while also gaining confidence and developing communication skills. The festival aligned well with early childhood development objectives and was praised for its seamless integration into the Grade R learning environment.

While the event was widely commended for its creativity and positive learner engagement, challenges were noted with perceived fairness in adjudication and language inclusivity. The 2025 iteration of the festival will address these challenges by ensuring broader acceptance and successful expansion to all districts in Gauteng. The overall response from educators, parents, and stakeholders affirmed the festival's potential as a sustainable, impactful initiative for promoting financial literacy from an early age.

Overall winners of the speech festival

Position	Name	School	Prizes
Winner	Rachel Gumbi	Rosneath Primary School	• R3 000 gift voucher • Trophy • Personalised certificates • Goodie bag
1st runner up	Khanyisile Nhlapo	Selborne Primary School	• R2 000 gift voucher • Trophy • Personalised certificates • Goodie bag
2nd runner up	Mienkie De Bruin	Die Poort Primary School	• R1 000 gift voucher • Trophy • Personalised certificates • Goodie bag

Financial Literacy for Students in Tertiary Institutions Project

The project's primary objective is to provide students with a foundation for making informed decisions about their daily financial matters, including saving, budgeting, managing debt, investing, credit scores, and planning for their financial future. By integrating financial literacy into student education, we help create a generation that is better prepared to manage money, avoid debt, and build wealth responsibly.

The project was executed through interactive in-person seminars, webinars, and financial literacy exhibitions by various financial institutions. The format of the seminars consisted of short presentations followed by a question-and-answer session.

The 2024/25 iteration was conducted in all the provinces. The universities that partnered with the FSCA were Rhodes University, Stellenbosch University, North-West University, University of Free State, University of Johannesburg, University of Limpopo, University of KwaZulu-Natal, Sol Plaatje University, Mpumalanga University and Sefako Makgatho Health Science University. The targeted reach was 5 000 students. This target was exceeded by 946.

Central to the project's success was the collaborative approach, where we invited key stakeholders to participate in the financial literacy open days, which took the form of exhibitions where various financial institutions exhibited their services and interacted with students at all the targeted universities. Different stakeholders such as the SARS, National Credit Regulator (NCR), Credit Bureau Association (CBA), and the all Credit Bureaus, Council for Debt Collectors (CDC), Johannesburg Stock Exchange (JSE) Association of Saving and Investment South Africa (ASISA), Office of Provincial Consumer Affairs, National Financial Ombud (NFO), South African Banking Risk Centre (SABRIC) were invited to the exhibition and students were allowed to interact with and access services offered by these institutions.

Financial Literacy for the People with Disabilities (Visually Impaired and Deaf Communities)

We continued our partnership with the Mpumalanga Association for the Blind and Rehabilitation (MBA), focusing on individuals with disabilities, including the visually impaired and deaf communities.

In total, 24 workshops were conducted in Mpumalanga, Gauteng, North West, Free State, and Limpopo, as per the following breakdown:

- Visually Impaired – 20 workshops, reaching 204 participants
- Deaf Communities – 4 workshops, reaching 42 participants

EPWP Financial Literacy Project

We continue to play a crucial role in supporting financial literacy workshops for participants in the Expanded Public Works Programme (EPWP). Financial literacy skills are essential to the participants in order to make informed choices when buying financial products and services. The workshops also help them to maximise the impact of their stipends and social grants, which ultimately assist in improving their overall financial well-being.

This is our second year of our renewed three (3) inter-government partnership with DPWI to reach 30 000 by 31 March 2026.

During the year under review, DPWI facilitators conducted 524 workshops and reached 20 598 participants.

The EPWP project continues to show success and has already exceeded its three-year target by 2 065 in its second year of implementation.

Enhancing market integrity

Central clearing and reporting

In line with its G20 commitments, the FSCA and the PA have been developing a draft framework for mandating central clearing in South Africa. The FSCA and the PA formed a working group that conducted research into how other jurisdictions have mandated central clearing of certain OTC derivative transactions and have unpacked the South African framework, especially Regulations 4(1) and 4(3) of the FMA Regulations, 2018. The FSCA and the PA have included their work in a draft Discussion Document that will be published for public comment during quarter 3 of the 2025 financial year.

Trade Repository

The FSCA received an application from Strate (Pty) Ltd for a trade repository licence on 16 February 2024. In line with Section 54(4) of the Financial Markets Act, 2012, the application was published for public comments. No comments or objections were received during the consultation period, and the FSCA subsequently finalised its assessment of the application.

On 9 July 2025, the FSCA's Licensing Executive Committee approved the application, and on 21 November 2024, Strate was formally licensed as a TR by the FSCA, with the concurrence of the Prudential Authority (PA) and the South African Reserve Bank (SARB). Strate is currently working with the licensed OTC Derivative Providers (ODPs) to operationalise the TR. Ongoing discussions are focused on regulatory requirements and the adoption of international best practices, including reporting standards such as the European Market Infrastructure Regulation (EMIR) and the regulatory fitness and performance programme (Refit) standards.

Assessments for Financial Market Infrastructures

JSE Clear (Pty) Limited (JSE Clear)

The FSCA has completed its assessment of JSE Clear and a draft report has been taken through the governance structures of the FSCA. The PA is undertaking a similar process of taking the report through its structures for approval. JSE Clear's adherence to the Principles of Financial Market Infrastructures (PFMIs) will be assessed and the report will be published on the relevant authorities' websites once finalised.

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JSE Limited (JSE)

The FSCA and the Prudential Authority have jointly assessed the JSE's adherence to the PFMIs. Following engagements with both the JSE and the PA on issues raised in the PFMI Assessment, the FSCA team is finalising the assessment and will recommend the report for approval by the FSCA's Exco. A memorandum is being prepared for submission to the FSCA's Supervision and Enforcement Committee for approval, with the publication of the PFMI Report for the JSE expected in the first quarter of 2025/26.

Supervision work

Supervision and oversight of ODPs continued throughout the year. This process has provided many positive insights into the operational processes and risks associated with ODPs. The objective is to promote greater transparency in OTC markets regarding critical issues, such as pricing, margining, market exposure, leverage ratios, instruments traded, cybersecurity, and transformation. A more structured OTC market will enhance the FSCA's ability to regulate market conduct more effectively.

The Authorities are also proposing to expand the list of eligible collateral types that may be used to meet initial and variation margin requirements in financial markets. The Joint Standard currently permits only cash and gold as the eligible collateral types. In December 2022, South African central government bonds with a qualifying credit rating were added to the list of acceptable eligible collateral types.

On 5 May 2025, the Authorities published Joint Communication 1 of 2025, confirming via their respective websites that the Joint Standard now permits additional asset types as eligible collateral. These expanded assets include US government bonds, European Central Bank government bonds, and United Kingdom government bonds. All assets must have a credit rating issued by a registered South African credit rating agency.

This expansion is informed by the outcomes of public consultations and is intended to provide financial institutions with greater flexibility in meeting their margin requirements.

The overarching objective is to enhance market liquidity and improve the overall efficiency of financial markets.

The determination also introduces risk management measures for the use of non-cash collateral, in line with the Joint Standard. These measures intend to mitigate risks inherent in accepting non-cash collateral.

A key finding of the Financial Sector Assessment Programme (FSAP) was the absence of a capital framework for the non-bank ODPs. While bank ODPs are subject to the rigorous Basel capital framework, the lack of an equivalent framework for non-bank ODP results in inconsistent methodologies for calculating capital requirements. This regulatory gap could potentially incentivise a shift toward the less stringent regime, undermining the integrity and resilience of the overall system.

The Joint Markets Working Group, established by the PA and the FSCA under the auspices of the Financial Markets Implementation Committee (FMIC), has initiated discussions with the PA's Risk, Policy, Capital, and Accounting areas. The objective is to develop a project aimed at implementing a capital framework for non-bank ODPs. As an initial step, a reporting framework for non-bank ODPs will be introduced. It will be essential to progressively define the capital requirements by leveraging relevant elements of the Basel framework, while also taking into account the distinct business models and operational characteristics of non-bank ODPs.

A dedicated working group, comprising representatives from the FSCA and the PA, was established and spent two weeks analysing the diverse business models of the non-bank ODPs, with particular attention to entities operating within larger financial groups. Following this, the team issued an RFI questionnaire to the non-bank ODP industry. The questionnaire covered a broad range of topics designed to help develop a comprehensive industry profile. These included key risk exposures, size of the industry, commonly traded products, and existing risk mitigation practices. All responses to the RFI have been received. The FSCA team has consolidated the findings and also shared them with the PA for input. The research is currently undergoing a thorough review to identify any material gaps or inconsistencies before proceeding to the next phase of the project.

Financial Markets Act Review

The FSCA, together with colleagues from the PA, SARB, NT, and NPSD, were part of a working group, led by NT, to effect changes to the existing Financial Markets Act, in line with the policy paper of NT titled "Building Competitive Financial Markets for Innovation and Growth".

The FSCA has commented on multiple versions of the Bill and shared its comments with the National Treasury for consideration. The FSCA and National Treasury had a workshop to discuss the comments made by the FSCA. National Treasury indicated that the next steps would hopefully include publishing the Bill for public consultation.

In the market infrastructure area, we conducted an on-site inspection of the affairs of the JSE. The review focused on how the JSE discharged its regulatory responsibilities as a licensed exchange and Self-Regulating Organisation (SRO). The reports on the inspections are being finalised.

We will conduct supervisory inspections based on the reviewed priorities identified and documented in the supervisory plan. We will also implement a combination of theme-based inspections and general reviews.

OTC Derivative Providers (ODPs)

The OTC Markets, Issuers, and Intermediaries department continued its on-site supervisory inspection programme.

The inspections focused primarily on assessing the Risk Management processes, procedures, and controls that the ODPs have in place for monitoring and ensuring compliance with the requirements of the FMA Conduct Standards 1 and 2 of 2018, specifically with respect to portfolio compression, portfolio reconciliation, and the safeguarding of collateral. Further, the inspections also focused on financial soundness and demonstration of a full trade life cycle. The following areas of concern were among those that were prevalent across the ODPs that were reviewed:

- Generally high levels of leverage ratio in comparison to other jurisdictions.
- Unfair treatment of interest on client accounts' positive balances.
- Lack of transformation, particularly at the senior management level, where the demography represented is predominantly "white males".
- Limited and disproportionate implementation of the succession plan to the disadvantage of designated groups.
- Lack of independence in the controlling body.
- Inappropriate composition of the Controlling Body's Audit, Risk, and Compliance Committees.
- Lack of proactive alerts sent to clients to notify them of margin account refunds.

We will continue engaging the ODPs to address the identified areas of concern. We will also be engaging the industry specifically on the issue of leverage ratio as this is an industry-wide risk issue.

On a separate matter, the department has noted an increasing trend and number of ODPs voluntarily terminating their authorisation for various reasons, with alignment with the strategic direction of the group company being a common one.

Credit rating agencies

On 8 October 2024, the Authority approved CARE Ratings South Africa (Pty) Ltd (CARE Ratings-SA) to operate as a licensed credit rating agency. SAR was licensed to conduct and issue credit ratings on corporate bonds, sovereign ratings, financial institutions, structured finance, and green & sustainability linked bonds.

In October 2024, the Authority exempted Sovereign Africa Ratings (Pty) Ltd (SAR) for three years from the requirement to submit Audited Financial Statements required in terms of Section 15(2) and Section 17(1), (2) and (3) of the Credit Rating Services Act, 2012. The exemption was subject to the condition that SAR must submit detailed management reports (including an income statement and a balance sheet). Furthermore, the detailed management reports must undergo an independent review in accordance with Regulation 29(4) of the Companies Regulation, 2011.

On 25 March 2025, Standard & Poor Global Ratings Europe Limited South Africa Branch ("SPGRE-SA") was partially exempted in respect of the FSCA Levy, fully exempted in respect of Ombud Council Levy in terms of Section 11 (1) (a) of the Financial Sector and Deposit Insurance Levies Act, 11 of 2022.

Regulatory developments and a draft regulatory framework:

We have participated in various structures to develop policies to enhance compliance with our regulatory requirements.

- Development of a roadmap for implementing a central clearing framework in South Africa: Regulation 4(1) of the FMA Regulations empowers the FSCA, with the concurrence of the PA, to determine eligibility criteria for OTC derivative transactions to be subject to mandatory central clearing, and to develop additional mandatory clearing requirements applicable to other categories of OTC derivative transactions, as may be necessary. The Authorities aim to publish a joint discussion document to industry to solicit comments on the proposals by the Authorities in the third quarter of this financial year

- Development of an equivalence framework for external trade repositories, external central counterparties and external central securities depositories: In terms of the FMA, an external TR or external CCP may apply to be licensed as such or apply for an exemption from the provisions of a section of the FMA, including the requirement to be licensed. As a prerequisite for an external TR or external CCP to be licensed, or for an external market infrastructure to apply for an exemption from the provisions of a section of the FMA, or for an external Central Securities Depository (CSD) to be a participant in a domestic CSD, such external market infrastructure must be based in an equivalent jurisdiction. The FSCA published the draft equivalence framework and the draft determination requirements for public comment on 25 September 2023, with a comment period that ran until 20 November 2023. The PA and the FSCA have finalised the draft joint exemption criteria and published it for comment on 1 November 2023, with the comment period running until 30 November 2023. The period for commentary was extended until the end of December 2023, and the Authority submitted the Joint Standard to National Treasury with a request to submit it to Parliament. The Joint Standard has not been formally presented to Parliament.

- Development of a Conduct Standard for Market Infrastructures: The introduction of competition among market infrastructures, for example, exchanges listing common securities and admitting common authorised users and multiple central securities depositories wanting to operate in South Africa has led to competition. Global and local competitiveness of local markets is one of the objectives of the FMA. The lack of cooperation and interoperability between market infrastructures is causing the new entrants to struggle to comply with their licence conditions as well as to be sustainable in a demanding environment, which is also dominated by a few, if not one large player. To address the issues of market fragmentation and interoperability, the FSCA has amended the previous draft Conduct Standard for Exchanges and expanded the scope to include other Market Infrastructures.

- The draft Conduct Standard sets out requirements for market infrastructures' rules, general requirements when entering into cooperative arrangements with other market infrastructures, and aligns with the IOSCO Principles for PFMIs. The draft was published in the second quarter of 2024 for comment. The FSCA received multiple comments from various commentators and is in the process of finalising its consultation matrix.

- Development of a Joint Standard for Financial Market Infrastructures Recovery Plans; The Authorities have published the draft Joint Standard and the draft joint guidance notice for public consultation in June 2024. The Authorities have completed their joint consultation report and are taking the Joint Standard through its Governance Processes with the request to table the Joint Standard with Parliament.

- Development of a draft Conduct Standard on Short Selling: – Currently, the regulatory framework in South Africa does not prescribe requirements for the reporting and disclosure of short sales on the trading platforms of licensed exchanges. Greater disclosure will help deter market abuse and reduce the risk of disorderly markets posed by short sales. In addition, a regulatory framework will provide early warning signs of a build-up of significant short positions, thereby alerting the Authorities to potential market abuse or emerging systemic risks. The FSCA published a revised version of the draft Conduct Standard for a second time on 28 March 2025 for public comment. The comment period ended on 19 May 2025, and the FSCA is in the process of working through the comments received to finalise the draft soon.

- Development of a Conduct Standard stipulating requirements for Securities Financing Transactions (SFT) Participants engaging in SFTs: – Securities financing activities by market participants, including asset managers and fund managers, can cause financial stability risks. The increasing need for the protection of investors and consumers of financial products, therefore, necessitates the need for formal regulation of securities financing activities in the South African markets as it is currently unregulated. As a first phase, the Conduct Standard will be limited to listed securities only. The draft also incorporates the SLB requirements for pension funds. Exco required an engagement with the PA to discuss whether the PA has any interest in the Standard and whether it should be a Joint Standard as opposed to only a Conduct Standard. The FSCA is awaiting feedback from the PA.

Conduct Standard for Benchmark Administrators - Several project deliverables related to the draft Conduct Standard, which sets out requirements for the provision of a Benchmark project, are being worked on in parallel, including the development of a licensing framework for the provision of a benchmark. The draft licensing requirements were published for public comment in 2024, and the FSCA has considered all of the comments received and amended the requirements accordingly. These amendments were not substantial, and the draft framework will be taken through the FSCA's governance processes with a request to make the standard final.

On 30 July 2024, the FSCA published a discussion document titled "FSCA Discussion Document – Determination of an Index and Thresholds for Critical and Significant Benchmarks." This discussion document aimed to publicly consult on –

(a) the proposed determination of an "index" in terms of the FSR Act; and
(b) the proposed thresholds for critical benchmarks and significant benchmarks, as enabled through the Draft Conduct Standard (under development).

Comments received centred around the revised scope of the EU Benchmarks Regulation (BMR): The EU is currently reviewing the scope of the EU BMR. The final proposals seek to significantly reduce the regulatory scope of the EU BMR to (1) critical benchmarks and (2) significant benchmarks and (3) EU label benchmarks for EU and non-EU benchmark administrators, and will exclude non-significant benchmarks from the framework altogether; the implications of the changes in the EU BMR for the South African market and its impact on SA's qualification for a third county equivalence assessment; the need for an equivalence framework (including recognition and endorsement regimes as proposed) for foreign benchmark administrators that administers benchmarks used by South African benchmark users; and guidance on calculation of thresholds and reporting by benchmark users on the assets under management (AUM) for purposes of usage value calculations. Guidance from Exco was also sought on these issues at the last Exco Policy meeting, and Exco agreed to follow a narrower approach in line with the revised EUBMR. The way forward now includes revisiting the draft Conduct Standard for benchmark Administrators to incorporate the new narrow approach in line with the Exco decision.

Cessation of the Johannesburg Interbank Average Rate (Jibar) and transition to the South African Rand Overnight Index Average (Zaronia).

The FSCA, as a member of the Market Practitioners Group (MPG), through the Governance Workstream, is considering the legislative impact that the Jibar cessation and transition to Zaronia will have on various sets of legislation and regulatory instruments. The Governance Workstream has compiled a report outlining all the legislative impacts that will require amendments to facilitate the transition from Jibar to Zaronia. Of importance is the need to include safe harbour requirements/provisions to deal with tough legacy contracts and complex credit agreements. An external legal opinion was obtained jointly by the FSCA (Governance Workstream) and the SARB (Legal Workstream), which confirmed that the safe harbour provisions will need to be housed in primary law and not in benchmark regulations as originally proposed.

The PA and the FSCA established a joint working group to address supervisory aspects of the transition and to encourage financial institutions to prepare in advance for the transition. The PA and FSCA compiled a joint communication, which was published on the website of the Authorities and shared with the relevant Financial Institutions via email, to encourage them to prepare in advance to address aspects of the transition and its impacts.

The FSCA and the SARB sent a joint letter to the National Treasury on 6 November 2024 to inform the National Treasury of the importance of the safe harbour requirements and the need for amendments to the FSRA to take place on an urgent basis, as it will have an impact on the transition timeline published by the MPG. The National Treasury has agreed to facilitate the amendments to the FSRA through an urgent Omnibus Bill and colleagues from the FSCA's Regulatory Frameworks Department, Office of the General Counsel, Market Integrity Decisions Sciences Division, and the South African Reserve Bank are working on proposed wording and drafting proposals that will be sent to National Treasury for consideration in due course.

Implementing a robust regulatory framework

The FSCA continues to play a substantial supportive role assisting National Treasury to progress important pieces of primary legislation such as the Conduct of Financial Institutions (COFI) Bill and the Financial Markets Act Review. Work relating to both these pieces of primary legislation progressed well during the reporting period.

The FSCA also continued to review its regulatory frameworks to ensure they remain robust, effective, and aligned with international standards, thereby supporting and enabling the FSCA to fulfil its legislated objectives and functions. The review and prioritisation of strategic regulatory framework initiatives were set out in the 2024 FSCA Three-Year Regulation Plan (April 2024 – March 2027) (2024 Regulation Plan), which was published on 3 July 2024.

The FSCA successfully implemented the 2024 Regulation Plan for the reporting period, and key achievements are discussed below.

Strengthening conduct and fair treatment of financial customers

One key focus of the Regulation Plan is to improve conduct within the financial sector, ultimately ensuring that financial institutions treat their financial customers fairly. In the retirement fund environment, this entailed improving transparency in the retirement fund sector through enhanced regulatory reporting,[2] supporting the implementation of the Two-Component System and strengthening the framework regulating pension fund benefit administrators.[3] In the CIS environment, there was a focus on addressing gaps in the sector identified through South Africa's most recent Financial Sector Assessment Programme.[4] Further, in the insurance environment, conduct risk within the insurer outsourcing space was mitigated through the introduction of Joint Standard 1 of 2024 – Outsourcing by insurers.[5]

2 For example, the final FSCA Prudential Standard 1 of 2024 (RF) – Regulation 28 quarterly reporting requirements for pension funds was published on 2 April 2024. In addition, work focused on finalising other regulatory reporting requirements progressed well, such as the enhanced annual audited financial reporting framework.

3 In this regard, FSCA Conduct Standard [-] of 2024 (RF) – Conditions prescribed in respect of pension fund benefit administrators was submitted to National Treasury on 13 December 2024 for onforwarding to Parliament.

4 For example, on 13 December 2024, the draft Conduct Standard – Requirements for CIS Managers was submitted to National Treasury for onforwarding to Parliament.

5 The final Joint Standard was published on 17 May 2024.

The focus on strengthening conduct also entailed progressing various cross-sector/cutting interventions focused on improving the culture and corporate governance of financial institutions, enhancing the standard of consumer education, and ensuring financial institutions appropriately manage operational risk, specifically in the IT context, to ensure the sustainability of financial institutions and mitigate risks to financial customers brought about by e.g. insufficient cyber security and resilience. Some of the cross-cutting regulatory framework developments include Joint Standard – Governance; draft Conduct Standard – Providing Financial Consumer Education Initiatives;[6] and Joint Standard – Cyber Security and Resilience Requirements[7].

Additionally, the COFI Bill transition project, as outlined in previous Regulation Plans, progressed well during the reporting period. Informal consultations on some of the themed frameworks took place during the reporting period, and these types of consultations will continue throughout the next reporting period.

The COFI Bill transition project remains one of the highest regulatory framework priorities, as the frameworks developed through this process will serve as the backbone of the future conduct framework under the COFI Bill and will be critical in ensuring improved conduct within the financial sector.

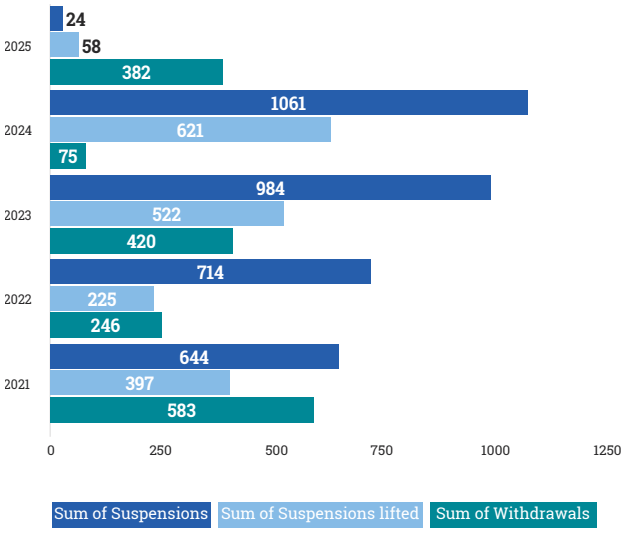
Enforcement

Our approach is to ensure visible, meaningful and procedurally fair action against those who pose a risk to the fair treatment of financial customers and the efficiency and integrity of the financial system. This robust enforcement approach boosts our ability to protect financial customers and diligently pursue transparent and effective administrative action against offenders.

Number of investigations between 2023 to 2025

As at 31 March 2025, we opened 767 (2024: 483) new investigation cases, finalised 633 and have 494 ongoing cases. The majority of the investigation cases relate to unregistered financial services and unregistered insurance business. The number of cases involving unregistered insurance business alone rose by more than 134% compared to the previous year. Enforcement interventions included 51 administrative penalties, 131 debarment orders and 14 enforceable undertakings. The majority of the enforceable undertakings relate to unregistered insurance, and most of the debarments involved dishonest conduct.

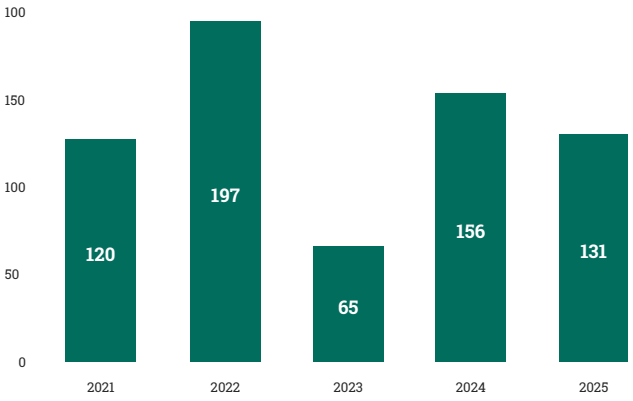
Suspensions, suspensions lifted and withdrawals of licences



6 The final Conduct Standard was published on 26 March 2025.
7 The final Joint Standard was published on 17 May 2024.

During the year under review, 24 licences were suspended. In the same period, 383 licence withdrawals were effected while 58 licences were reinstated. This shift is primarily attributed to the process cycle for suspensions and withdrawals related to the non-submission of statutory returns, which spans across two reporting periods. Over 90% of the licence withdrawals in 2024/25 were due to the non-submission of statutory returns. The remaining withdrawals were linked to serious misconduct, such as the submission of false claims and policies and engaging in financial services activities with unauthorised entities.

Number of debarments between 2021 to 2025



During the year under review, 131 individuals were debarred from rendering financial services, primarily due to dishonest conduct, most notably the submission of false policies by representatives. This form of misconduct, which was prominently highlighted in the 2023 report, remains a key regulatory concern.

The FSCA remains steadfast in its commitment to enforcement actions that uphold integrity, accountability, and trust within the financial sector. The observed decline in the number of debarments is largely attributed to targeted interventions, including the imposition of longer debarment periods and the increased public visibility of debarment actions.

Collaboration

During the reporting period, we collaborated on 34 matters with international counterparts in terms of bi-lateral and multi-lateral MoUs. In addition, we also collaborated with several other domestic enforcement agencies including the Hawks and the NPA.

Procurement

Our procurement processes are governed by the Constitution, Supply Chain Management Policy, Public Finance Management Act, No 1 of 1999, Preferential Procurement Policy Framework of 2000, Preferential Procurement Regulations, 2022 and the Treasury Regulations. The procurement process achieves value for money for our stakeholders. During 2024/25, 26 competitive bidding procurements were conducted with a total procurement spend of R234 million.

Corruption risks are mitigated through competitive bidding, which enables maximum participation by bidders and provides equal opportunity to all potential suppliers. In promoting transparency, we submitted our annual and quarterly procurement plans to National Treasury in line with our policy.

In addition, we published invitations to submit bids on our website. We published on our website within ten working days of the date of the bid award the name of the successful bidder and the price of the contract.

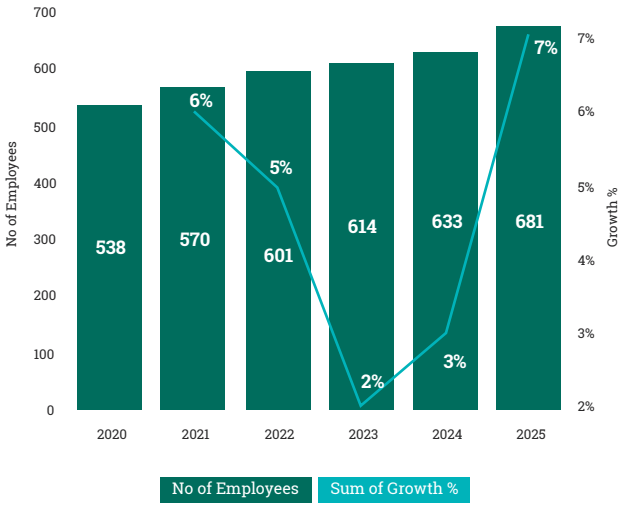
Colleagues at our offices in Pretoria

Developing our human capital

Composition of employees in terms of gender and race

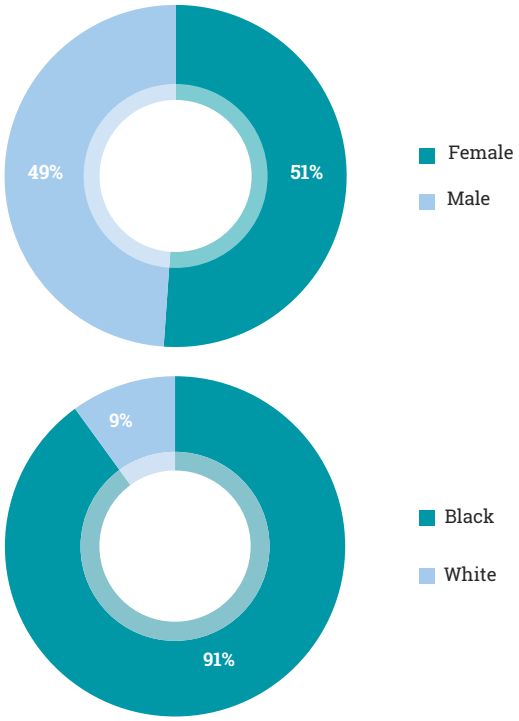
Occupational Level	Band	African		Indian		Coloured		White		M	F	Total
		M	F	M	F	M	F	M	F			
Top management	A	4	4	0	1	0	0	2	2	6	7	13
Senior management	B	9	10	2	1	1	3	3	5	15	19	34
Professionally qualified and experienced specialists and mid-management	C	163	136	2	8	5	12	12	29	182	185	367
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	D	89	74	2	1	7	12	1	2	99	89	188
Semi-skilled and discretionary decision-making	E	28	38	0	2	1	5	0	5	29	50	79
Total	-	293	262	6	13	14	32	18	43	331	350	681
Total headcount in %	-	81		3		7		9		49	51	-
EE targets in %	-	80		3		8		9		50	50	-
Variance from EE targets	-	1		0		-1		0		-1	1	-

Number of employees



Aligned with our strategic goal of building a capable institution, our workforce experienced a 7% growth, increasing from 633 to 681 employees. This expansion signifies our commitment to ensuring sufficient capacity to effectively address the diverse demands of our stakeholders. Additionally, it underscores our dedication to fostering organisational resilience and agility.

A total of 37 employees were terminated during this period. However, we continue to evolve and adapt. We remain steadfast in our endeavors to cultivate a workforce that is not only proficient but also aligned with our strategic imperatives, ensuring sustainability in our growth and excellence in our service delivery.

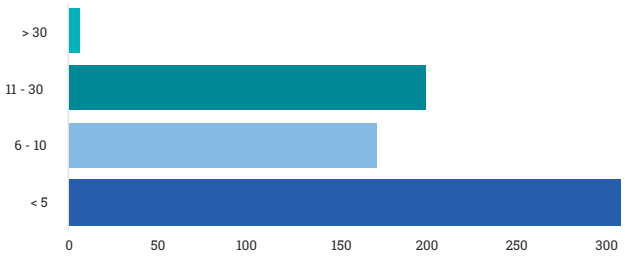


We are dedicated to fostering fair and non-discriminatory employment practices and policies, with a steadfast commitment to identifying and eradicating any instances of unfair discrimination. To gauge our progress towards realising our Employment Equity objectives, the HR Department consistently delivered quarterly updates to the Exco, management, and employees.

Our efforts in promoting gender representativity have resulted in a stable composition, with females comprising 51% and males 49% of our workforce. However, while strides have been made in achieving our race diversity targets, particularly in most demographic groups, we acknowledge a shortfall in meeting the targets for the colored demographic group during the period under review.

Moving forward, we remain resolute in our dedication to fostering an inclusive and diverse workplace where every individual is afforded equal opportunities for growth and advancement, irrespective of gender, race, or any other characteristic.

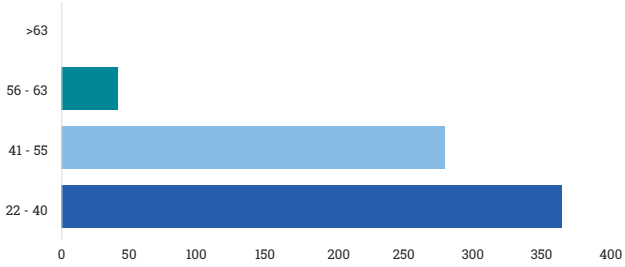
Tenure



In our commitment to maintaining a strong and experienced workforce, we consistently value the contributions of our long-serving employees. Their wealth of experience and organisational knowledge plays a crucial role in our ability to fulfill our mandate effectively. To acknowledge and appreciate their dedication, we provide long-service awards to employees who reach specific milestones of service.

During the reporting period, a total of R1 740 000 was allocated for long-service awards, benefiting 99 employees who have demonstrated their commitment to the FSCA for a minimum tenure ranging from 5 to 30 years. This investment not only recognises their tenure but also reinforces our appreciation for their ongoing contributions to our organisation's success.

Age profile



Most of our workforce falls within the 22- to 40-year age bracket, comprising 363 employees. Our retirement age policy is 63 years. As at 31 March 2025, we had 48 employees who had reached the retirement bracket (55 – 63).

Employee development

We remain committed to the development and empowerment of its employees. During the period under review, 68 training interventions were scheduled,

with a total of 640 employees, including interns and fixed-term contractors, participating. In addition, 157 employees were funded for further studies, with a total of R5 988 356.72 dedicated to formal education.

Women's Executive Leadership Development Programme

Nine employees participated in the Wits Executive Leadership Development Programme, specifically tailored for women in leadership roles. The programme aims to equip female leaders with advanced skills and insights to navigate complex business environments, thereby enhancing leadership impact effectively. The programme successfully concluded with all participants completing the development journey focused on strengthening strategic leadership capabilities and advancing professional growth.

Global Executive Development Programme

Four Departmental Heads successfully attended the GIBS Global Executive Development Programme, which included an international study tour to two countries to explore global best practices. The programme provided valuable insights and learning opportunities, significantly enhancing their strategic thinking, leadership capabilities, and global perspective.

Senior Leadership Development Programmes

We continue to implement leadership development programmes to strengthen our leadership pipeline. Fifteen employees participated in the Senior Leadership Development Programme pitched at National Qualification Framework (NQF 8). The cohort completed the programme, leading to a graduation ceremony held in July 2024. The programme has contributed to the career advancement of some employees who participated in the programme.

Executive Coaching

The executive coaching is tailored to increase leadership effectiveness at an organisational level and to meet the incumbents' personal development goals. The initiative has touched all levels of leadership in order to cultivate a common leadership mindset and foster a common leadership ethos across the organisation. Additionally, the mentorship training has been delivered to equip managers and specialists with the tools to effectively mentor others, particularly young talent emerging through the employment ranks. This intervention helps to engrain our DNA in the new recruits and identified talent.

Internship and Graduate Development Programmes

During the period under review, 15 interns were offered an opportunity to participate in the internship programme, while 13 graduate trainees were enrolled in the graduate development programme. The gender split across both programmes was 60% female and 40% male, reflecting a commitment to gender diversity. In the preceding year, a total of 26 interns were recruited, with a commendable absorption rate of 76%, demonstrating the effectiveness of the programme in preparing participants for employment.

Two graduates were recruited in 2024 to join the ICT Division as part of the capacitation strategy for the digital transformation journey. The ICT graduates are set to finalise their 24 months in March 2026. This programme is strategically aligned with the FSCA's digital transformation initiative, ensuring that participants develop the critical skills required for specialised roles within the organisation. The initiative aims to build a strong pipeline of digitally skilled talent to support future growth and innovation.

Work Integrated Learning Programme

The Work Integrated Learning (WIL) Programme has been introduced to equip students from the university of technology with practical work experience required to complete their respective qualifications. Students have been placed in various support departments from 1 November 2024 to 30 April 2025, as part of their vocational work. By the end of the six months, the students would have gained essential workplace skills and practical knowledge, positioning them for future employment opportunities.

Learnership Programmes

During the period under review, we implemented a 12-month fintech learnership for permanent employees and two unemployed candidates. The programme has concluded, with all participants found competent. Plans to absorb the two unemployed learners are currently being considered. Additionally, an 18-month project management learnership is currently underway, with five unemployed candidates recruited to participate in this skills development initiative. All the aforementioned

initiatives highlight the FSCA's commitment to the government's goals to eradicate poverty and reduce unemployment amongst the youth.

External Bursary Programmes

We demonstrate our social impact through various social responsibility initiatives. During the period under review, bursaries were offered to deserving students from previously disadvantaged groups to study for qualifications deemed relevant, scarce, and critical. The bursary covers direct and indirect study-related costs. Initially, three bursary recipients were supported, two of whom are living with disabilities. One student completed his BSc Actuarial Sciences at the University of Witwatersrand in December 2024 and was appointed as a permanent employee in February 2025.

Two bursary holders with disabilities remain in the programme. To support their professional growth and development, we provide workplace experience and reasonable accommodations during vacation work, fostering an inclusive environment.

Brown bag Sessions

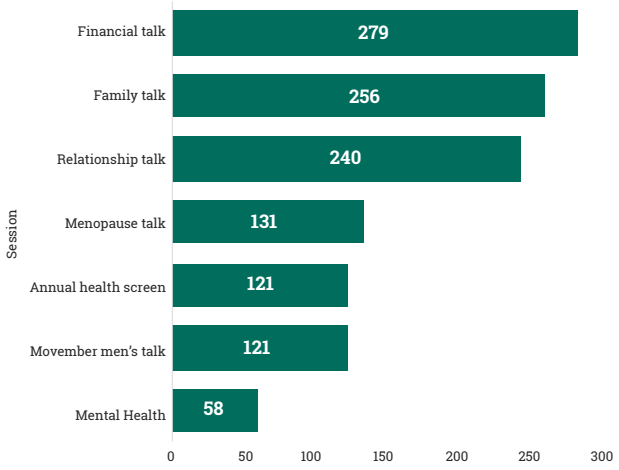
We have introduced brown bag sessions to foster a culture of continuous learning. These sessions provide a platform for encouraging peer learning and sharing information on topical issues. Additionally, learning from thought leaders. Over ten brown bag sessions were held during the period under review. This initiative is an excellent way to ensure staff engagement and connection.

Employee wellness

Two employee wellness weeks were hosted during the year. The first one took place between 15 and 19 April 2024, and a total of 121 employees participated. A further 351 employees attended the second annual wellness session that took place in October 2024.

To complement the employee wellness offering, we have arranged various interventions geared at enhancing awareness and encouraging proactive health management by staff. Additional health screening sessions and talks were arranged and included annual health screens, wellness talks, mental health awareness talks, family talk sessions, financial wellness talks, Movember men's health talks and menopause talks.

Number of employees that participated in wellness activities



Leveraging our intellectual capital

During the past financial year, we have made significant strides in strengthening our intellectual capital through the continued implementation of our digital transformation strategy. We are pleased to report that all financial year targets have been successfully met, marking a significant milestone in modernising our operations and enhancing our data capabilities.

This has resulted in improved integration of business systems, more informed decision-making through real-time data access, and streamlined internal processes. Key enablers, such as the deployment of enterprise-wide data standards and increased automation, have positioned the organisation to better anticipate and respond to emerging risks and regulatory challenges. These advances have not only enhanced our responsiveness but have also laid a solid foundation for future innovation, data governance, and agility.

Information security

Over the past year, we have significantly enhanced our information security posture in response to the evolving threat landscape. A notable achievement has been the strengthening of our multi-factor authentication (MFA) and identity and access management (IAM) systems, both of which now serve as foundational controls in protecting our digital environment.

We have operationalised our approved cybersecurity strategy with a suite of initiatives aimed at improving resilience and ensuring continued compliance with

regulatory and governance standards, including the King IV principles. Enhanced monitoring tools and frameworks have enabled us to detect, assess, and respond to threats in real-time, reducing both exposure and recovery time in the event of incidents.

Through the adoption of a risk-based approach, our cybersecurity maturity has evolved in line with best practices and benchmarks. Our enterprise architecture function continues to play a strategic advisory role, evaluating emerging technologies and supporting the CIO in implementing secure, forward-looking ICT solutions.

Improved operational efficiency

This financial year has seen the full operationalisation of our ICT systems and performance management tools, delivering measurable improvements across service availability, system stability, and responsiveness to threats. Our Security Operations Centre is now functioning at a mature level, providing continuous oversight of cybersecurity activity and enabling faster incident detection and mitigation. Investments in advanced monitoring infrastructure have allowed for real-time performance tracking, ensuring that potential issues are proactively addressed before they impact operations.

Furthermore, we have strengthened our disaster recovery protocols and run multiple successful cybersecurity simulations to test organisational readiness. Continuous staff training has ensured teams remain agile and capable in the face of emerging cyber threats.

Our hybrid work environment has been further optimised through secure collaboration platforms, such as Microsoft Teams, with enhanced data security protocols implemented to protect information across digital channels.

Importantly, the rollout of integrated ERP and CRM systems has already started yielding results. These platforms have enabled centralisation of core business processes and stakeholder engagement, improved operational efficiency, and enhanced service delivery. By unifying data and streamlining workflows, we are now better positioned to respond to regulatory changes and drive our strategic objectives in a rapidly evolving digital landscape.

Protecting our natural and manufacturing capital

Sustainability is deeply embedded in our core values, ensuring it is fully integrated into every aspect of our operations. This commitment is clearly articulated in our Vision and Values statement.
At the FSCA, sustainable facilities management serves as the foundation of our environmental strategy, ensuring that our workplace has a minimal or even positive impact on the natural environment. The FSCA has set a long-term goal to significantly reduce our scope 1, 2, and 3 emissions by 2050 through sustainable initiatives.

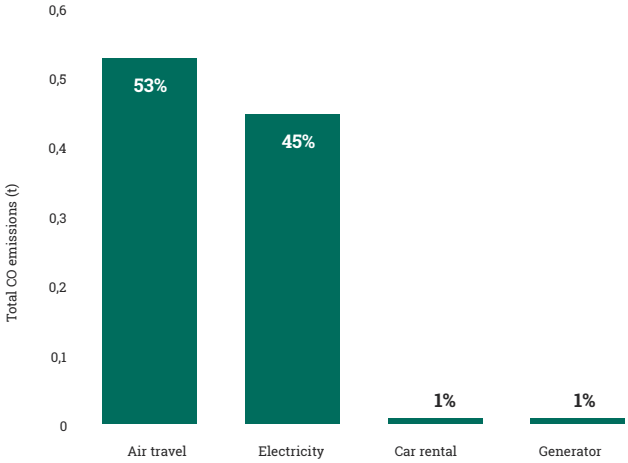
We achieve our sustainability objectives through a series of actionable measures.

- Material Management: We prioritise the reuse and recycling of materials, extending their lifecycle while minimising waste.
- Energy Efficiency: We focus on optimising energy consumption and usage.
- Water Conservation: We implement strategies to reduce water usage, recognising the critical importance of this resource.
- Emission Reduction: Our ongoing efforts to decrease carbon emissions are dynamic and reflect our commitment to a cleaner atmosphere.
- Renewable Energy: The integration of renewable energy sources is a key component of our sustainability agenda, aligning with global environmental goals.

We diligently maintain our assets to ensure they operate safely, reliably, and efficiently. We utilise natural resources to prevent over-exploitation that could harm the environment. We continuously monitor the environmental impact of our operations, striving to reduce electricity and water consumption throughout the year.

We established our emission baseline during the 2023/24 financial year and successfully reduced emissions by 37,7% in the 2024/25 financial year.

Sum of Total CO emissions (t) by source



Diesel, Electricity, and Water Usage

The installation of renewable energy sources, such as solar power, has contributed to a 13,84% KVA reduction in our electricity consumption during the year under review. We continue to monitor electricity usage through smart meters, which allow us to collect and analyse data and implement corrective actions to enhance energy efficiency.

These measures also contribute to improving operational efficiency and reducing operational costs.

We continue to advocate for responsible water usage, monitor water consumption, and promptly detect and repair leaks. Our buildings are equipped with hydroboils for instant warm water, water coolers, and sensor-activated restroom taps. The installation of propelled air toilets has significantly contributed to water savings by using a fraction of the water compared to traditional toilets.

These water conservation efforts have resulted in a remarkable 20% reduction in water usage from 1 076 to 860 during the year under review.

Fuel Consumption

At the FSCA, our operations rely on non-renewable resources, and our emissions and waste have a negative impact on natural capital. Compared to last year's 108 844 liters of fuel utilised, only 11 218 liters were used during the period under review. This is attributed to the reduction of load shedding.

Environmental Protection

We have undertaken various initiatives to mitigate environmental overload, aligning with the objectives of the NDP and the SDGs. Notable activities include shredding and recycling glass, plastic, and paper. Furthermore, we have implemented measures to ensure the safe disposal of batteries and light bulbs, and printer cartridges are recycled through our service provider.

Recycling reduces the volume of waste sent to landfills, effectively minimising pollution and conserving valuable land space. Individual recycling bins are available on all floors for the collection of non-hazardous waste (paper and plastic).
Reducing paper use is one of the key environmental targets of the FSCA. We aim to progressively reduce our reliance on paper-based processes and achieve a paperless operation. This will not only reduce our carbon footprint but will also contribute to saving time and resources. We have procured the services of a company that ensures the secure onsite destruction of our paper-based documentation, which champions sustainability through responsible recycling.

We have recycled 5 509kg of paper, saving 16 579m3 of landfill space.

Environmental compliance

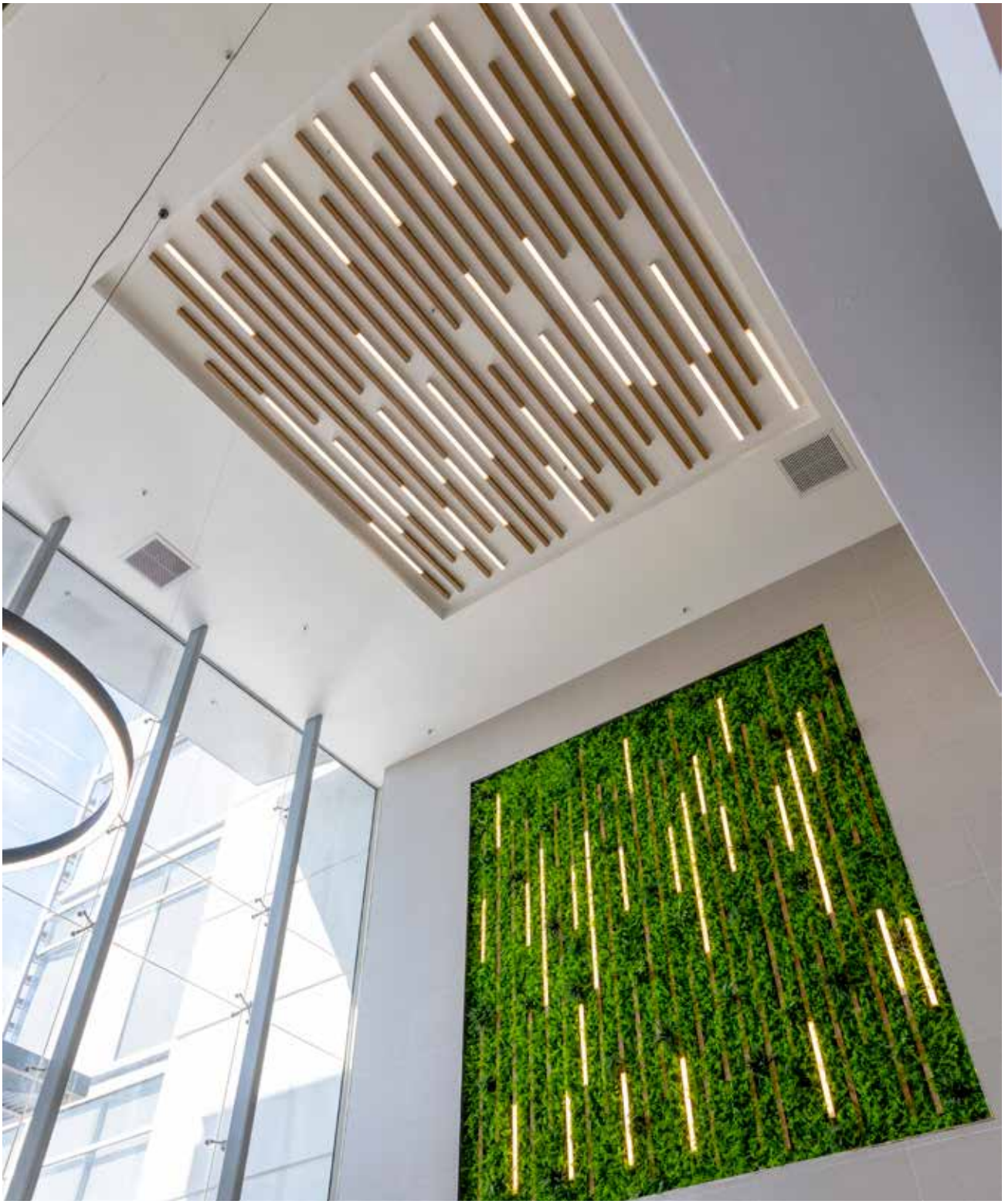
Compliance with all environmental laws, regulations, and standards is non-negotiable. In this regard, we continue to ensure that all generated waste is disposed of in a socially responsible and environmentally safe manner. Also, hazardous and non-hazardous waste is carefully managed to enable appropriate disposal or recycling, where necessary.

Regarding the Occupational Health Service Act (OHSA) and Regulations, the FSCA must ensure and maintain a safe working environment for employees. The provision of a healthy workplace remains a focus area for the FSCA. We contracted the National Occupational Safety Association (NOSA) in 2019 to conduct OHS audits in terms of compliance and governance at the FSCA, reaffirming our commitment to providing a healthy and safe environment for all our stakeholders.

We continued to put a specific focus on statutory appointments, committee compliance, ongoing inspections, training, and induction of all new

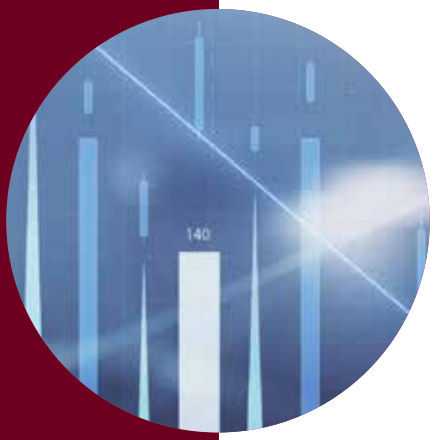
employees. Additionally, we consistently issued quarterly OHS awareness communications to our employees to enhance compliance. Finally, we conducted one evacuation drill during the year under review to improve our emergency management capacity. This helped employees better understand their responsibilities in an emergency.

During the year under review, improvements amounting to R4,2 million were made to our manufacturing capital. These include the acquisition of computer equipment, leasehold improvements, and furniture. These improvements ensure that our manufactured capital is optimally maintained by acquiring fit-for-purpose tools to assist us in executing our mandate.



PART F

Value creating governance



Inside Part F

- Introduction 90
- Governance committees and key activities 90
- Who leads us – the Executive Committee 96
- Remuneration statement 98

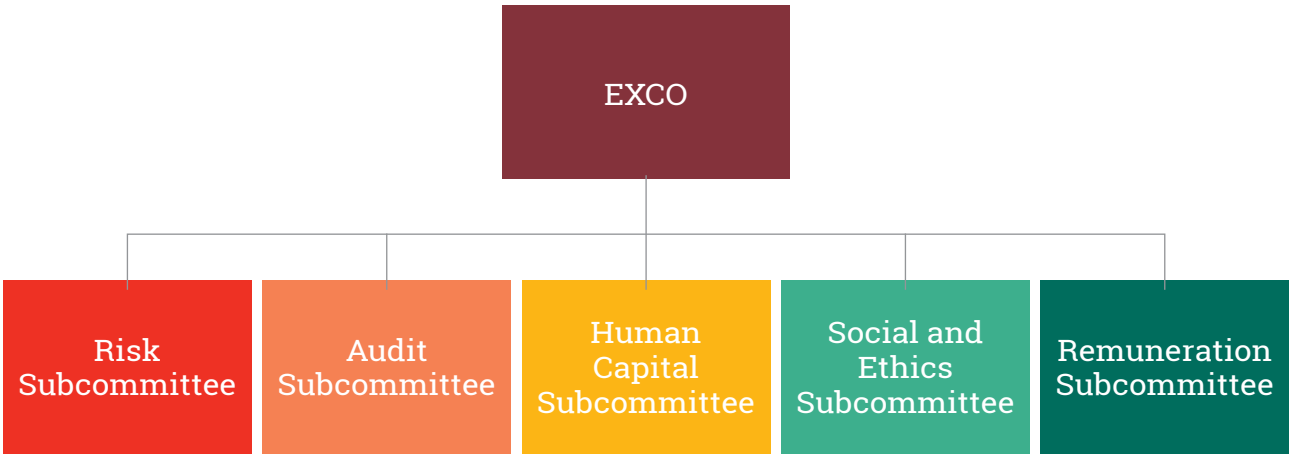
VALUE CREATING GOVERNANCE

Introduction

The FSR Act requires the Director-General of the National Treasury to establish oversight remuneration and risk subcommittees. Additionally, one or more subcommittees may be established, with functions determined by Exco.

We have established audit, remuneration, risk, human capital, social, and ethics subcommittees to review, monitor, and advise on reports from management, and make recommendations to the Exco. These subcommittees also monitor governance standards and assure stakeholders that our business operations are conducted ethically, within prudent risk parameters and in line with best practice.

Governance committees and key activities



Audit subcommittee

As prescribed by the PFMA, an independent Audit Subcommittee was established comprising five external members. The subcommittee provides oversight in respect of financial reporting, internal financial controls, internal and external audits, compliance with legislation, and financial risk management.

The subcommittee has standard terms of reference, approved by Exco, detailing its roles and responsibilities. These are reviewed annually in line with best practice.

Key activities of the Audit Subcommittee during 2024/25 were as follows:

- Confirmed the effectiveness of the entity's internal financial control systems, supported by assurance from management as well as internal and external auditors.
- Reviewed significant issues raised by the internal and external audit process, including how they were resolved.
- Reviewed the policies and procedures to ensure compliance with applicable laws and regulations.
- Reviewed and recommended the internal audit charter for approval by Exco.

- Evaluated the internal and external audit function's independence, effectiveness, performance, and compliance with its mandate.
- Reviewed and recommended the 2025-2026 Mid-Term Expenditure Framework, 2025-2026 Budget, and Materiality & Significant Framework for approval by Exco.
- Reviewed and recommended the Annual Financial Statements and Annual Performance Report for the year ended 31 March 2025 for approval by Exco.
- Reviewed and recommended the 2025-2026 Annual Performance Plan for approval by Exco.
- Reviewed the annual combined assurance reports.
- Reviewed and approved the AC Report for the year ended 31 March 2025.
- Conducted evaluations for the committee's internal and external audit functions.
- Reviewed the TORs and recommended for approval by Exco.

The subcommittee concurs and accepts the audit opinion expressed by AGSA on the annual financial statements and annual performance information.

The subcommittee certifies that it has adopted formal terms of reference as its Audit Subcommittee Charter, that it has managed its business in accordance with this charter, and that it has discharged all of its responsibilities as stated in the charter. Membership and attendance of the Audit Subcommittee were as follows:

The subcommittee consists of independent members with relevant qualifications and experience in financial matters to fulfil their duties. The Commissioner, the Deputy Commissioners, Chief Financial Officer, Chief Information Officer, and Chief Risk Officer are permanent invitees to subcommittee meetings without voting powers. The external and internal auditors attend by invitation. The internal and external auditors have unrestricted access to the subcommittee. The subcommittee met six times during the year under review.

Member	Qualifications	Appointment date	Total meetings	Attendance (%)
Mr Nico Esterhuizen – **Chairperson**	MSc MPhil FCCA ACA CIA	13 September 2021	6/6	100%
Ms Jabu Mogadime	BA MBA Dip Marketing (CIM)	1 April 2018 to 30 June 2024	1/1	100%
Ms Precious Mvulane	BCom (Honours) CA (SA) Diploma in Auditing	1 November 2020	4/6	67%
Ms Lebogang Senne	BCom (Honours) CA (SA) Diploma in General Management MBA	13 September 2021 to 30 November 2024. Reappointed 1 May 2025	3/4	75%
Ms Portia Maluleke	Masters (IT) B Com (Informatics) National Diploma (IT) Leadership Dev Programme - GIBS	26 November 2024	3/3	100%
Prof. Tania Ajam **(ex-officio member-Chairperson of the Risk Subcommittee)**	PhD (Public Management) MA BA (Honours) Economics MBus; BBusSc	1 July 2023	5/6	83%

Remuneration subcommittee

The Remuneration Subcommittee reviews, monitors, and advises Exco on the FSCA remuneration policy. The Director-General appoints members who are external and independent of the FSCA. The subcommittee has standard terms of reference, approved by the Director-General, detailing its roles and responsibilities. These are reviewed every two years in line with the best practice.

Key activities of the Remuneration Subcommittee during 2024/25 were as follows:

- Reviewed and advised on the remuneration aspects and discretionary incentives.
- Reviewed and recommended staff promotions and structural adjustments to Exco, which were ultimately approved.
- Reviewed and advised on the remuneration policies and procedures.
- Considered salary increases - market trends surveys.
- Considered the retirement benefit report and performance report (year-end).
- Reviewed and recommended salary increases and performance bonuses to Exco for approval.
- Evaluated and recommended the budget provisions (salaries, bonuses, incentives) to Exco.
- Approved the remuneration statement for the annual report.
- Conducted peer member evaluations.

Membership and attendance of the Remuneration Subcommittee were as follows.

The subcommittee consists of independent members with relevant qualifications and experience in remuneration matters to fulfil their duties. The Deputy Commissioners and divisional executive: corporate services are permanent invitees to subcommittee meetings without voting powers. The subcommittee met twice during the year.

Member	Qualifications	Appointment date	Total meetings	Attendance (%)
Ms Lerato Molebatsi **Chairperson**	BA (Psychology) Senior Executive Programme Post Graduate Diploma: Rural Development and Management Senior Management Development Programme	1 July 2023	2/2	100%
Prof. Philippus Sutherland	BCom LLB (Cum Laude) PhD	1 July 2023	1/1	100%
Ms Tracy Randall	BCompt (Accounting & Auditing) Secretarial Diploma	1 July 2023	2/2	100%
Ms Vanisha Balgobind	BAdmin (Honours) MA in Industrial Psychology MBL	1 July 2023	2/2	100%
Mr Elvis Thapelo Kharametsane	LLB Certificate in Legislative Drafting, Regulatory Examination (1) Certificate	1 July 2023	2/2	100%

Risk subcommittee

The subcommittee reviews, monitors, and advises on the effectiveness of internal control in managing the risks faced by the FSCA. The Director-General appoints members who are external and independent of the FSCA. The subcommittee has a standard term of reference, approved by the Director-General, detailing its roles and responsibilities. These are reviewed every two years in line with the best practice.

Key activities of the Risk Subcommittee during 2024/25 were as follows:

- Reviewed and advised on risk management policies, framework, strategy, and practices.
- Reviewed and advised on opportunities or risks impacting our ability to achieve organisational objectives and functions.
- Reviewed the design, implementation, and monitoring of appropriate risk responses, including strategic risk reports, emerging risks, ICT security risk updates, litigation risks, compliance risk updates, the regulatory universe, whistleblowing reports, loss events, and insurance claims.
- Reviewed the business continuity framework.
- Reviewed the risk integration and embedding of risk management in business activities.
- Reviewed the management report about sustainability, litigation, ICT, licensing, and retirement funds risks.
- Reviewed and recommended the insurance policies of the organisation for approval by Exco.
- Reviewed and advised on the insurance portfolio renewal and how to address insufficient cover options.
- Conducted committee evaluation.

Membership and attendance of the Risk Subcommittee were as follows.

The subcommittee consists of independent members with relevant qualifications and experience in risk matters to fulfil their duties. The Commissioner, the Deputy Commissioners, the office of General Counsel, the Chief Financial Officer, Chief Information and Chief Risk Officer are permanent invitees to subcommittee meetings without voting powers. The subcommittee met four times during the year.

Member	Qualifications	Appointment date	Total meetings	Attendance (%)
Prof. Tania Ajam **Chairperson**	PhD (Public Management) MA BA (Honours) Economics MBus BBusSc	1 August 2020	4/4	100%
Adv. Veronique Barthus	BA LLB (Adv SA)	1 July 2023	4/4	100%
Mr Velile Pangwa	BCom (Honours) CA(SA)	1 July 2023	3/4	75%
Mr Luyanda Ntuane	BCom PGDipMan Adv Diploma CISSM CGEIT CRISC M.Inst	1 July 2023	4/4	100%
Mr Nico Esterhuizen **(ex-officio member-Chairperson of the Audit Subcommittee)**	MSc Mphil FCCA ACA CIA	13 September 2021	4/4	100%

Human capital subcommittee

The Human Capital Subcommittee reviews, monitors, and advises Exco on the FSCA human capital policies and procedures. The subcommittee has standard terms of reference, approved by the Exco, detailing its roles and responsibilities. These are reviewed every two years in line with the best practice.

Key activities of the Human Capital Subcommittee during 2024/25 were as follows:

- Reviewed and advised on the HR Policies and Procedures.
- Reviewed the human resources and social and ethics quarterly reports.
- Reviewed succession planning policy.
- Monitored employee wellness programmes.
- Closely monitored key appointments.
- Reviewed and advised on the changes to labour legislation.
- Reviewed and approved the employment equity annual report (Department of Labour submission).
- Conducted committee evaluation.

Membership and attendance of the Human Capital Subcommittee were as follows.

The subcommittee consists of independent members with relevant qualifications and experience in human capital matters to fulfil their duties. The Commissioner, the Deputy Commissioners and divisional executive: corporate services are permanent invitees to subcommittee meetings without voting powers. The subcommittee met three times during the year.

Member	Qualifications	Appointment date	Total meetings	Attendance (%)
Ms Lerato Molebatsi **Chairperson**	BA (Psychology) Senior Executive Program Post Graduate Diploma: Rural Development and Management Senior Management Development Programme	1 July 2023	3/3	100%
Prof. Philippus Sutherland	BCom LLB (Cum Laude) PhD	1 July 2023	3/3	100%
Ms Tracy Randall	BCompt (Accounting & Auditing) Secretarial Diploma	1 July 2023	3/3	100%
Ms Vanisha Balgobind	BAdmin (Honours) MA in Industrial Psychology MBL	1 July 2023	2/3	67%
Mr Elvis Thapelo Kharametsane	LLB Certificate in Legislative Drafting Regulatory Examination (1) Certificate	1 July 2023	3/3	100%

Social and ethics subcommittee

The subcommittee reviews, monitors, and advises on the effectiveness of our activities concerning environmental, social, and governance, as well as the sustainability pillars. The subcommittee has standard terms of reference, approved by Exco, detailing its roles and responsibilities. These are reviewed every two years in line with the best practice.

Key activities of the Social and Ethics Subcommittee during 2024/25 were as follows:

- Reviewed the human resources and social and ethics quarterly reports.
- Social and Ethics Quarterly Report, including sustainability issues.
- Report on the ethical conduct of Executives and Senior Officials against the Code of Conduct and Business Ethics.
- Transformation Report (EE Report).
- Report on compliance with the Employment Equity Act and the Broad-Based Black Economic Empowerment Act.
- Climate/Change Readiness Survey.
- Conducted committee evaluation.

Membership and attendance of the Social and Ethics Subcommittee were as follows.

The subcommittee consists of independent members with relevant qualifications and experience in ESG and sustainability matters to fulfil their duties. The Deputy Commissioners, Chief Risk Officer, Chief Financial Officer, and Divisional Executive: Corporate Services are permanent invitees to subcommittee meetings, without voting powers. The subcommittee met four times during the year.

Member	Qualifications	Appointment date	Total Meetings	Attendance (%)
Ms Dudu Msomi – **Chairperson**	BA (Honours) Programme for Management Development MBA Postgraduate Diploma: Corporate Governance Postgraduate Diploma: Advertising and Marketing	1 July 2023 – (Resigned 31 March 2025)	4/4	100%
Dr Phasoane Mokgobu	PhD MBA MAdmin B Admin (Honours) Diploma in Labour	1 July 2023	4/4	100%
Dr Khali Mofoua	PhD MA in Applied Ethics M MPSM BA Public Admin ICA PGDip (GRC) PGDip in Law	1 July 2023	4/4	100%
Ms Suraya Hamdulay	B Social Science B Law GIBS Internal Leadership	1 July 2023	3/4	75%
Mr Unathi Kamlana **(FSCA Commissioner)**	BCom MComm in Taxation MSc in Economic Policy PGDip in Taxation Law	1 July 2023	3/4	75%

Induction of governance subcommittee members

A comprehensive induction programme was conducted to ensure that new Governance Subcommittee members possess the required knowledge of the FSCA's structure, operations, policies, and industry-related issues, enabling them to fulfil their fiduciary duties and responsibilities. We conducted the induction programme for the one new Subcommittee member appointed during the 2024/25 financial year.

Conflict of interest

All Governance Subcommittee members are required by legislation to disclose any actual, potential, or perceived conflict of interest to the governance structures on which they serve during the year and whenever their respective interests change. The secretariat function actively manages the subcommittee declarations at the start of each financial year and keeps a register of any updates reported by members.

Ethical and effective leadership

The governance of ethics is the responsibility of the Exco, supported by the Governance, Risk and Assurance Division, Social and Ethics Subcommittee, and documented in the Code of Ethics. This code outlines the standard of conduct expected of all employees regarding the employer, fellow employees, and service providers.

The Code of Conduct is supported by Whistleblowing and the Fraud and Corruption Prevention Policies. All employees are required to adhere to these policies, which are communicated during employee induction and periodic employee engagement sessions.

Who leads us – Executive Committee

Unathi Kamlana
Commissioner

Academic Qualifications
- MCom in Taxation, Rhodes University
- MSc in Economic Policy, University of London
- Postgraduate diploma in taxation law (HdipTax), University of Witwatersrand
- BCom, Rhodes University

Astrid Ludin
Deputy Commissioner

Academic Qualifications
- MA in International Affairs, Columbia University, New York, USA
- BA Honours in Politics, Philosophy, Economics, York University, York, UK

Katherine Gibson
Deputy Commissioner

Academic Qualifications
- MCom (Cum Laude), University of Natal
- BCom Honours in Economics (Cum Laude) University of KwaZulu-Natal
- BCom, University of Natal

Farzana Badat
Deputy Commissioner

Academic Qualifications
- LLM Coursework (Constitutional and Human Rights Litigation, Internet and E-commerce Law, Bioethics), University of KwaZulu-Natal
- LLM International Law, University of Michigan Law School, Ann Arbor, USA
- LLB (Summa Cum Laude), University of KwaZulu-Natal

Strategic Management Committee

Felicity Mabaso
Divisional Executive: Licensing and Business Centre

Academic qualifications
- BCom, University of Limpopo
- New Managers Programme, Wits Business School
- Executive Leadership Programme, Wits Business School
- Executive Leadership Programme, London Business School

Olano Makhubela
Divisional Executive: Market Integrity and Decision Science Division

Academic qualifications
- MSc in Development Economics, University of London
- BCom Hons (Cum laude), University of South Africa
- BCom, University of KwaZulu-Natal
- LLB, University of Witwatersrand

Gerhard van Deventer
Divisional Executive: Enforcement

Academic qualifications
- LLB, University of Stellenbosch
- BA, University of Stellenbosch
- Executive Leadership Programme, University of Withwatersrand
- ACFE

Jabulane Hlalethoa
Divisional Executive: Corporate Services

Academic qualifications
- MCom in Business Management, University of Johannesburg
- BA Honours, University of Johannesburg
- PGDip (Public Policy & Development Management), University of Witwatersrand
- PGDip (Labour Law - Cum Laude) University of Johannesburg
- Global Executive Development Programme, Gordon Institute of Business Science

Phokeng Mogase
Chief Information Officer

Academic qualifications
- BCom in Financial Accounting and Information Systems, North-West University
- Management Development Programme, GIBS Business School
- Global Executive Development Programme: Alchemy by Deloitte
- Certified: ITIL-MP, COBIT, Arbinger Change Management Facilitator

Kedibone Dikokwe
Divisional Executive: Conduct of Business Supervision

Academic qualifications
- BCom, North West University
- New Managers' Programme, Wits Business School
- Global Executive Development Programme – Alchemy by Deloitte

Paul Kekana
Chief Financial Officer

Academic qualifications
- ACMA-CGMA
- MBL, University of South Africa-SBL
- BCom, University of South Africa

Remuneration Statement

Remuneration philosophy

We are committed to a reward philosophy that focuses on rewarding consistent and sustainable individual, team, and organisational performance linked to delivery on our mandate. The philosophy aims to ensure that we create an environment that attracts and retains employees of the right calibre with the appropriate skills and motivates them to perform in alignment with strategic objectives.

Reward Framework

To incentivise a culture of high productivity, we have implemented a short-term incentive plan, which is based on value created for stakeholders and linked to the budgeted bonus on an annual basis.

The current incentive plan is performance-based and linked to the budgeted bonus on an annual basis. Funding for the incentive scheme is based on a budgeted percentage of the yearly cost-to-employer payroll. Short-term incentives for general staff are subject to approval by the Strategic Management Committee (SMC) and Executive Committee (Exco) each year, based on economic circumstances and the organisation's performance.

Performance targets are set annually and approved by the Exco. SMC members' performance targets are linked to organisational targets and cascaded to divisional, departmental, and personal performance goals in their respective divisions. The SMC incentive scheme is separate from the staff incentive scheme, and the total payout is linked to individual performance scores.

Reward element	Strategic Intent	Measurement
Guaranteed pay Competitive and market-related	Talent attraction and retention	Benchmark studies During the period under review, 31 employees were granted salary adjustments for retention purposes. During the year under review, 29 employees were promoted in line with our talent management strategy.
Benefits Medical aid Leave Retirement fund Risk benefits Study assistance	Provision of a competitive value proposition	Aligned with the needs of employees
Short-term incentive Performance incentive	Provide the monetary motivation to employees	94,6% (594 out of 628) of employees were awarded short-term incentives in July 2024 based on performance

- **Guaranteed pay**: This refers to the compensation for the job role, skills, and experience requirements. This pay comprises a cash component and other mandatory benefits for permanent staff as detailed below.
- **Retirement benefit**: We are a defined contribution provident fund. All employees shall be required to become members of our Pension Fund and shall be subject to the rules of the Fund. The normal retirement age for employees is 63 years.
- **Insured benefit**: We provide a risk benefit, such as a funeral benefit, and disability benefits.
- **Medical aid**: All employees are required to belong to our approved medical aid fund unless they are members of a medical aid of which the spouse or partner is a principal member. We conduct annual reviews of our medical aid scheme to determine whether the approved medical aids continue to address the needs of our employees adequately. As a value-added service, we have appointed Alexandra Forbes to assist in performing annual reviews.
- **Short-term incentive:** The incentive is used in facilitating the achievement of work-related goals and reviewing performance to motivate employees to achieve their full potential in line with our overall strategic objectives. The incentive will be earned as a result of performance against set objectives and budget availability. Variable pay will not be automatic and will be subject to overall organisational performance and prevailing market conditions as well as Exco and Remuneration subcommittee approval.

Annual salary increases

Our annual review process takes place in January of each year. Exco proposes to the relevant subcommittee a percentage increase in guaranteed pay to be made available for the increase process. Additionally, salary adjustments are granted to deserving and performing staff members annually in July for retention purposes.

After implementing the pay progressions and annual increases that became effective on 1 January 2025, 426 (63%) employees were remunerated within the range, and 255 (37%) employees were remunerated above 25% of the market median. No employees were remunerated below 25% of the market median.

Benchmarking

We adapt our rewards strategies on a continuous basis through benchmarking against industry best practices to ensure relevance and competitiveness, as it drives employee retention and drives new employee behaviours outlined in its regulatory strategy. The benchmarking exercise helps identify any gaps that could hinder our ability to attract and retain competent employees.

Actuarial staff

As part of our retention strategy, we have a policy to encourage the growth and development of actuarial students. The strategy is aligned with industry practices, i.e., when students pass their examinations, they receive an incentive, either as a salary structural adjustment or a one-off bonus payment. Bonuses differ based on the level of the examination. The incentive is applied twice a year and is linked to the actuarial study discipline.

1.927
2.052
1.433
6.630
1.208
2.703
6.308
1.193
-0.375
-2.946
-7.474
-0.042
-0.028

PART G

Annual Financial Statements

Inside Part G

- Report by the Accounting Authority 102
- Report by the Auditor-General 103
- Statement of Financial Position 109
- Statement of Financial Performance 110
- Statement of Changes in Net Assets 111
- Cash Flow Statement 112
- Statement of Comparison of Budget and Actual Amounts 113
- Significant Accounting Policies 114
- Notes to the Annual Financial Statements 120

Report by the Accounting Authority

The Annual Financial Statements have been prepared in accordance with South African Statements of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Accounting Authority acknowledges its responsibility for the preparation and integrity of the Annual Financial Statements and related information included in the integrated report. In order for the Accounting Authority to discharge these responsibilities, as well as those bestowed on it in terms of the Public Finance Management Act 1 of 1999 (PFMA) and other applicable legislation, it has developed and maintains a system of internal control.

Internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with GRAP, as well as policies and procedures established by the Accounting Authority and independent oversight by the Audit and Risk sub-committees.

The Financial Sector and Deposit Insurance Levies Act came into effect on 1 April 2023, introducing a new levy for the Banking sector and funding the OPFA and FAIS Ombud offices independently of the FSCA. Under the Act, the FSCA is responsible for the invoicing and collection of levies on behalf of the OPFA, FAIS Ombud, the Tribunal and the Ombud Council.

The FSCA is well placed to manage future funding requirements pertaining to its regulatory activities and has sufficient resources to continue its business for the foreseeable future. The Accounting Authority therefore concludes that using the going concern basis is appropriate in preparing its financial statements as there are no material uncertainties related to events or conditions that may cast significant doubt about the FSCA's ability to continue as a going concern.

The Annual Financial Statements for the year ended 31 March 2025, as set out on pages 109 to 156, were approved by the Accounting Authority on 31 July 2025 and were signed on its behalf by:

Mr Unathi Kamlana
Commissioner

Report of the Auditor-General to Parliament on the Financial Sector Conduct Authority

Report of the audit of the financial statements

Opinion

1. I have audited the financial statements of the FSCA set out on pages 109 to 156, which comprise the statement of financial position as at 31 March 2025 statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the FSCA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 107 to 108 , forms part of my auditor's report.

Report of the Auditor-General to Parliament on the Financial Sector Conduct Authority

I Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following material performance indicators related to the core function: Protect financial customers by promoting fair treatment of financial customers by financial institutions; and providing financial customers and potential financial customers with financial education programs, and otherwise promoting financial literacy and the ability of financial customers and potential financial customers to make sound financial decisions presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

- Date of publication of abbreviated version of rolling three-year regulation plan to promote good conduct and fair treatment of customers.
- Percentage achievement of annual targets in the regulation plan to promote good conduct and fair treatment of customers.
- Date of approval of the combined risk-based supervisory plan to promote good conduct and fair treatment of customers.
- Percentage of combined supervisory plan targets implemented across the Financial Sector Conduct Authority (FSCA).
- Percentage of trustee toolkit implementation plan by the target date.
- Number of small business regulatory education and support workshops/webinars conducted.
- Date of publication of abbreviated version of approved three-year rolling financial education plan.
- Number of national financial literacy speech competitions implemented by target date.
- Number of money-smart weeks implemented in collaboration with the National Consumer Financial Education Committee by target date.

12. I evaluated the reported performance information for the selected material performance against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.

Report of the Auditor-General to Parliament on the Financial Sector Conduct Authority

- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected indicators.

Other matter

16. I draw attention to the matters below.

Achievement of planned targets

17. The annual perforn1ance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

18. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 168 to 175.

Targets achieved: 89%		
Key indicator not achieved	Planned target	Reported achievement
Percentage suppliers' invoices paid within 30 days	100°/o	95%
Percentage improvement in targeted service level commitments (SLCs)	2% improvement in targeted SLC's	2% improvement was on 69% of targeted SLCs
Percentage achievement of FSCA employment equity (EE) targets quarterly.	50% female 50% male 2% employees with disabilities. 90% employees from black group: 80% African 8% Coloured 2% Indian 10% from white group.	51% female 49% male 4% employees with disabilities 91% Black group: 81% African 7% Coloured 3% Indians 9% from white group

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity's, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

22. I did not Identify any material non-compliance with the selected legislative requirements.

Report of the Auditor-General to Parliament on the Financial Sector Conduct Authority

Other information in the annual report

23. The accounting authority is responsible for the other information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected material indicators presented in the annual performance report that have been specifically reported on in this auditor's report.

24. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

28. I did not identify any significant deficiencies in internal control.

Pretoria
1 August 2025
AUDITOR GENERAL SOUTH AFRICA

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the Auditor-General to Parliament on the Financial Sector Conduct Authority

Annexure to the auditor's report

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity's to continue as a going concern. If I conclude that a material uncertainty exists, I am reqLlired to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity's to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report of the Auditor-General to Parliament on the Financial Sector Conduct Authority

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control lhal I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation - selected legislative requirements

Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56, 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(iQ; 16A9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)OD; 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.?(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a), 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1: 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6, 7.8; 8.2; 8.5; 9.1: 10.1; 10.2; 11.1; 11.2
Prevention and Con1bating of Corrupt Activities Act 12 of 2004	Section 34(1)

Statement of Financial Position
as at 31 March 2025

Amounts in Rand	Note(s)	2025	2024
Assets			
Current Assets			
Cash and cash equivalents	3	863 038 043	687 850 285
Receivables from exchange transactions	4	7 530 143	13 675 288
Statutory receivables from exchange transactions	5	1 007 589	2 172 910
Statutory receivables from non-exchange transactions	6	171 558 091	65 059 863
Prepayments	7	20 488 728	13 658 459
Financial assets at fair value	10	4 486 314	-
		1 068 108 908	**782 416 805**
Non-Current Assets			
Property, plant and equipment	8	41 422 237	39 508 790
Intangible assets	9	67 380 336	23 311 114
Financial assets at fair value	10	114 298 918	107 298 260
		223 101 491	**170 118 164**
Total Assets		**1 291 210 399**	**952 534 969**
Liabilities			
Current Liabilities			
Operating lease liability		1 091 261	100 109
Payables from exchange transactions	11	103 848 539	66 052 236
Payables from non-exchange transactions	12	154 698 754	62 031 125
Levies and fees received in advance	13	51 848 149	59 333 308
Provisions	14	54 311 816	50 660 462
		365 798 519	**238 177 240**
Non-Current Liabilities			
Operating lease liability		-	150 165
Provisions	14	9 178 825	8 163 224
Employee benefit obligation	15&16	76 378 247	68 406 694
		85 557 072	**76 720 083**
Total Liabilities		**451 355 591**	**314 897 323**
Net Assets		**839 854 808**	**637 637 646**
Accumulated surplus		839 854 808	637 637 646
Total Net Assets		**839 854 808**	**637 637 646**

Statement of Financial Performance
for the year ended 31 March 2025

Amounts in Rand	Note(s)	2025	2024
Revenue			
Revenue from exchange transactions	22	117 688 067	126 980 270
Revenue from non-exchange transactions	23	1 072 717 246	971 272 654
		1 190 405 313	**1 098 252 924**
Operating expenses			
Advisory and other committee fees		(1 331 564)	(1 728 834)
Depreciation and amortisation	8&9	(17 452 144)	(14 395 003)
Executive and senior management remuneration	24	(20 625 499)	(52 099 843)
External audit fees	25	(4 031 914)	(3 941 228)
Internal audit fees		(527 607)	(1 550 672)
Legal fees		(7 560 181)	(12 504 486)
Governance committee fees	24	(1 500 112)	(1 471 572)
Operating lease rentals - buildings		(35 195 333)	(60 131 733)
Other operating expenses	26	(128 086 904)	(111 811 749)
Professional and consulting fees		(20 503 966)	(22 667 285)
Impairment loss	27	(8 345 668)	(34 768 213)
Salaries, staff benefits, training and other staff expenses		(744 058 091)	(625 641 585)
		(989 218 983)	**(942 712 203)**
Operating surplus		**201 186 330**	**155 540 721**
Fair value adjustments of financial assets at fair value	10	9 130 091	7 147 817
Post-retirement medical aid fund obligation increase	15	(7 971 553)	(4 837 462)
Loss on disposal of assets	8&9	(127 706)	(1 089 472)
		1 030 832	**1 220 883**
Surplus for the year		**202 217 162**	**156 761 604**

Statement of Changes in Net Assets

for the year ended 31 March 2025

Amounts in Rand	Discretionary reserve	Contingency reserve	Total reserves	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	57 729 426	95 787 000	153 516 426	327 642 224	481 158 650
Adjustments					
Prior year adjustments (Note 34)	-	-	-	(282 608)	(282 608)
Balance at 1 April 2023 as restated	**57 729 426**	**95 787 000**	**153 516 426**	**327 359 616**	**480 876 042**
Changes in net assets Transfer to accumulated surplus	(57 729 426)	(95 787 000)	(153 516 426)	153 516 426	-
Net income (losses) recognised directly in net assets	(57 729 426)	(95 787 000)	(153 516 426)	153 516 426	-
Surplus for the year	-	-	-	156 761 604	156 761 604
Total changes	(57 729 426)	(95 787 000)	(153 516 426)	310 278 030	156 761 604
Balance at 31 March 2024 as restated	**-**	**-**	**-**	**637 637 646**	**637 637 646**
Changes in net assets Surplus for the year	-	-	-	202 217 162	202 217 162
Total changes	-	-	-	202 217 162	202 217 162
Balance at 31 March 2025	**-**	**-**	**-**	**839 854 808**	**839 854 808**
Note(s)	18	17			

Cash Flow Statement
for the year ended 31 March 2025

Amounts in Rand	Note(s)	2025	2024
Cash flows from operating activities			
Receipts			
Cash receipts from industry		1 104 409 912 1	034 546 533
Interest income		54 366 172	49 812 474
Dividends		1 668 001	1 897 375
		1 160 444 085	**1 086 256 382**
Payments			
Employee costs		(756 873 190)	(667 804 034)
Suppliers		(147 512 364)	(203 437 894)
Other payments		(14 951 374)	(54 493 025)
		(919 336 928)	(925 734 953)
Net cash flows from operating activities	28	**241 107 157**	**160 521 429**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(17 031 823)	(27 828 336)
Proceeds from sale of property, plant and equipment		116 420	-
Purchase of other intangible assets	9	(46 647 116)	(1 162 794)
Purchase of financial assets	10	(4 715 293)	(14 029 201)
Proceeds from sale of financial assets	10	2 358 412	4 065 191
Net cash flows used in investing activities		**(65 919 399)**	**(38 955 140)**
Net increase/(decrease) in cash and cash equivalents		**175 187 758**	**121 566 289**
Cash and cash equivalents at the beginning of the year		687 850 285	566 283 996
Cash and cash equivalents at the end of the year	3	**863 038 043**	**687 850 285**

Statement of Comparison of Budget and Actual Amounts

for the year ended 31 March 2025

Budget on Accrual Basis

Amounts in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Revenue from Exchange transactions	70 313 114	-	**70 313 114**	117 688 067	**47 374 953**	37
Revenue from non-exchange transactions						
Transfer revenue						
Revenue from non-exchange transactions	1 017 609 239	-	**1 017 609 239**	1 072 717 246	**55 108 007**	37
Total revenue	**1 087 922 353**	-	**1 087 922 353**	**1 190 405 313**	**102 482 960**	
Expenditure	(1 750 194)	-	**(1 750 194)**	(1 331 564)	**418 630**	37
Advisory and other committee fees	(1 750 194)	-	**(1 750 194)**	(1 331 564)	**418 630**	37
Depreciation and amortisation	(23 576 734)	-	**(23 576 734)**	(17 452 144)	**6 124 590**	37
Executive management remuneration	(22 817 449)	-	**(22 817 449)**	(20 625 499)	**2 191 950**	37
External audit fees	(5 037 403)	-	**(5 037 403)**	(4 031 914)	**1 005 489**	37
Internal audit fees	(1 451 096)	-	**(1 451 096)**	(527 607)	**923 489**	
Legal fees	(17 816 232)	-	**(17 816 232)**	(7 560 181)	**10 256 051**	37
Governance committee fees	(2 060 988)	-	**(2 060 988)**	(1 500 112)	**560 876**	
Operating lease rentals - buildings	(29 069 768)	-	**(29 069 768)**	(35 195 333)	**(6 125 565)**	37
Other operating expenses	(174 522 403)	-	**(174 522 403)**	(128 086 904)	**46 435 499**	37
Professional and consulting fees	(44 839 983)	-	**(44 839 983)**	(20 503 966)	**24 336 017**	37
Impairment loss	-	-	**-**	(8 345 668)	**(8 345 668)**	37
Salaries, staff benefits,training and other staff expenses	(728 002 225)	-	**(728 002 225)**	(744 058 091)	**(16 055 866)**	37
Total expenditure	**(1 050 944 475)**	-	**(1 050 944 475)**	**(989 218 983)**	**61 725 492**	
Operating surplus	**36 977 878**	-	**36 977 878**	**201 186 330**	**164 208 452**	
Fair value adjustments of financial assets at fair value	-	-	**-**	9 130 091	**9 130 091**	37
Post-retirement medical aid fund obligation (increase)/decrease	-	-	**-**	(7 971 553)	**(7 971 553)**	37
Loss on disposal of assets	-	-	**-**	(127 706)	**(127 706)**	
Transfer to CAPEX	(36 977 878)	-	**(36 977 878)**	-	**36 977 878**	37
	(36 977 878)	-	**(36 977 878)**	**1 030 832**	**38 008 710**	
	-	-	**-**	**-**	**-**	
Surplus for the year	-	-	**-**	**202 217 162**	**202 217 162**	

Significant Accounting Policies

1. Basis of preparation of Annual Financial Statements Reporting entity

The Financial Sector Conduct Authority (FSCA) is a National Public Entity, as specified in Schedule 3A of the Public Finance Management Act (PFMA) 1999 (Act No. 1 of 1999). The FSCA is mandated by the South African government to enhance and support the efficiency and integrity of financial markets, protect financial customers and assist in maintaining financial stability in South Africa.

Basis of accounting

The principal accounting policies applied in the preparation and presentation of these financial statements are set out below. These policies were consistently applied to the years presented, unless otherwise stated.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These financial statements have been prepared in concurrence with the going concern principle and on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. All monetary information and figures presented in these financial statements are stated in South African Rand rounding to the nearest Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

Standards, amendments to standards and interpretations issued but not yet effective

Accounting Policies have been consistently applied, except where otherwise indicated. The details of any resulting changes in Accounting Policy and comparative restatements are set out below and in the relevant Notes to the Annual Financial Statements.

The following standards and amendments to standards have been issued but are not yet effective.

Standard	Summary and Impact	Effective date
GRAP 104 - Financial Instruments	The impact on the financial results and disclosure is considered to be minimal.	1 April 2025
GRAP 1 - Presentation of Financial Statements	The impact on the financial results and disclosure is considered to be minimal.	No effective date has been determined by the Minister of Finance.
GRAP 106 - Transfer of functions between entities not under common control	The impact on the financial results and disclosure is considered to be minimal.	No effective date has been determined by the Minister of Finance.

No new standard, interpretations or other pronouncements were introduced during the period under review having a significant impact on the financial statements.

The significant accounting policies applied in the preparation of these Annual Financial Statements are set out below.

Significant Accounting Policies

1.1 Significant accounting judgements and estimates

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. If the revision affects future periods as well, the revision will be recognised when the estimate is revised.

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the FSCA's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements.

Significant accounting estimates and assumptions Provisions

Provisions are raised based on management's determined estimate using the information available. The accounting policy for provisions is disclosed under note 1.12 and additional disclosure of these estimates of provisions are included in note 14.

Depreciation and amortisation

During each financial year, management reviews property, plant and equipment and intangible assets to assess whether the useful lives and residual values applicable to each asset are appropriate.

At the end of each financial year management assesses whether there is any indication that the FSCA's expectations about the residual value and the useful life of assets included in property, plant and equipment have changed since the preceding reporting date.

Impairment of receivables

Management conducts annual tests to determine whether receivables have suffered any impairment (refer to note 1.4 and note 1.5).

Post employment benefits

The cost of certain guaranteed minimum benefits in terms of defined benefit plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

Significant Accounting Policies

1.2 Property, plant and equipment

Property, plant and equipment comprises of leasehold improvements, computer equipment, furniture, fittings and equipment, as well as motor vehicles.

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the item will flow to the entity and the cost of the item can be measured reliably.

At initial recognition an item of property, plant and equipment is measured at cost. An asset acquired through a non- exchange transaction is recognised at its fair value at date of acquisition. Subsequently all items of property, plant and equipment are measured at cost less accumulated depreciation and any impairment losses. Depreciation commences when the item of property, plant and equipment is available for use. Property, plant and equipment items are tested for impairment when there is an indicator that the asset or assets should be impaired, refer to note 1.9.

Leasehold improvements are written off over the expected period of the relevant lease agreements. All other items of property, plant and equipment are depreciated on a straight-line basis at rates that will reduce their carrying value to estimated residual value over their estimated useful lives.

The annual depreciation rates are based on the following average useful lives:

Item	Depreciation method	Average useful life
Leasehold improvements and finance leased assets	Straight-line	Expected period of relevant lease
Furniture, fittings, equipment and paintings	Straight-line	5 - 50 years
Motor vehicles	Straight-line	17 years
Computer equipment	Straight-line	3 - 20 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimate, the change is accounted for as a change in accounting estimate. For further details refer to note 33. Items of property, plant and equipment are also tested for impairment annually when there is an indicator that the asset or assets should be impaired.

The depreciation charge for each period is recognised in surplus or deficit.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gains or losses arising from the derecognition of an item of property, plant and equipment are included in surplus or deficit when the item is derecognised. Gains or losses arising from the derecognition of an item of property, plant and equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Maintenance and repairs, which neither materially add to the value of assets nor prolong their useful lives, are charged against the statement of financial performance. The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 8).

Significant Accounting Policies

1.3 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

At initial recognition intangible assets are measured at cost. An intangible asset acquired through a non-exchange transaction is recognised at its fair value at date of acquisition. Subsequently all intangible assets are measured at cost less accumulated amortisation and any impairment losses. Amortisation commences when the intangible asset is available for use.

Intangible assets are tested for impairment annually when there is an indicator that the asset or assets should be impaired. Intangible assets under development and/or not available for use are tested for impairment at reporting date, refer to note 1.9.

Expenditure on research is recognised as an expense when it is incurred. Internally generated brands, publishing titles, customer lists, and items similar in substance are not recognised as intangible assets.

The amortisation period, amortisation method and residual values for intangible assets are reviewed at each reporting date. Amortisation is provided to write down the intangible asset on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	3 - 27 years

Intangible assets are derecognised when the asset is disposed off or when there are no further economic benefits or service potential expected from the use of the asset. Gains and losses arising from the derecognition of intangible assets are determined by comparing the proceeds, if any, with the carrying amount and are recognised in surplus or deficit when the asset is derecognised.

1.4 Financial instruments

Financial instruments are classified in the following categories:

Financial assets at fair value - Investments

Investments are initially recognised and subsequently measured at fair value. Interest on government bonds is calculated using the coupon rate which is recognised in the statement of financial performance as interest revenue from exchange transactions. Dividends received from non-current investments are recognised in the statement of financial performance as revenue from exchange transactions when the right to receive payments is established. The fair value movements of quoted investments are recognised in the statement of financial performance. Transaction costs are expensed in the statement of financial performance.

Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred or when substantially all risks and rewards of ownership have been transferred.

Significant Accounting Policies

Financial Instruments at amortised cost

Receivables
Receivables which are not accounted for as statutory receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment loss. An impairment loss is established when there is objective evidence that not all amounts due will be collected according to original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced by the amount of the impairment loss which is recognised in the statement of financial performance. When the trade receivable is uncollectable, it is written off and subsequent recoveries of amounts previously written off are credited in the statement of financial performance.

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at banks and other short-term, highly liquid investments with original maturities of three months or less. Cash and cash equivalents are measured at amortised cost.

1.5 Statutory receivables

Statutory receivables are receivables that arise from legislation or supporting regulations and require settlement by another entity in cash. The FSCA's statutory receivables are made up of levy debtors, inspection cost debtors, penalty debtors, legal fees and other receivables. The levies are imposed on all authorised financial institutions in terms of the Financial Sector and Deposit Insurance Levies Act 2022 and penalties including other receivables as listed above are imposed as per the FSR Act and FSCA various sectoral legislations that the FSCA administers.

The statutory receivables are initially recognised at their transaction amount. Subsequently, statutory receivables are measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Statutory receivables are recognised as follows:
- if the transaction is an exchange transaction; or
- if the transaction is a non-exchange transaction.

An impairment loss is established when there is an indication that a statutory receivable, or a group of statutory receivables that are due, will not be collected according to the original terms of the receivables. Significant financial difficulty of the debtor which may be evidenced by an application for debt counselling or business rescue, probability that the debtor will enter sequestration, liquidation or other financial re-organisation, default, bankruptcy or delinquency in payments, and adverse changes in international, national or local economic conditions are considered indicators that the trade receivable is impaired.

Significant Accounting Policies

1.5 Statutory receivables (continued)

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, is reduced, through the use of an allowance account.

When the statutory receivable is uncollectable, it is written off and subsequent recoveries of amounts previously written off are credited in the statement of financial performance.

1.6 Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, FSCA determines whether such an arrangement is, or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to FSCA the right to control the use of the underlying asset.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The operating lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The operating lease assets are derecognised when the entity no longer anticipates economic benefits or service potential to flow from the asset.

1.7 Related parties

All payments to executive management and committee members of the FSCA are disclosed as related party transactions. Transactions and balances with National Departments of Government and State-controlled Entities which occur other than in accordance with the operating parameters established are disclosed separately in the notes to the financial statements.

1.8 Prepayments

Prepayments are payments made in advance for services or goods that have not been delivered for which the FSCA expects the delivery in the next financial period. Prepayments are recognised as current assets and are not discounted as the discounting effect thereof is considered immaterial.

1.9 Impairment of non-cash-generating assets

The FSCA's non-financial assets consists only of non-cash generating assets. The FSCA assesses at each reporting date whether there is an indication that an asset may be impaired.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

1.9 Impairment of non-cash-generating assets (continued)

If there is an indication that the asset may be impaired, the recoverable service amount is estimated for the individual asset. The recoverable service amount of an asset is the higher of its fair value less cost to sell and its value in use. If the recoverable service amount of an asset is less than its cost less accumulated depreciation or amortisation, the impairment loss is recognised immediately in surplus or deficit.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

The FSCA assesses at each reporting date whether there is an indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any indication exists, the recoverable service amounts of those assets are estimated. The increased carrying amount of assets attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for assets in the prior years.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

1.10 Levies and fees received in advance

Levies and fees received in advance are stated at the amount received. The effect of discounting is immaterial.

1.11 Employee benefits

Short-term employee benefits

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Retirement benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees. The FSCA has no such informal arrangements.

The FSCA contributes to a pension fund and to a defined post-retirement medical aid plan. Only pensioners and employee who were in service at 1 January 1998 are eligible for benefits under the post retirement medical aid plan.

Pension Fund

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in the statement of financial performance in the period in which they arise.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

1.11 Employee benefits (continued)

Post-retirement medical aid plan

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in the statement of financial performance in the period in which they arise.

1.12 Provisions

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficit.

Contingent assets and contingent liabilities are not recognised as provisions. Contingencies are disclosed in note 31.

Performance Bonus

Performance bonus is a short-term employee benefit which is expensed as the related services are provided. A liability is recognised for the amount expected to be paid if the entity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. A provision for performance bonus is raised on the estimated amount payable in terms of the incentive scheme which is based on the business and employee's performance in the applicable year.

Long-service awards

Long-service awards are provided to employees who achieve certain predetermined milestones of service within the entity. The entity's obligation under this plan is valued by actuaries periodically and the corresponding liability is accordingly raised. The liability is calculated by valuing all future payments expected to be made in respect of benefits accrued up to the valuation date. Payments are set-off against the liability resulting from the valuation by the actuaries and are charged against the surplus or deficit. Long service awards are settled as and when employees achieve certain predetermined milestones of service.

Significant Accounting Policies

1.12 Provisions (continued)

Legal fees

Legal fees are provided for legal matters where it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably measured.

1.13 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. Commitments are not recognised in the statement of financial position but disclosed in the notes to the Annual Financial Statements. Refer to note 30.

1.14 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the FSCA receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Revenue is measured at the fair value of consideration received or receivable, net of trade discounts.

1.14 Revenue from exchange transactions (continued)

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the FSCA and specific criteria have been met as described below.

Revenue from exchange transactions comprises of fees and service charges, interest and dividends as well as other recoveries.

Fees and service charges are raised in terms of the regulations published in the Government Gazette and are recognised according to the percentage of completion method. Interest from government bond is recognised based on the coupon rate. Interest income from short-term investment is recognised on a time-proportion basis using the effective interest method.

Dividends are recognised when the right to receive payment is established, which is normally on the last day to trade.

1.15 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is recognised when the asset is recognised and if an obligation arises from the receipt of the asset, the revenue is recognised to the extent that there is no further obligation. Revenue from non-exchange transactions comprises of levies, penalties and other income.

All registered entities are required to pay annual levies to maintain their licenses in terms of the Levies Act. Levies are raised in terms of the Levies Act and are accounted for on an accrual basis.

Significant Accounting Policies

1.15 Revenue from non-exchange transactions (continued)

Fines and penalties raised for late submission of returns are recognised on an accrual basis. The income from fines and penalties as per the FSCA's various sectoral legislation is credited to the surplus or deficit, but as this income is not considered to form part of the normal operating activities of the FSCA, it is transferred to the discretionary reserve. The amounts received or to be received from fines and penalties as per the FSR Act are payable to National Treasury.

Services in-kind are recognised as assets and revenue when they are significant to operations and/or service delivery objectives and it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets and revenue can be measured reliably. If the services in-kind are not significant to the operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the nature and type of services in-kind received during the reporting period are disclosed in the notes (refer to note 36).

1.16 Finance costs

Finance costs are charges incurred by the FSCA in connection with the finance lease liability. Finance costs are recognised as an expense in the period in which they are incurred.

1.17 Translation of foreign currencies

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

1.18 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

1.18 Accounting by principals and agents (continued)

Identification (continued)

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:
- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgment in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The FSCA is responsible for the collection and administration of the financial sector bodies levies and special levy in terms of Financial Sector and Deposit Insurance Levies Administration Act 2022 to the Tribunal, the Ombud Council, the Office of the Pension Funds Adjudicator and the Office of the Ombud for Financial Services Providers.

Furthermore, in terms of Section 167 of the FSR Act, the FSCA is responsible for administering the invoicing and collection of penalties on behalf of National Treasury. Amounts recovered by the FSCA for penalties are paid over in the National Revenue Fund.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

The following are the indicators for the recognition and treatment of the asset and liabilities arising from the principal and agent relationship:
- the levies and penalties invoiced are due to the FSCA;
- the FSCA has a legal right in terms of the Levies Act to enforce collection of the levies and penalties invoiced;
- the FSCA determines the amount to be invoiced for penalties invoiced;
- the FSCA determines the manner and timing of settlement;
- the FSCA has the power and discretion to write off penalty debts owing by third parties; and
- the FSCA has an obligation to undertake certain activities in terms of the FSR Act and Levies Act.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

1.19 Accumulated funds and reserves

Accumulated surplus

Accumulated surplus is used to fund working capital requirements, capital expenditure, budgeted deficits (if any), as well as other unforeseen events. Accumulated surplus are maintained at approximately 2 to 6 months' operational expenditure.

National Treasury approval is obtained at the end of every financial year in order to retain the accumulated surplus. Accumulated surplus include amounts such as invoices not yet collected, hence the full balance at year end is not always represented by actual cash.

1.20 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The FSCA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The FSCA will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.21 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the 12 months ending 31 March 2025.

The Annual Financial Statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.22 Irregular expenditure

Irregular expenditure as defined in Section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

All expenditure relating to irregular expenditure is recognised as an expense in the surplus or deficit in the period that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense and where recovered it is subsequently accounted for as revenue in the surplus or deficit.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

1.23 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance, in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

2. Financial Risk management Financial risk factors

The FSCA is exposed to a variety of financial risks as a consequence of its operations namely, market risk, credit risk and liquidity risk. The FSCA's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its performance. Financial risk management is carried out under approved policies. The FSCA provides written principles for overall risk management as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments and investment of excess liquidity.

Market risk

Cash flow and fair value interest rate risk

The FSCA has significant cash and cash equivalents and its income and operating cash flows are dependent on changes in market interest rates. This is managed in line with movements in money market rates. The FSCA does not have any interest bearing borrowings and therefore there is no adverse exposure relating to interest rate movements in borrowings. Should the balances held on short-term deposit remain constant, the FSCA's interest income will fluctuate by R1 961 394 for every 25 basis point fluctuation in the prime interest rate.

Foreign exchange risk

The FSCA does not operate internationally but is exposed to foreign currency risk arising from various currency exposures. The exposure is limited to foreign membership and subscription fees, foreign travelling expenses, foreign exchange denominated operating expenses as well as investments in off-shore portfolios. The risk relating to off-shore investment portfolios is managed by an investment manager in terms of an approved mandate. Accordingly, the FSCA's exposure to foreign currency risk is minimal.

The following sensitivity analysis has been performed.

At 31 March 2025, if the currency had weakened or strengthened by 10% against the US dollar with all other variables held constant, the surplus for the year would have been R1 191 617 (2024: R1 566 992) higher or lower on foreign exchange gains or losses upon translation of US dollar-denominated transactions.

The off-shore investment portfolios would have been R4 490 844 (2024: R4 348 269) higher or lower arising from unrealised foreign exchange gains or losses upon translation of US dollar denominated off-shore investment portfolios.

At 31 March 2025, if the currency had weakened or strengthened by 10% against the Euro with all other variables held constant, the surplus for the year would have been R27 255 (2024: R182 939) higher or lower on foreign exchange gains or losses upon translation of Euro-denominated transactions.

At 31 March 2025, if the currency had weakened or strengthened by 10% against the UK pound with all other variables held constant, the surplus for the year would have been R43 303 (2024: R30 097) higher or lower on foreign exchange gains or losses upon translation of UK Pound-denominated transactions.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

2. Financial Risk management (continued)

Asset Price Risk

The FSCA is exposed to equity securities price risk from of investments, which are classified on the Statement of Financial Position as financial assets at fair value. These investments are managed by an investment manager in terms of an approved mandate. The investment manager manages the price risk arising from investments in equity securities through diversification of the portfolio in accordance with the mandate that gives the manager full discretion.

The FSCA's investments in equity of other entities that are publicly traded are included in the All Share Index of the JSE Securities Exchange Limited (All Share Index). The table below summarises the impact of increases/decreases of the All Share Index on the FSCA's surplus for the year and on reserves. The analysis is based on the assumption that the All Share Index had increased/decreased by 18.4% (2024: 14.6%) with all other variables held constant and that all the FSCA's investments moved according to the historical correlation with the index.

Impact on surplus for the year		Impact on investment portfolio for the year	
2025	2024	2025	2024
9 657 401	6 402 818	9 657 401	6 402 818

Credit risk

Financial assets that potentially subject the FSCA to concentrations of credit risk consist primarily of cash and cash equivalents as well as accounts receivable. The FSCA's maximum exposure to credit risk relating to accounts receivable is the amount as shown in the Statement of Financial Position.

The FSCA invests funds in excess of the FSCA's immediate requirements (i.e short-term deposits excluding current account balances) with the Corporation for Public Deposits (CPD). The table below shows the total amount invested in CPD at reporting date:

	31 March 2025	31 March 2024
Corporation for Public Deposits	784 557 745	633 476 260

Management does not expect any losses from non-performance by CPD.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

2. Financial Risk management (continued)

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient liquid resources and the ability to settle debts as they become due. In the case of the FSCA, liquid resources consist of mainly cash and cash equivalents. The FSCA maintains adequate resources by monitoring rolling cash flow forecasts on the basis of expected cash flows.

Forecasted liquidity reserves as at 31 March 2025 is as follows:

Description	March 2025	March 2026 -2030
Opening balance for the period	687 850 285	863 038 043
Operating cash inflow	1 160 444 085	1 868 906 804
Operating cash outflows	(919 336 928)	(1 480 601 316)
Cash outflow from investments	(68 394 232)	(110 149 595)
Proceeds from sale of investments	2 474 833	3 985 743
	863 038 043	**1 145 179 679**

The table below analyses the FSCA's financial liabilities at reporting date.

At 31 March 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	66 154 598	-	-	-

At 31 March 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	31 105 257	-	-	-

Capital risk management

The FSCA's objective when managing its funds is to safeguard the ability to continue operating as a going concern. The FSCA maintains various fund which serve different purposes, refer to note 1.19.

Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices (level 1) at reporting date. The quoted market price used for financial assets held by the FSCA is the current bid price.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

3. Cash and cash equivalents

Short-term deposits	784 557 745	633 476 260
Cash at bank and on hand	78 480 298	54 374 025
	863 038 043	**687 850 285**

Included in cash at bank and on hand is an amount of R12 947 440 (2024: R10 883 696), earmarked to fund the post-retirement medical aid plan. Also included in cash and cash equivalents is an amount of R66 089 386 (2024: R68 960 607) relating to the discretionary funds that are used to fund consumer education and consumer protection related expenses. In addition, the FSCA maintains a short-term deposit of R112 499 101 (2024: R192 443 598) to fund capital requirements and to protect operating capacity against the effects of inflation and unforeseen events.

4. Receivables from exchange transactions

Staff debtors - Study loans	4 445 949	7 697 462
Less: Impairment loss	(297 502)	-
Interest receivable	285 193	252 530
Other receivables	3 096 503	5 725 296
	7 530 143	**13 675 288**

Reconciliation for impairment of receivables from exchange transactions

Charged to the statement of financial performance	297 502	-
	297 502	**-**

5. Statutory Receivables from exchange transactions

Legal fees recoveries	1 237 377	1 425 158
Less: Impairment loss	(1 237 377)	(637 857)
Recoverable legal fees	1 007 589	1 007 589
Other receivables	-	378 020
	1 007 589	**2 172 910**

Reconciliation for impairment of statutory receivables from exchange transactions

Opening balance	637 857	858 679
Utilised	(283 255)	(170 899)
Charged to the statement of financial performance	882 775	(49 923)
	1 237 377	**637 857**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

6. Statutory receivables from non-exchange transactions

Levy debtors	81 098 937	70 487 573
Less: Impairment loss	(12 883 070)	(26 179 307)
Inspection cost debtors	744 438	744 438
Less: Impairment loss	(744 438)	(744 438)
Penalty debtors	1 075 660 367	1 129 551 244
Less: Impairment loss	(972 848 418)	(1 108 799 647)
Ombud Council	530 275	-
	171 558 091	**65 059 863**

Reconciliation for impairment of statutory receivables from non-exchange transactions

Opening balance	1 135 723 392	162 513 383
Utilised	(15 698 860)	(7 432 972)
Reversal of prior year provision	(5 604 757)	(455)
Charged to the statement of financial performance	12 770 148	34 818 592
(Reductions)/Additions - enforcement penalties	(143 263 477)	944 607 302
Additions - financial sector bodies	2 549 480	1 217 542
	986 475 926	**1 135 723 392**

In terms of the Financial Sector and Deposit Insurance Levies (Administration) and Deposit Insurance Premiums Act, 2022 (The Levies Administration Act) the FSCA is responsible for administering the invoicing and collection of levies for all the financial sector bodies.

Included in the levy debtors is an amount of R28 758 987 (2024: R8 443 717) and impairment loss balance of R2 549 480 (2024: R1 217 542) relating to the other financial sector bodies balances.

7. Prepayments

The R20 488 728 (2024: R13 658 459) prepayments comprise of membership fees and software licences.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

8. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold improvements	3 712 517	(2 541 601)	1 170 916	3 236 117	(2 330 397)	905 720
Furniture, fittings, equipment and paintings	33 216 739	(27 331 853)	5 884 886	32 230 551	(26 632 113)	5 598 438
Motor vehicles	2 923 325	(1 267 417)	1 655 908	2 923 325	(1 068 589)	1 854 736
Computer equipment	158 096 212	(125 385 685)	32 710 527	145 661 992	(114 512 096)	31 149 896
Total	**197 948 793**	**(156 526 556)**	**41 422 237**	**184 051 985**	**(144 543 195)**	**39 508 790**

Reconciliation of property, plant and equipment - 31 March 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	905 720	476 400	-	(211 204)	1 170 916
Furniture, fittings, equipment and paintings	5 598 438	1 858 473	(84 931)	(1 487 094)	5 884 886
Motor vehicles	1 854 736	-	-	(198 828)	1 655 908
Computer equipment	31 149 896	14 696 950	(157 383)	(12 978 936)	32 710 527
	39 508 790	**17 031 823**	**(242 314)**	**(14 876 062)**	**41 422 237**

Reconciliation of property, plant and equipment - 31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	2 219 338	-	(969 033)	(344 585)	905 720
Furniture, fittings, equipment and paintings	6 154 036	969 266	-	(1 524 864)	5 598 438
Motor vehicles	580 170	1 420 016	-	(145 450)	1 854 736
Computer equipment	15 075 679	25 439 054	(120 439)	(9 244 398)	31 149 896
	24 029 223	**27 828 336**	**(1 089 472)**	**(11 259 297)**	**39 508 790**

Expenditure incurred to repair and maintain property, plant and equipment included in the Statement of Financial Performance

Contracted services	68 624	208 336
General expenses	1 597 199	421 283
	1 665 823	**629 619**

The useful lives and residual values of the various categories of property, plant and equipment were assessed during the current financial year and resulted in a change in accounting estimate. Refer to note 33.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

9. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	88 487 308	(21 106 972)	67 380 336	41 917 515	(18 606 401)	23 311 114

Reconciliation of intangible assets - 31 March 2025

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Computer software	17 197 393	-	(1 812)	1 305 966	(2 576 082)	15 925 465
Intangible assets under development	6 113 721	46 647 116	-	(1 305 966)	-	51 454 871
	23 311 114	**46 647 116**	**(1 812)**	**-**	**(2 576 082)**	**67 380 336**

Reconciliation of intangible assets - 31 March 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Computer software	17 585 053	112 168	2 635 878	(3 135 706)	17 197 393
Intangible assets under development	7 698 973	1 050 626	(2 635 878)	-	6 113 721
	25 284 026	**1 162 794**	**-**	**(3 135 706)**	**23 311 114**

The useful lives of the various categories of computer software were assessed during the financial year and resulted in a change in accounting estimate. Refer to note 33.

10. Financial assets at fair value

Designated at fair value		
Non-current investments	114 298 918	107 298 260
Current investments	4 486 314	-
	118 785 232	**107 298 260**
Non-current assets		
Non-current investments	**114 298 918**	**107 298 260**
Current assets		
Current investments	**4 486 314**	-

The current portion of the financial assets at fair value relates to RSA Bonds held with Investec Asset Management that are maturing within a year.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

10. Financial assets at fair value (continued)

Financial assets at fair value

Fair value hierarchy of financial assets at fair value

The fair value of financial instruments traded in active markets is based on quoted market prices (level 1) at the reporting date. The quoted market prices used for financial assets held by the FSCA are bid prices as at year-end.

Movement for the year

Reconciliation of financial assets at fair value - 31 March 2025

	Opening balance	Fair value adjustment	Purchases	Sales	Closing balance
Shares	43 854 921	6 274 073	4 715 293	(2 358 412)	52 485 875
Gilts and Bonds	19 960 646	1 430 275	-	-	21 390 921
Off-shore collective investment schemes	43 482 693	1 425 743	-	-	44 908 436
	107 298 260	**9 130 091**	**4 715 293**	**(2 358 412)**	**118 785 232**

Reconciliation of financial assets at fair value - 31 March 2024

	Opening balance	Fair value adjustment	Purchases	Sales	Closing balance
Shares	42 229 131	674 254	5 016 727	(4 065 191)	43 854 921
Gilts and Bonds	11 476 614	(528 442)	9 012 474	-	19 960 646
Off-shore collective investment schemes	36 480 687	7 002 006	-	-	43 482 693
	90 186 432	**7 147 818**	**14 029 201**	**(4 065 191)**	**107 298 260**

11. Payables from exchange transactions

Trade payables	33 337 118	12 000 263
Accrued leave pay	37 693 941	34 946 979
Other payables	1 203 610	1 019 333
Accruals	31 613 870	18 085 661
	103 848 539	**66 052 236**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

12. Payables from non-exchange transactions

National Treasury	121 545 615	35 529 235
Financial Services Tribunal	22 206 754	10 812 927
Ombud Council	-	3 230 500
Office of the Ombud for FSPs	8 829 572	11 871 987
Office of the PFA	1 001 509	25 830
Unallocated receipts	1 115 304	560 646
	154 698 754	**62 031 125**

The R121 545 615 (2024: R35 529 235) relates to fines and penalties raised which is payable to National Treasury as per the FSR Act.

In terms of the Levies Administration Act the FSCA has the responsibility of collecting and administration of the financial sector levy and the special levy for the financial sector bodies. The balances reflected on the note indicate amounts invoiced and collected on behalf of the financial sector bodies and not transferred as at year end.

Unallocated receipts relate to funds received in the FSCA bank account without payment references.

13. Levies and fees received in advance

Levies received in advance	3 224 244	7 174 661
Fees received in advance	48 623 905	52 158 647
	51 848 149	**59 333 308**

In terms of the Levies Administration Act the FSCA has the responsibility of collecting and administration of the financial sector levy and the special levy for the financial sector bodies. Included in the levies received in advance balance is an amount of R0 (2024: R646 146) relating to the other financial sector bodies as at year end

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

14. Provisions

Reconciliation of provisions - 31 March 2025

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus	46 562 979	50 892 333	(46 562 979)	-	50 892 333
Provision for legal fees	1 480 000	-	(4 955)	(775 045)	700 000
Provision for VAT	391 482	-	-	-	391 482
Provision for long-service awards	10 389 225	2 857 601	(1 740 000)	-	11 506 826
	58 823 686	**53 749 934**	**(48 307 934)**	**(775 045)**	**63 490 641**

Reconciliation of provisions - 31 March 2024

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for bonus	42 453 830	46 562 979	(42 453 830)	-	46 562 979
Provision for legal fees	1 620 000	730 000	(870 000)	-	1 480 000
Provision for VAT	577 375	-	-	(185 893)	391 482
Provision for long-service awards	6 274 908	4 996 317	(882 000)	-	10 389 225
	50 926 113	**52 289 296**	**(44 205 830)**	**(185 893)**	**58 823 686**

Non-current liabilities	9 178 825	8 163 224
Current liabilities	54 311 816	50 660 462
	63 490 641	**58 823 686**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

15. Post-retirement benefit obligations (Medical Aid Fund)

The FSCA recognises a liability in respect of post-retirement medical aid benefits for pensioners as at 1 January 1998 and eligible employees who were then in service, assuming that the cost of the benefit is recognised in full for existing pensioners and is spread equally over each employee's service period within the FSCA prior to retirement for employees currently in service. The FSCA is not liable for post-retirement medical aid benefits in respect of employees employed after 1 January 1998. The fund is recognised as a defined benefit plan.

The actuary evaluates the liability on an annual basis, allowing for expected future medical cost inflation, investment returns, staff turnover and mortality. The FSCA contributes 100% of the medical aid contribution for its retired employees as well as 100% of the future medical aid contributions for their spouses and dependants. The last actuarial valuation of this liability was performed on 31 March 2025. It is the policy of the FSCA to match this liability with appropriate non-current investments and short-term notice deposits. Accordingly, the funds have been placed with an asset management company for investment in accordance with long-term prudential principles.

For disclosure purposes, an amount of R12 947 440 (2024: R10 883 696) representing cash on call, has been included in cash and cash equivalents. A certain portion of the post-retirement medical aid is payable within twelve months, however the value thereof is not readily determinable and thus the full liability has been disclosed as non-current. The main actuarial assumption is a long-term increase in health costs of 7.62% a year (2024: 11.03%).

Amounts recognised in the statement of financial position were determined as follows:

Present value of unfunded obligation	76 378 247	68 406 694
The movement in the present value of the unfunded obligation for the year is as follows:		
Opening balance	68 406 694	63 569 232
Current service cost	700 537	621 826
Interest cost	10 020 568	8 329 887
Benefit paid	(4 606 841)	(3 979 381)
Acturial (gain)/loss	1 857 289	(134 870)
	76 378 247	**68 406 694**

The amounts recognised in the statement of financial performance are as follows:		
Current service cost	700 537	621 826
Interest cost	10 020 568	8 329 887
Benefit paid	(4 606 841)	(3 979 381)
Net acturial (gain)/loss	1 857 289	(134 870)
	7 971 553	**4 837 462**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

15. Post-retirement benefit obligations (Medical Aid Fund) (continued)

The principal assumptions used were as follows:

Financial assumptions

Discount rate:	11.58%	(2024: 15.20%) per annum.
Rate of medical aid contribution increases:	7.62%	(2024: 11.03%) per annum.
Rate of general price inflation:	6.12%	(2024: 9.53%) per annum.

Mortality assumptions

Mortality - Active employee

Before retirement:	Nil
After retirement:	PA (90) Mortality Tables with an age reduction of two years.

Mortality assumptions

Mortality - Pensioners

PA (90) Mortality tables with an age reduction of two years
The effects of a 1% movement in the assumed medical cost trend rate are as follows.

Expected benefit payments by the employer for the financial year ending 31 March 2026 are R5 518 000.

	Decrease	Increase
Effect on the aggregate service cost and interest cost	(7 869 979)	6 670 221
Effect on the accumulated benefit obligation	(6 823 534)	7 946 985
	(14 693 513)	**14 617 206**

	2025	2024	2023	2022	2021
Present value of unfunded obligation recognised in the statement of financial position	76 378 247	68 406 694	63 569 232	57 176 969	51 660 126

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

16. Post-retirement benefit obligation (Pension Fund)

The pension fund for permanent employees of the FSCA is registered in terms of the Pension Fund Act, 1956 (Act No. 24 of 1956). Prior to April 2000, the fund was a defined benefit plan for the benefit of all employees. New employees who joined the fund on or after 1 April 2000 were entitled to receive retirement and resignation benefits from the accumulation of defined contributions. Employees who were in the employ at 31 March 2000 were entitled to the higher of either the defined contribution accumulation to the date of exit or the value of the defined benefit applicable on exit in terms of the rules in force as at 31 March 2000.

In the 2018 financial year the Trustees took a decision to implement the restructuring of all active members entitled to a defined benefit underpin to a pure defined contribution basis effective 1 January 2017. Due to the restructuring, there are no active current employees who are in the defined benefit underpin. The fund currently has 26 (2024: 25) pensioners, the benefits of whom are regarded as a defined obligation. An actuarial valuation of the benefit obligation was performed on 31 March 2025.

The amounts recognised in the statement of financial position were determined as follows:

Carrying value		
Present value of the defined benefit obligation	116 798 000	109 010 000
Fair value of plan assets	(128 259 000)	(123 715 000)
Funded Status	(11 461 000)	(14 705 000)
Asset not recognised	11 461 000	14 705 000
	-	-
Changes in the present value of the defined obligation are as follows:		
Opening balance	109 010 000	70 103 000
Interest cost	14 680 000	10 759 000
Actuarial (gains)/loss	3 194 000	(7 300 000)
Benefits paid	(12 388 000)	(9 248 000)
New pensioners	2 302 000	44 696 000
	116 798 000	**109 010 000**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

16. Post-retirement benefit obligation (Pension Fund) (continued)

Amounts in Rand	2025	2024
Changes in the fair value of plan asset are as follows:		
Opening balance	123 715 000	78 926 000
Expected return	16 756 000	11 840 000
Actuarial gains/(loss)	(2 126 000)	(2 499 000)
Benefits paid	(12 388 000)	(9 248 000)
New pensioners	2 302 000	44 696 000
	128 259 000	**123 715 000**
Components of pension costs for the year are as follows:		
Interest cost	14 680 000	10 759 000
Actuarial (gain)/loss	5 320 000	(11 840 000)
Change in assets restriction	(3 244 000)	(4 801 000)
Expected return on plan asset	(16 756 000)	5 882 000
	-	**-**
Calculation of actuarial gains and losses:		
Actuarial (gains) losses – Obligation	3 194 000	(7 300 000)
Actuarial (gains) losses – Plan assets	(2 126 000)	(2 499 000)
	1 068 000	**(9 799 000)**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

16. Post-retirement benefit obligation (Pension Fund) (continued)

Assumptions used at the reporting date

Assumptions regarding the future mortality experience are set, based on advice, published statistics and experience. The average life expectancy in years of a pensioner retiring at the age of 63 at the reporting date is as follows:

	Average life expectancy 2025	Average life expectancy 2024
Male	17 years and 4 months	17 years and 4 months
Female	21 years and 8 months	21 years and 8 months

	2025	2024	2023	2022	2021
Defined benefit obligation	116 798 000	109 010 000	70 103 000	69 187 000	64 869 000
Fair value of plan assets	(128 259 000)	(123 715 000)	(78 926 000)	(78 143 000)	(74 530 000)
Statement of financial position restriction	**11 461 000**	**14 705 000**	**8 823 000**	**8 956 000**	**9 661 000**

Discount rate: This is set having regard to the market yield on government bonds, using a weighted average discount rate that reflects the timing and amount of benefit payments. A rate of 12.28% per annum has been used (A rate of 14.12% was used at 31 March 2024).

Long-term price inflation rate: We have assumed a long-term future inflation rate of 5.76% per annum. This was calculated to reflect the difference between the yields on nominal government bonds and index-linked government bonds (at the appropriate duration) after allowing for an inflation risk premium of 0.5% on the basis that nominal bond yields include an inflation risk premium (being the additional return an investor seeks in compensation for the inflation risk taken on) and therefore that the implied inflation rate is lower than that suggested by the differential between nominal and index-linked bond yields (7.26% used at 31 March 2024).

Pension increases: It has been assumed that pension increases will take place at a rate of 4.32% per annum (5.44% used at 31 March 2024). This represents some 75% of the expected inflation rate above and is in line with Pension Increase Policy of the Fund.

Expected return on plan assets: It has been assumed that the long-term expected return on plan assets is equal to the discount rate of 12.28% per annum, following the approach adopted in the previous disclosure. This is consistent with the approach set out in the IAS 19 revised 2011. GRAP 25 indicates that "the expected return on plan assets is based on the market expectations, at the beginning of the reporting period, for returns over the entire life of the related obligation". It could be argued that on a risk-adjusted basis, it is reasonable to set this rate equal to the discount rate, but the employer may wish to consider the implications of this assumption and its consistency with the requirements of the GRAP 25 standard.

Pension expenses: Allowance is made for the cost of the administration of the pensioners' records in the pensioner liability at a rate of R40.02 plus vat per pensioner per month.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

16. Post-retirement benefit obligation (Pension Fund) (continued)

Experience adjustments	2025	2024	2023	2022	2021
Pensioners liabilities at the end of the year	116 798 000	109 010 000	70 103 000	69 187 000	64 869 000
Combined assets at end of year	(128 259 000)	(123 715 000)	(78 926 000)	(78 143 000)	(74 530 000)
	(11 461 000)	**(14 705 000)**	**(8 823 000)**	**(8 956 000)**	**(9 661 000)**
Gain/(loss) on liabilities through experience	2 055 000	(1 584 000)	(4 282 000)	(205 000)	1 072 000
Gain/(loss) on liabilities through assumptions	(5 249 000)	8 884 000	5 377 000	76 000	(2 628 000)
	(3 194 000)	**7 300 000**	**1 095 000**	**(129 000)**	**(1 556 000)**
Gain/(loss) on plan assets	2 126 000	2 499 000	(2 213 000)	(1 677 000)	7 469 000

17. Contingency reserve

Opening balance	-	95 787 000
Transfer to accumulated surplus	-	(95 787 000)
	-	**-**

With the promulgation of the Levies Act effective 1 April 2023 the contingency reserve is no longer applicable resulting in the balance being transferred to the accumulated surplus.

18. Discretionary reserve

Opening Balance	-	57 729 426
Transfer to accumulated surplus	-	(57 729 426)
	-	**-**

With the promulgation of the Levies Act effective 1 April 2023 the discretionary reserve is no longer applicable resulting in the balance being transferred to the accumulated surplus.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

19. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below.

2025	Financial at amortised cost	Fair value through surplus or deficit	Total
Financial assets at fair value	-	118 785 232	118 785 232
Receivables	7 530 143	-	7 530 143
Cash and cash equivalents	863 038 043	-	863 038 043
	870 568 186	**118 785 232**	**989 353 418**

2024	Financial at amortised cost	Fair value through surplus or deficit	Total
Financial assets at fair value	-	107 298 260	107 298 260
Receivables	13 675 288	-	13 675 288
Cash and cash equivalents	687 850 285	-	687 850 285
	701 525 573	**107 298 260**	**808 823 833**

20. Financial liabilities by category

2025	Other financial liabilities	Total
Payables	66 154 598	66 154 598

2024	Other financial liabilities	Total
Payables	31 105 257	31 105 257

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

21. Credit quality of receivables

Trade receivables

0 - 90 days outstanding (no defaults)	200 421 255	958 845 251
More than 90 days past due (no defaults)	99 927 609	1 627 715
More than 90 days past due (some defaults)	867 757 764	256 796 343
	1 168 106 628	**1 217 269 309**

The total gross carrying amount of the impaired receivables as at reporting date R1 159 109 853 (2024: R1 201 224 765) and the associated total impairment is R988 010 805 (2024: R1 136 361 249) see note 4, 5 and 6. Of these debtors, the recovery of R1 981 815 (2024: R160 110 153) has been handed over for collection. Refer to the accounting policy note 1.4 for factors management considered in determining receivables impairment.

Cash and short-term deposits are held with banking institutions and the CPD and are regarded as having low credit risk. The FSCA invests its surplus cash in the short term deposits accounts with CPD. The interest rates on these accounts fluctuate in line with the movements in current money market rates.

22. Revenue from exchange transactions

Fees and service charges	42 991 697	36 276 279
Legal fees and other cost recoveries	20 044 630	38 318 803
Interest received	47 562 437	44 768 158
Dividends received	1 657 215	1 772 507
Other income	5 051 804	5 304 677
Compensation from insurance	380 284	539 846
	117 688 067	**126 980 270**

23. Revenue from non-exchange transactions

FSCA levies	1 062 644 995	965 007 311
Penalties	1 449 500	367 500
Other income	8 622 751	5 897 843
	1 072 717 246	**971 272 654**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

24. Related parties

Related party balances

Year-end balances due (to)/by related parties

Office of the Pension Fund Adjudicator	260 198	1 001 556
Office of the Ombud for Financial Services Providers	(817 779)	(7 173 531)
Financial Services Tribunal	(6 146 736)	(9 711 053)
National Treasury	(34 038 451)	(27 834 533)
Ombud council	1 406 263	(2 476 631)
South African Reserve Bank	2 785 985	-
	(36 550 520)	**(46 194 192)**

Income from related parties

Income received for ICT services to the Pension Fund Adjudicator	5 048 471	5 125 254
	5 048 471	**5 125 254**

The Levies Act came into effect on 1 April 2023 to provide for the funding of the FSCA, the Tribunal, the Ombud Council, the Office of the Pension Funds Adjudicator and the Office of the Ombud for Financial Services Providers (the financial sector bodies). In terms of the Levies Administration Act the FSCA is responsible for administering the invoicing and collection of levies for the financial bodies.

The FSCA, National Treasury and other listed entities above are within the sphere of national government.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

24. Related parties (continued)

Management class: Governance committee fees

31 March 2025

	Human Resources and Remuneration Committee Fees	Audit Committee Fees	Risk Committee	Social and Ethics Committee	Other	Total
Name						
T Ajam	-	71 126	79 209	-	17 781	168 116
V Balgobind	84 058	-	-	-	9 699	93 757
N Esterhuizen	-	79 209	79 209	-	17 781	176 199
V Joseph	-	-	79 209	-	-	79 209
S Hamdulay	-	-	-	59 810	6 466	66 276
T Kharametsane	84 058	-	-	-	-	84 058
P Maluleke	-	40 412	-	-	14 549	54 961
K Mofuoa	-	-	-	59 810	-	59 810
J Mogadime (term ended 30 June 2024)	-	16 165	-	-	-	16 165
P Mokgobu	-	-	-	59 810	-	59 810
L Molebatsi	84 058	-	-	-	9 699	93 757
D Msomi	-	-	-	74 359	-	74 359
P Mvulane	-	79 209	-	-	-	79 209
L Ntuane	-	-	79 209	-	17 781	96 990
V Pangwa	-	-	79 209	-	17 781	96 990
TL Randall	84 058	-	-	-	-	84 058
L Senne (Resigned 30 November 2024 - reappointed May 2025)	-	51 728	-	-	-	51 728
PJ Sutherland	64 660	-	-	-	-	64 660
	400 892	**337 849**	**396 045**	**253 789**	**111 537**	**1 500 112**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

24. Related parties (continued)

31 March 2024

	Human Resources and Remuneration Committee Fees	Audit Committee fees	Risk Committee fees	Social and Ethics	Other	Total
Name						
T Ajam	-	74 359	80 825	-	6 466	161 650
V Balgobind	42 029	-	-	-	-	42 029
V Barthus (Appointed 1 July 2023)	61 427	-	-	-	-	61 427
N Esterhuizen	-	93 757	80 825	-	45 900	220 482
S Hamdulay (appointed 1 July 2023)	-	-	-	38 796	-	38 796
T Kharametsane (appointed 1 July 2023)	38 796	-	-	-	-	38 796
PR Koch (appointed 30 July 2023)	-	-	19 398	-	-	19 398
SM Malatji (term ended 30 June 2023)	-	-	19 398	-	-	19 398
K Mofuoa (Appointed 1 July 2023)	-	-	-	38 796	-	38 796
J Mogadime	16 165	93 757	-	-	6 466	116 388
P Mokgobu (Appointed 1 July 2023)	16 165	-	-	38 796	-	54 961
HL Molebatsi (Appointed 1 July 2023)	54 961	-	-	-	-	54 961
D Msomi	37 180	-	-	44 615	91 090	172 885
P Mvulane	-	80 825	-	-	6 466	87 291
L Ntuane (Appointed 1 July 2023)	-	-	61 427	-	4 849	66 276
V Pangwa (Appointed 1 July 2023)	-	-	71 126	-	-	71 126
TL Randall	54 961	-	-	-	-	54 961
L Senne	-	74 359	-	-	6 466	80 825
PJ Sutherland	67 893	-	-	-	3 233	71 126
	389 577	**417 057**	**332 999**	**161 003**	**170 936**	**1 471 572**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Management class: Executive management

31 March 2025

Name	Salary Paid	Contributions to Pension Fund	Incentive Bonus	Long Service Award	Total
U Kamlana, Commissioner	5 500 524	573 295	-	-	6 073 819
A Ludin, Deputy Commissioner	4 377 630	472 930	-	-	4 850 560
KL Gibson, Deputy Commissioner	4 377 630	472 930	-	-	4 850 560
F Badat, Deputy Commissioner	4 377 630	472 930	-	-	4 850 560
	18 633 414	**1 992 085**	**-**	**-**	**20 625 499**

In terms of section 60 of the FSR Act, the Executive Committee consists of the Commissioner and Deputy Commissioners.

The executive remuneration note has been enhanced to separately disclose salary paid and contributions to pension fund. Previously, these were consolidated and disclosed as basic salary.

Included in the salaries ,staff benefits , training and other staff expenses amount is senior management remuneration as detailed below:

Management class: Senior Management	Salary Paid	Incentive Bonus	Contributions to Pension Fund	Long Service Award	Total
JJR Hlalethoa, DE: Corporate Center	4 529 804	402 800	460 349	30 000	5 422 953
LP Kekana, CFO	4 301 599	339 200	437 157	-	5 077 956
P Mogase, CIO	3 232 519	466 400	436 629	-	4 135 548
FM Mabaso, DE: Licensing	3 418 345	381 600	370 050	-	4 169 995
K Dikokwe, DE: Conduct of Business Supervision	3 311 406	296 800	357 742	36 000	4 001 948
O Makhubela, DE: Retirement Funds Supervision (Resigned 31 March 2025)	4 169 958	402 800	428 660	-	5 001 418
GJ van Deventer, DE: Investigations and Enforcement	3 434 576	382 660	402 939	-	4 220 175
R Mpete, CRO	2 580 364	223 360	260 227	12 000	3 075 951
S Rossouw, DE General Counsel (Appointed 1 November 2024)	1 307 078	-	141 208	-	1 448 286
	30 285 649	**2 895 620**	**3 294 961**	**78 000**	**36 554 230**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

24. Related parties (continued)

31 March 2024

	Basic Salary	Incentive Bonus	Leave Commutation	Long Service Awards	Total
Name					
U Kamlana, Commissioner	5 616 000	-	-	-	5 616 000
A Ludin, Deputy Commissioner	4 576 000	-	-	-	4 576 000
KL Gibson, Deputy Commissioner	4 576 000	-	-	-	4 576 000
F Badat Deputy Commissioner	4 576 000	-	-	-	4 576 000
JJR Hlalethoa, DE: Corporate Center	4 470 787	380 000	229 769	-	5 080 556
LP Kekane, CFO	4 245 555	400 000	240 655	-	4 886 210
P Mogase, CIO	3 474 296	360 000	69 584	6 000	3 909 880
FM Mabaso, DE: Licensing	3 587 211	340 000	271 117	-	4 198 328
K Dikokwe, DE: Conduct of Business Supervision	3 474 296	140 000	-	-	3 614 296
O Makhubela, DE: Retirement Funds supervision	3 865 676	468 000	266 452	6 000	4 606 128
GJ van Deventer, DE: Investigations and Enforcement	3 633 722	263 000	-	-	3 896 722
RP Mpete, CRO	2 376 419	187 304	-	-	2 563 723
	48 471 962	**2 538 304**	**1 077 577**	**12 000**	**52 099 843**

25. Auditors' remuneration

Current year-interim fee	394 722	504 414
Prior year audit fees	3 637 192	3 436 814
	4 031 914	**3 941 228**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

26. Other operating expenses

Travelling costs	15 837 875	11 610 644
Telephone and data lines	7 034 135	7 451 472
Advertising and publications	24 646 163	20 190 334
Membership fees	6 993 041	7 086 769
Computer support, maintenance and licensing costs	53 711 204	42 110 719
Security and cleaning	5 616 153	5 561 926
Repairs and maintenance	1 667 929	2 837 852
Insurance	2 750 933	3 374 500
Other general expenses	9 829 471	11 587 533
	128 086 904	**111 811 749**

27. Impairment loss

Current year provision	13 950 424	34 818 592
Reversal of prior year provision	(5 604 756)	(50 379)
	8 345 668	**34 768 213**

28. Reconciliation of surplus for the year to net cash flows from operating expenses

Surplus	202 217 162	156 761 604
Adjustments for:		
Depreciation and amortisation	17 452 144	14 395 004
Loss on sale of assets	127 706	1 089 472
Fair value adjustments	(9 130 091)	(7 147 817)
Impairment loss	8 345 668	34 768 213
Movements in operating lease liability	840 987	(7 679 690)
Movements in retirement benefit medical expenses	7 971 553	4 837 462
Changes in working capital:		
(Increase)/Decrease in receivables	(107 533 430)	(4 065 809)
Increase in prepayments	(6 830 269)	(7 930 733)
Increase/(Decrease) in payables	130 463 931	(37 695 621)
Increase in levies and fees received in advance	(7 485 159)	5 291 771
Increase in provisions	4 666 955	7 897 573
	241 107 157	**160 521 429**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

29. Taxation

Reconciliation of the tax expense

The FSCA is exempt from income tax in terms of Section 10(1)(cA)(i)(bb) of the Income Tax Act No.58 of 1962.

30. Commitments

Authorised capital expenditure		
Already contracted for but not provided for		
Property, plant and equipment	121 172 082	11 723 115
Not yet contracted for and authorised		
• Property, plant and equipment	44 758 301	40 684 774
• Intangible assets	110 005 000	99 824 500
	154 763 301	**140 509 274**
Total capital commitments		
Already contracted for but not provided for	121 172 082	11 723 115
Not yet contracted for and authorised	154 763 301	140 509 274
	275 935 383	**152 232 389**
Total commitments		
Total commitments		
Authorised capital expenditure	275 935 383	152 232 389
Operating leases commitments		
Minimum lease payments due for Block B Office Building		
- within one year	12 380 231	20 522 485
- in second to fifth year inclusive	-	12 380 231
	12 380 231	**32 902 716**

The FSCA leases office building at Block B, Riverwalk Office Park, Pretoria which will expire on 31 October 2025. Management is currently evaluating options regarding future occupancy and the possibility of renewing the current lease or moving to the new premises.

Office equipment leases

The FSCA leases some of its office equipment through National Treasury's transversal contract. The period of the lease is 36 months with no escalations attached to the lease agreement

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

30. Commitments (continued)

Minimum lease payments due

Within one year	550 271	425 977
In second to fifth year inclusive	344 369	428 148
	894 640	**854 125**

31. Contingent liabilities

The FSCA has no contingent liabilities.

32. Assets administered on behalf of third parties

In terms of Section 82(4) of the Financial Markets Act 19 of 2012, amounts recovered by the FSCA from civil action activities are transferred to a special trust account designated for this purpose, as such recoveries do not form part of the normal operating activities of the FSCA. The balance of the Insider Trading account at the end of the year was R6 456 364 (2024: R6 015 723)

33. Change in estimate

Impact of changes in accounting estimate

Increase in net surplus	796 848	7 119 546
Decrease in depreciation of property, plant and equipment	(254 584)	(5 425 606)
Decrease in amortisation of intangible assets	(542 264)	(1 693 940)
	-	-

In the current year management re-assessed the remaining useful lives and residual values of property, plant and equipment and intangible assets. The change in estimate is applied prospectively. The effect of this assessment has decreased the depreciation and amortisation charges in the current period and increased the depreciation and the amortisation charges for future periods by R254 584 (2024: R5 425 606) and R542 264 (2024: R1 693 940) respectively.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

34. Prior period errors

During the 2024/25 financial year there were operating expenses and revenues discovered relating to prior periods. The errors have been corrected by restating each of the affected financial statements line items for prior periods.

Statement of Financial Position		
Increase in receivables from non-exchange transactions	-	1 478 218
Decrease in the opening accumulated surplus - 1 April 2023	-	282 608
Decrease in accounts receivable from exchange transactions	-	(268 114)
Increase in accounts payable from exchange transactions	-	(3 462 448)
Decrease in property, plant and equipment	-	(3 390)
Statement of financial performance		
Increase in revenue from non-exchange transactions	-	(1 478 218)
Increase in advisory and committee fees	-	3 892
Increase in depreciation and amortisation	-	3 390
Increase in internal audit fees	-	636 179
Increase in legal fees	-	1 002 120
Increase in other operating expenses	-	1 729 632
Increase in salaries, staff benefits and other staff expenses	-	76 133
Surplus for the year per previous financial statements	-	158 734 732
Prior year adjustments	-	(1 973 128)
Restated surplus for the year	**-**	**156 761 604**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

35. Accounting by principals and agents

The FSCA is a party to a principal-agent arrangements and is acting as an agent.

Details of the arrangements are as follows:

The Levies Act came into effect on 1 April 2023 to provide for the funding of the FSCA, the Tribunal, the Ombud Council, the Office of the Pension Funds Adjudicator and the Office of the Ombud for Financial Services Providers (the financial sector bodies). In terms of the Levies Administration Act the FSCA is responsible for administering the invoicing and collection of levies for the financial bodies. For the financial year under review the FSCA did not receive any compensation for the transactions carried out on behalf of the principals.

The balances owing by the FSCA to the principals will be remitted before end of June 2025.

In terms of Section 167 of the FSR Act, the FSCA is responsible for administering the invoicing and collection of penalties on behalf of National Treasury. Amounts recovered by the FSCA for penalties are paid into the National Revenue Fund.

Included below are the transactions undertaken, disbursements made and balances outstanding as at 31 March 2025.

Entity as agent

2025	Office of the Pension Fund Adjudicator	Office of the Ombud for Financial Services Providers	Ombud Council	Financial Services Tribunal	National Treasury	Total
Levies/Penalties invoiced	120 516 107	86 281 221	26 528 367	44 112 615	87 051 483	364 489 793
Interest on overdue accounts	13 057	741 488	47 129	70 370	119 371 398	120 243 442
Amounts received on behalf of the principal	115 505 275	89 115 652	28 998 750	20 714 913	34 038 451	288 373 041
Amounts remitted to the principal	(115 765 472)	(88 297 872)	(30 405 014)	(14 568 177)	-	(249 036 535)
Amounts to be received on behalf of the principal (receivables)	1 265 007	10 391 724	957 049	16 145 208	1 024 063 554	1 052 822 542
Impairment loss	(3 300)	(2 379 931)	(81 059)	(85 190)	(936 556 390)	(939 105 870)
Revenue Loan Account	(1 001 509)	(8 829 572)	530 274	(22 206 754)	(121 545 615)	(153 053 176)
	-	-	-	-	-	-

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

35. Accounting by principals and agents (continued)

2024	Office of the Pension Fund Adjudicator	Office of the Ombud for Financial Services Providers	Ombud Council	Financial Services Tribunal	National Treasury	Total
Levies/Penalties invoiced	88 858 855	84 218 712	24 114 146	37 847 464	892 197 288	1 127 236 465
Interest on overdue accounts	59 245	316 701	33 708	60 182	22 056 495	22 526 331
Amounts received on behalf of the principal (remitted)	44 959	-	-	-	-	44 959
Amounts received on behalf of the principal	88 909 222	79 183 847	23 205 490	36 457 840	13 647 698	241 404 097
Amounts remitted to the principal	(88 909 222)	(72 010 316)	(20 728 859)	(26 746 787)	-	(208 395 184)
Amounts to be received on behalf of the principal (receivables)	55 882	5 828 309	1 023 004	1 536 522	1 080 106 764	1 088 550 481
Levies received in advance	(2 046)	(476 743)	(80 640)	(86 716)	-	(646 145)
Impairment loss	(28 006)	(653 110)	(188 493)	(347 933)	(1 072 412 061)	(1 073 629 603)
Revenue Loan Account	(25 830)	(11 871 987)	(3 230 500)	(10 812 927)	(35 529 235)	(61 470 479)
	-	-	-	-	-	-

Resources held on behalf of the principals, but recognised in the entity's own financial statements

Resources amounting to R249 036 535 (2024: R208 395 184) were remitted to the principals during the period .

Expected timing of remittance of remaining resources to the principal as disclosed in the table below, will be before end of June 2025.

2025	Office of the Pension Fund Adjudicator	Office of the Ombud for Financial Services Providers	Ombud Council	Financial Services Tribunal	National Treasury
Opening balance	-	(7 173 531)	(2 476 629)	(9 711 054)	(27 834 533)
Amounts remitted to the principal	-	7 173 531	2 476 629	9 711 054	-
Debtors	1 265 007	10 391 724	957 049	16 145 208	1 051 898 087
Provision	(3 300)	(2 379 931)	(81 059)	(85 190)	(936 556 390)
Revenue Loan Account	(1 001 509)	(8 829 572)	530 273	(22 206 754)	(121 545 615)
	260 198	**(817 779)**	**1 406 263**	**(6 146 736)**	**(34 038 451)**

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

35. Accounting by principals and agents (continued)

2024	Office of the Pension Fund Adjudicator	Office of the Ombud for Financial Services Providers	Ombud council	Financial Services Tribunal	National Treasury
Opening Balance	-	-	-	-	(14 186 835)
Debtors	55 882	5 828 309	1 023 004	1 536 522	1 094 293 598
Levies received in advance	(2 046)	(476 743)	(80 640)	(86 716)	-
Provision	(28 006)	(653 110)	(188 493)	(347 933)	(1 072 412 061)
Revenue Loan Account	(25 830)	(11 871 987)	(3 230 500)	(10 812 927)	(35 529 235)
	-	**(7 173 531)**	**(2 476 629)**	**(9 711 054)**	**(27 834 533)**

36. Services received in-kind

The FSCA received services in kind in the form of free training from various organisations which are not significant to operations.

37. Budget differences

Material differences between budget and actual amounts

The budgetary basis and classification adopted are the same as those applied in the preparation of the financial statements. The approved budget covers the period from 1 April 2024 to 31 March 2025.

Revenue from exchange transaction

The favourable variance to budget is mainly as a result of higher interest earned from investments and other income not budgeted for.

Revenue from non- exchange transactions

The favourable variance to budget is mainly as a result of annual levy variable increases being higher than budget.

Advisory and other committee fees

The favourable variance is due to the number of meetings being less than planned.

Depreciation and Amortisation

The favourable variance is due to the deferment in the procurement of budgeted assets as well as the changes in the remaining useful life estimates.

Notes to the Annual Financial Statements
for the year ended 31 March 2025

Amounts in Rand	2025	2024

37. Budget differences (continued)

Legal fees

The favourable variance is mainly due to the number of cases being less than budgeted.

Governance committee fees

The favourable variance is mainly due to number of meetings being less than planned.

Other operating expenses

The favourable variance is mainly due to less spending on travel, computer support and licence costs as well as advertising and publications.

External audit fees

The external audit fee are based on the actual hours spent on the audit.

Professional and consulting fees

The favourable variance is due to less outsourcing of activities than anticipated in the year under review.

Operating lease rentals - Building

The unfavourable variance is due to the increases in variable operating costs.

Impairment loss

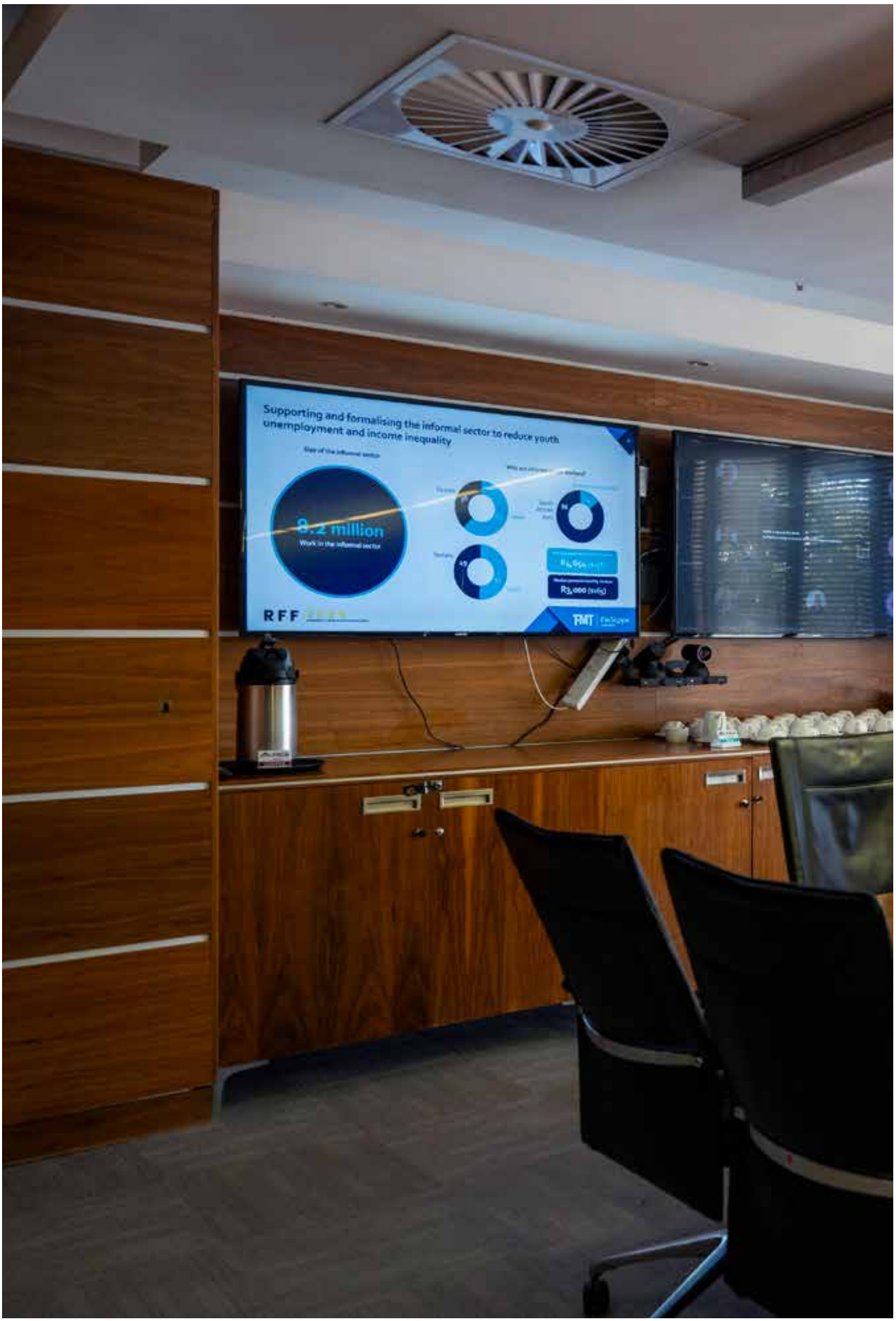
Impairment losses are not budgeted for due to the uncertainty surrounding the recoverability of receivables.

Fair value adjustment

The fair value adjustment relates to the portfolio earmarked for the post-retirement medical fund liability which is not budgeted due to unpredictable changes in the market.

Post Retirement Medical Aid fund expense

The post-retirement medical aid fund expense is not budgeted for as it is dependent on the annual actuarial valuation.


Supporting and formalising the informal sector to reduce youth unemployment and income inequality
8.2 million
Work in the informal sector
RFF

PART H

PFMA Compliance Report

Inside Part H

- PFMA Compliance Report..... 160

REPORTING OF APPOINTMENTS THROUGH DEVIATIONS							
No	**Project Description**	**Name of Supplier**	**Actual Value of Contract**	**Reason for the Deviation**	**Award Date**	**Contract start date**	**Contract expiry date**
1	Provision of the telephone system support for a period of two (2) years	Securi Tek (Pty) Ltd	R2 247 156,43	Only Securi Tek (Pty) Ltd has the capacity and skills to render the specialised service required.	11-Apr-24	1-Jun-24	31-May-26
2	Attendance of the Global Executive Development Programme	Gordon Institute of Business Science (GIBS)	R1 328 000,00	GIBS is the only provider offering the GEDP.	24-Jun-24	Once off	
3	Renewal of Annual Maintenance and Support for OpenText Licenses for 3 Years.	Connect U Solutions and TME Business Solutions JV	R3 228 937,07	Service can only be procured from accredited reseller identified by OEM	31-Jul-24	01-Aug-24	31-Jul-27
4	Money Smart Week South Africa (MSWSA) Campaign Radio interview	South African Broadcasting Corporation (SABC)	R1 600 000,00	The SABC is a sole media house in South Africa that is offering access to a diverse range of radio stations	13-Aug-24	26-Aug-24	01-Sep-24
5	Provision of License Renewal, Maintenance and Support for Integration Platform for 3 Years	i1Technologies (Pty) Ltd t/a i1 Solutions	R4 155 365,15	Service can only be procured from accredited reseller identified by OEM	26-Sep-24	01-Oct-24	-9-31-2027
6	Provision of video conferencing soutions to the boardrooms	R and N AV Innovations	R1 476 378,20	Procured from OEM's approved South African partners	28-Nov-24	01-Jan-25	31-Dec-28

REPORTING OF EXPANSIONS AND VARIATIONS OF CONTRACTS										
No	**Project Description**	**Name of Supplier**	**Contract Number**	**Reason for variation**	**Original contract value**	**Value of contract variation**	**Value of previous extensions**	**Award Date**	**Contract start date**	**Contract expiry**
1	Appointment of the fulfillment agent, Axiz (Pty) Ltd, by Micro Focus Software (Ireland) as the billing agent and sole distributor of Micro Focus products in South Africa: for the implementation of the Identity Access Management solution (IAM)	Axiz (Pty) Ltd	FSCA202425-SLA07	Appointment of the fullfilment agent	R9 324 723,27	R7 787 156,74	n/a	01-Jul-24	01-Jul-24	30-Jun-27
2	Panel of Legal Services	Rooth and Wessels Inc t/a RW Attorneys	FSB201718-SLA14-01 - FSCA201718-SLA14-14	Finalisation of procurement process	R12 500 000,00	R6 250 000,00	R16 666 666,66	10-Oct-24	01-Nov-24	31-May-25
3	Provision of business continuity management services	Dimension Data (Pty) Ltd	FSCA1920-SLA21	Organisation's pending office relocation plans	R7 643 765,88	R1 304 192,87	R137 185,80	28-Mar-25	01-Apr-25	31-Jan-26
4	Panel for executive coaching services	Change Partners	FSCA1920-SLA24 -1 - FSCA1920-SLA24 -3,	To complete scheduled coaching sessions	R2 140 000,00	R500 000,00	N/A	28-Nov-24	01-Feb-20	31-Jan-25
5	Provision of credentials and credit checks services	Managed Intergrity Evaluation t/a MIE (Pty) Ltd	FSCA1920-SLA01	Finalisation of a decision on the new procurement process to be followed for a follow-on contract	R7 100 000,00	R4 347 188,00	R70 999,98	28-Mar-25	01-Apr-25	30-Sep-25

Description	Number of invoices	Value R
Valid invoice received	4 765	452 893 171
Invoices paid within 30 days or the agreed period	4 600	451 320 334
Invoices paid after 30 days or the agreed period	165	1 572 837

Reconciliation of irregular expenditure

Description	2025	2024
Opening balance	-	-
Add: Irregular expenditure confirmed	46 000	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**46 000**	**-**

During the current financial year, the entity incurred irregular expenditure amounting to R46 000. The irregular expenditure emanates from non-compliance; Conflict of Interests Disclosure in procuring tickets for the Career summit and Gala awards. The expenditure of R46,000 has been recorded in the Irregular Expenditure Register and condonation process will be followed by the entity.

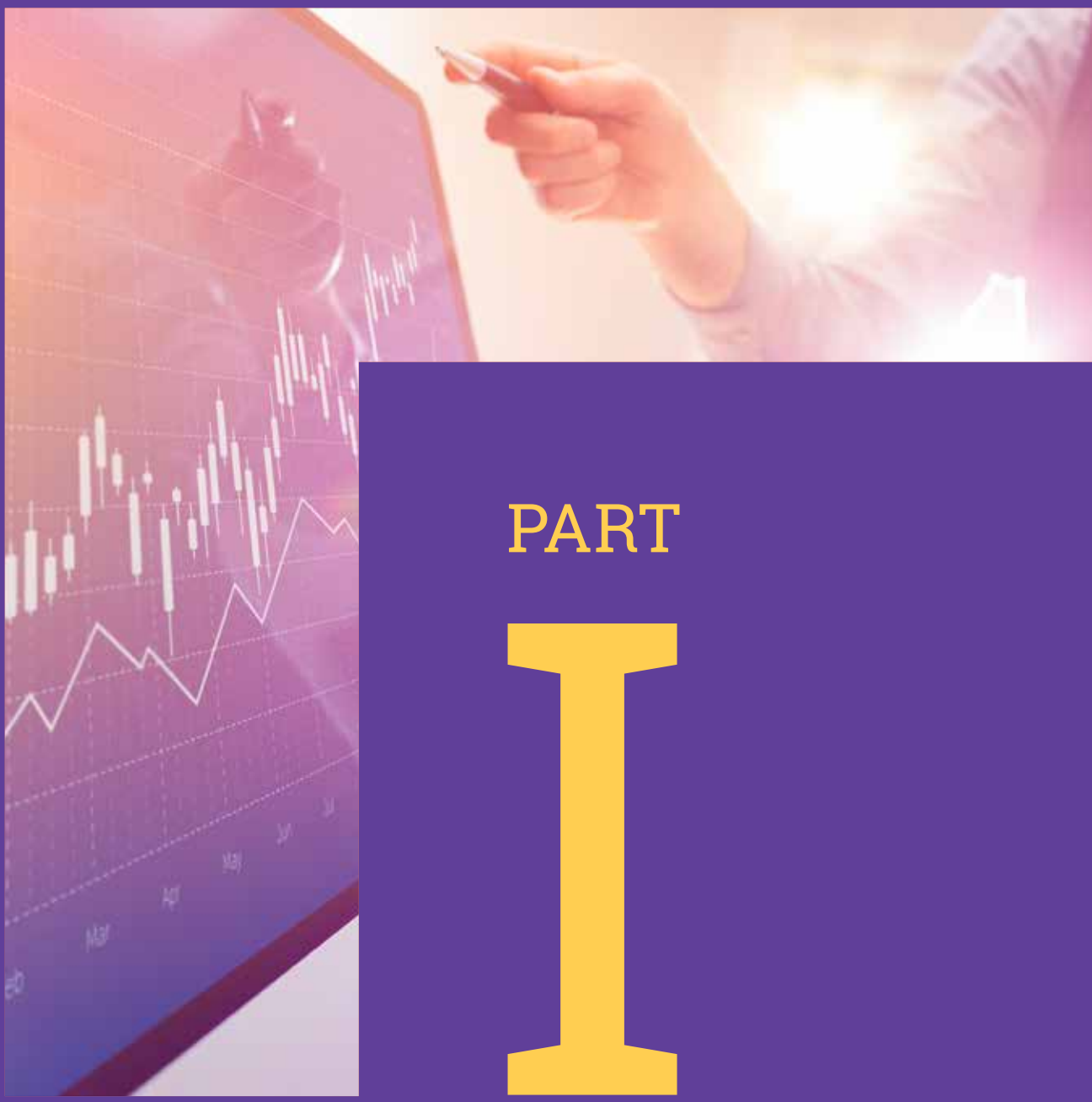
Reconciling notes

Description	2024/25 R	2023/24 R
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to 2023/24 and identified in 2024/25	-	-
Irregular expenditure for the current year	46 000	-
Total	**46 000**	**-**

Fees, Levies, and Finances (ss 237-249)

FSR Act section 248 (7) and (8) states that in addition to the matters which must be included in the annual report and financial statements of the FSCA referred to in section 55 of the PFMA, the annual report must set out the following information:

FSCA MARCH 2025		
Section 248(7)(a)	The total number of supervised entities who paid levies imposed in accordance with section 237(1)(b)	12 519
Section 248(7)(b)	The total funds distributed from the designated bank account referred to in section 246(2) to the designated bank account of each financial sector body referred to in section 246 (1)	R249 036 535,00
Section 248(8)(a)	The total number of persons who paid fees determined by that financial sector body in the financial year	5 503
Section 248(8)(b)	The total number of supervised entities who paid levies imposed in accordance with section 237(1)(b)	12 519
Section 248(8)(c)	The total fees collected by the financial sector body	R42 991 696,65
Section 248(8)(d)	The total levies collected on behalf of and received by the financial sector body	R1 023 636 638,50



PART I

Annual Performance Report

Inside Part I

- Annual Performance Information..... 166

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Strategic Objective 1: Improve industry practices to achieve fair outcomes for financial customers								
Good conduct and TCF principles embedded in financial institutions	Abbreviated version of the regulation plan to promote good conduct and fair treatment of customers published	Date of publication of the abbreviated version of the rolling 3-year regulation plan to encourage good conduct and fair treatment of customers	Publication on 30 June 2022.	Publication of an abbreviated version of the 3-year rolling plan by 30 June 2023	Publication of an abbreviated version of 3-year rolling plan by 3 July 2024	Achieved Abbreviated version of the rolling plan was published on 03 July 2024	N/A	N/A
		The percentage achievement of annual targets in the regulation plan to promote good conduct and fair treatment of customers.	80,6% of annual targets achieved	85% of annual targets achieved by 31 March 2024	85% of annual targets achieved by 31 March 2025	Achieved 90,48% of annual targets achieved by 31 March 2025	+5,48%	Overachievement is due to better execution of the plan and staff being more efficient.
	Approved combined supervisory plan.	Date of approval of the combined risk-based supervisory plan to promote good conduct and fair treatment of customers.	Combined risk-based supervisory plan approved on 1 April 2022	Consolidated risk-based supervisory plan approved by 1 April 2023	Combined risk-based supervisory plan approved by 1 April 2024	Achieved A combined risk-based supervisory plan was approved on 28 March 2024.	N/A	N/A
		Percentage of combined supervisory plan targets implemented across the FSCA	89,10% of the combined supervisory plan was implemented	85% of annual targets achieved by 31 March 2024	85% of annual targets achieved by 31 March 2025	Achieved 95,33% of annual targets achieved by 31 March 2025	+10,33%	Very effective prioritisation, planning and execution and working overtime where necessary, led to overperformance
	Implemented milestones in the Trustee Toolkit Development and Implementation Plan.	Percentage implementation of the Trustee Toolkit implementation plan by the target date.	New Initiative	80% of milestones achieved as per the Trustee Toolkit Implementation Plan by 31 March 2024	80% of the milestones achieved as per the Trustee Toolkit Implementation Plan by 31 March 2025	Achieved 80% of the milestones achieved as per the Trustee Toolkit Implementation Plan by 31 March 2025	N/A	N/A

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Strategic Objective 2: Act against misconduct to support confidence and integrity in the financial sector								
Improved trust in financial sector	Abbreviated version of the Regulation Plan to promote market efficiency and integrity published.	Date of publication of the abbreviated version of the rolling 3-year regulation plan to promote market efficiency and integrity.	New Initiative	The abbreviated version of the rolling three-year regulation plan was published by 30 June 2023.	Publication of 3-year rolling plan by 3 July 2024	Achieved The publication of 3-year rolling plan was published on 3 July 2024	N/A	N/A
		The percentage achievement of annual targets in the regulation plan to promote market efficiency and integrity.	New initiative	By 31 March 2024, 81,8% of annual targets had been achieved.	80% of annual targets achieved by 31 March 2025	Achieved 90,9% of annual targets achieved by 31 March 2025	+10,9%	Overachievement is attributed to the better execution of the plan and the staff's increased efficiency.
	Combined risk-based supervisory plan approved.	Date of approval of the combined risk-based supervisory plan to promote market efficiency and integrity.	New initiative	A combined supervisory plan was developed and approved by 1 April 2023.	Combined risk-based supervisory plan approved by 1 April 2024	Achieved A combined risk-based supervisory plan was approved on 28 March 2024	N/A	N/A
		Percentage of combined supervisory plan targets implemented across the FSCA.	89,10% of the combined supervisory plan was implemented	85% of annual targets achieved by 31 March 2024	85% of annual targets achieved by 31 March 2025	Achieved 94,3% of annual targets achieved by 31 March 2025	+9,3%	Due to early identification of possible red flags during project implementation, preventative project management measures were put in place that led to the successful completion of all set targets.

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Strategic Objective 2: Act against misconduct to support confidence and integrity in the financial sector								
Improved trust in financial sector	Cases completed within the required timeframes.	Percentage of cases completed within the timeframes as per the framework for case selection and timeframes.	76,5% of cases were completed within the timeframes as per the case selection policy and framework.	79.94% of cases were completed within the timeframes as per the case selection.	75% of cases completed within the timeframes as per the framework for case selection and timeframes by 31 March 2025.	Achieved 77% of cases completed within the timeframes as per the framework for case selection and timeframes by 31 March 2025.	+2%	Overachievement was due to taking special attention to our numerous assessment cases. Prioritisation checklist in accordance with the various criteria as set out in the Division's Case Selection Guideline was utilised. This resulted in completing many cases on time for the period under review.
	A published Regulatory Actions Report	Date of publication of the Regulatory Actions Report by target date	New Initiative	New initiative	Regulatory Actions Report published on the FSCA website by 30 June 2024	Achieved The Regulatory Action Report was published on the FSCA website on 28 June 2024.	N/A	N/A

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Strategic Objective 3: Promote the development of an innovative, inclusive and sustainable financial system								
Transformation in the financial sector is supported	Published Retirement Fund statistical report on transformation	Number of Retirement Fund statistical report (with transformation data) published annually	New Initiative	One Retirement Fund statistical publication was issued by 31 March 2024	Publish 1 Retirement Fund statistical report (with transformation data) by 31 March 2025	Achieved 1 Retirement Fund statistical report (with transformation data) published by 31 March 2025	N/A	N/A
Financial inclusion of low-income households and small businesses deepened.	Small business regulatory support workshops/ webinars conducted.	Number of small business regulatory education and support workshops/ webinars conducted.	52 webinars/ workshops conducted	45 webinars/ workshops were conducted by 31 March 2024.	47 webinars/ workshops conducted by 31 March 2025	Achieved 49 webinars/ workshops conducted	+2	There were requests that resulted in two additional supervision awareness

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Strategic Objective 4: Empower households and small businesses to be financially resilient								
Financial customers empowered to make better financial decisions.	Published an abbreviated version of 3-year rolling Financial Education Plan	Date of publication of the abbreviated version of the approved 3-year rolling Financial Education Plan	New initiative	New initiative	Abbreviated version of the approved 3-year rolling Financial Education Plan published by 31 May 2024	Achieved The abbreviated version of approved 3-year rolling Financial Education Plan was published on 31 May 2024.	N/A	N/A
	Implemented targets in the Financial Education Plan	Percentage implementation of Financial Education Plan	New Initiative	New Initiative	80% achievement of targets of the Financial Education Plan by 31 March 2025	Achieved 100% achievement of targets of Financial Education Plan by 31 March 2025	+20%	Due to the early identification of possible red flags during project implementation, preventative project management measures were put in place, leading to the successful completion of all set targets.
	National Financial Education speech competition implemented	Number of National Financial Literacy Speech Competitions implemented by target date.	1 National Financial Literacy Speech Competition took place on 14 October 2022.	1 National Financial Literacy Speech Competition by 31 December 2023	1 National Financial Literacy Speech Competition implemented by 31 December 2024	Achieved 1 National Financial Literacy Speech Competition by 31 December 2024	N/A	N/A
	Money Smart Week South Africa implemented	Number of Money Smart Weeks implemented in collaboration with the National Consumer Financial Education Committee by the target date	One Money Smart Week	Three collaboration and partnership projects were concluded by 31 March 2024 (including Money Smart Week SA)	1 Money Smart Week implemented in collaboration with the National Consumer Financial Education Committee by 31 March 2025	Achieved 1 Money Smart Week will be implemented in collaboration with the National Consumer Financial Education Committee by 31 March 2025.	N/A	N/A

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Strategic Objective 5: Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive organisation								
Operational excellence embedded across all functions of the FSCA	Enhanced compliance, governance, and socially responsible practices.	Clean AGSA audit opinion.	Clean AGSA audit opinion maintained	Maintained clean AGSA audit opinion	Maintain Clean AGSA audit opinion	Achieved Maintained a clean AGSA audit opinion.	N/A	N/A
		Percentage levies invoiced, collected.	New initiative	Collect 98% of levies invoiced.	Collect 98% of levies invoiced by 31 March 2025	Achieved 98% of levies invoiced by 31 March 2025.	N/A	N/A
		Percentage suppliers' invoices paid within 30 days.	93% of valid supplier invoices paid within 30 days.	Pay 100% of valid suppliers' invoices within 30 days	Pay 100% of valid suppliers' invoices within 30 days	Not Achieved 95% of invoices were paid within 30 days.	-5%	Target not achieved due to queries on invoices.
		Date Integrated report is submitted to National Treasury	Partial sections of the integrated report not published by 31 March 2023	Integrated report published by 31 March 2024	Submit the draft Integrated report to NT by 31 August 2024	Achieved Submitted the draft Integrated report to NT on 30 August 2024.	N/A	N/A
	Improved Service Level Commitments.	Percentage improvement in targeted SLCs	31,52% of SLCs improved by more than 2%	30% (2% improvement in 30% of SLCs)	2% improvement in targeted SLCs	Not Achieved 2% improvement was on 69% of targeted SLCs	-31% (31% of targeted SLCs did not achieve 2% improvement)	There is improvement in 25 of the 36 processes that were targeted. There were internal inefficiencies that related to prolonged response times from applicants and late follow-ups on those responses

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Strategic Objective 5: Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive organisation								
Operational excellence embedded across all functions of the FSCA	Quarterly report on Employment Equity (EE) targets.	Percentage achievement of FSCA EE targets quarterly.	55% female 45% males 1,5% employees with disabilities, 89% the Black group • 80% African • 6% coloured • 3% Indian group 11% white group	53% female 47% males 3,8% employees with disabilities. 90% employees from the Black group 81.7% African 5,4% Coloured 3% Indian 10% from the White group	50% female 50% male; 2% employees with disabilities; 90% employees from the Black group 80% African 8% Coloured 2% Indian 10% from the White group.	Not Achieved 51% Female 49% Male 4% Disabled 91% Black group 81% African 7% Coloured 3% Indians 9% White group	+1% Female -1% Male +2% Disabled +1% African -1% Coloured +1% Indian -1% white group.	The target allows for a 5% variation catered for in the Technical Indicator Description document. The gender target of 50% has been closed from -5% for males to -1% which demonstrated a marked improvement in closing the gender gap. Overall, stats for women is impressive compared to other entities. However, monthly movements in staff affect the achievement of the gender balance of 50/50. The target for People with Disabilities has been exceeded by 2% i.e., actual of 4% versus the target of 2%. The organisation improved from -3% for the Coloured designated group to -1% for this financial year, demonstrating advancements in the FSCA targeted approach to ensure that all designated groups are in line with the EE Plan. It is important to note that the EE Plan will subsist until 2028, and this the 1% gap will be closed in the next financial year.

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
FSCA is recognised and trusted by financial institutions, financial customers, financial sector ombuds, and other financial sector regulators in South Africa and internationally	Communications Strategy geared towards reaching financial customers and the financial sector with targeted messages about the Authority.	Number of Commissioner engagements with stakeholders as per the Communication Strategy	2 Commissioner engagements with stakeholders	2 Commissioner engagements with stakeholders	2 Commissioner engagements with stakeholders by 31 March 2025	Achieved 2 Commissioner engagements with stakeholders	N/A	N/A
		Number of media round tables held as per the Communication Strategy	4 media round tables held	4 media round tables held	4 media round tables held by 31 March 2025	Achieved 4 media round tables held by 31 March 2025	N/A	N/A .
	Thought leadership and industry engagement.	Number of Thought leadership pieces published.	New initiative	One research report/thought leadership piece was published by 31 December 2023 (Buy now pay later research paper)	Publish 4 Thought leadership pieces by 31 March 2025	Achieved Published 4 Thought leadership pieces by 31 March 2025	N/A	N/A
	Industry supervisory conference conducted.	Number of industry supervisory conferences conducted.	New Initiative	One industry supervisory conference is held by 31 March 2024.	Hold 1 FSCA conference by 31 March 2025.	Achieved Held 1 FSCA conference by 19 March 2025.	N/A	N/A

PART J

General information

Inside Part J

- General information 176
- Acronyms 177

General information

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Acronyms

ASISA	Association of Saving and Investment South Africa
CBA	Credit Bureau Association
CDC	Council for Debt Collectors
COFI	Conduct of Financial Institutions
CRM	Customer Relationship Management
EMIR	European Market Infrastructure Regulation
ERM	Enterprise Risk Management
FECC	Financial Education Commitment Charter
FEP	Financial Education Plan
FMIC	Financial Markets Implementation Committee
FRTTF	Fraud Risk Technical Task Forum
FSAP	Financial Sector Assessment Programme
FSCA	Financial Sector Conduct Authority
FSP	Financial Services Providers
FSR	Financial Sector Regulation
GFT	Green Finance Taxonomy
ICASA	Independent Communications Authority of South Africa
ICT	Information and Communication Technology
INFE	International Network in Financial Education
JSE	Johannesburg Stock Exchange
MFA	Multi-Factor Authentication
MoU	Memorandum of Understanding
MSWSA	Money Smart Week South Africa
NCR	National Credit Regulator
NFO	National Financial Ombud
ODPs	OTC Derivative Providers
PA	Prudential Authority
PFMA	Public Finance Management Act
PFMIs	Principles of Financial Market Infrastructures
PMO	Project Management Office
RFI	Request for Information
SABRIC	The South African Banking Risk Information Centre
SAPS	South African Police Service
SDGs	Sustainable Development Goals
SFTs	Securities Financing Transactions
SLA	Service Level Agreement
SOC	Security Operations Centre
TOM	Target Operating Model
WIL	Work Integrated Learning

Notes

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FSCA

Financial Sector
Conduct Authority