



**OPENING REMARKS BY MR UNATHI KAMLANA,
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AT THE 2025 FSCA ANNUAL INDUSTRY CONFERENCE
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Ladies and gentlemen

Good morning.

Introduction and welcome

It's an immense privilege for me to welcome you to the 2025 FSCA Annual Industry Conference. It's truly great to have you here and in great numbers. So a very very warm welcome to you. At just two years, this event is fast becoming the premier platform for the exchange of ideas, and certainly a critical platform for dialogue on financial sector regulation broadly and conduct regulation in particular.

Given the rapid technological transformation of the financial sector and its implications for customers, the theme for this year's conference is "Embracing the evolving financial sector landscape: improving industry practices for fair customer outcomes". It is really an opportunity to reflect on the important roles we all play in shaping outcomes for the sector in terms of its integrity, resilience, stability and inclusivity.

Over the past year, the FSCA has remained steadfast in its mission to promote fair treatment of customers, enhancing the efficiency and integrity of financial markets, and assisting in the maintenance of financial stability.

We have intensified our supervisory and enforcement efforts to ensure that financial institutions operate with transparency and accountability, that products and services are designed and distributed with the best interests of financial customers in mind.

Our risk-based approach has led to proactive interventions that mitigate market abuse, enhance compliance and improve customer outcomes.

Our regulatory actions in terms of enforcement have served as a credible deterrent to harmful practices, improving trust and confidence in the financial sector and as such contributing to financial stability.

Emerging technologies

At the same time, the financial sector is undergoing a period of unprecedented transformation driven by digital innovation, regulatory reform, and shifting customer expectations. The rise of fintech, digital banking, artificial intelligence, digital assets and decentralized finance are reshaping how financial services are delivered and accessed. While these advancements present exciting opportunities for growth and inclusion, they also bring new challenges that we, as regulators and industry leaders, must address. They offer incredible efficiency and financial access, but they also bring new risks—cybersecurity threats, algorithmic biases, unethical AI-driven decisions, fraud and even financial exclusion when they aren't carefully designed or where regulations aren't carefully calibrated. Regulators must strike a balance between encouraging responsible innovation and ensuring adequate consumer protection in this new era.

The implementation of the TwinPeaks model in South Africa was a crucial step in strengthening financial regulation, with the FSCA playing a pivotal role in ensuring market conduct and customer fairness. Now, as the financial sector continues to evolve, the next frontier is ensuring that our regulatory frameworks also evolve, becoming more adaptive, responsive and aligned with international best practices, while addressing South Africa's unique challenges. Collaboration between regulators, financial institutions, and policymakers is key to ensuring a regulatory environment that supports both growth and protection.

An example of this responsive and adaptive model of regulation is our introduction of a regulatory framework for crypto asset service providers (CASPs) under the Financial Advisory and Intermediary Services (FAIS) Act and licensing over 260 CASPs. Our approach to regulating crypto assets has evolved as we have deepened our understanding of market dynamics, emerging risks, and consumer needs. The licensing process has provided valuable insights. Moving forward, the FSCA will focus on refining and strengthening its supervisory approach by providing clearer guidance for newly licensed entities, ensuring compliance with FAIS and AML/CFT requirements.

Cyber Security and Resilience

As technology advances in the financial sector, so does the sophistication of cybersecurity threats, creating serious challenges for both financial institutions and consumers. These risks go beyond just technical concerns—they directly impact operational continuity, consumer trust, and the overall integrity of the financial system. That’s why financial institutions must invest in cyber resilience, adopt strong risk management practices, and continuously strengthen their security frameworks. The Joint Standard on Cybersecurity and Cyber Resilience, which we issued jointly with the Prudential Authority, lays out clear expectations to ensure institutions are proactively addressing emerging cyber threats, safeguarding sensitive data, and strengthening the overall security of the financial sector. Cyber risk is not something that can be ignored or handled reactively - staying ahead of emerging threats must be a priority.

So, to my mind, the questions to address over the next two days are how do we navigate uncertainty while ensuring our financial sector remains resilient? How do we embrace rapid technological advancements while managing the risks they bring? As climate risks become more pressing, how do we make sure financial markets aren’t just resilient, but also driving real sustainability efforts? And most importantly, how do we refine our practices to build a financial system that is fair, transparent, and truly customer-focused?

South Africa’s G20 Presidency: Finance Track Agenda

These conversations are even more critical this year as part of the South African Presidency of the G20. With our finance track agenda focused on enhancing cross-border payments, the use of AI and exponential technologies in financial services, strengthening crypto asset regulation, cybersecurity and resilience, and enhancing regulation and oversight of Non-Bank Financial Intermediation (NBFi). The G20 Global Partnership for Financial Inclusion (GPFI) will continue to advance critical financial inclusion priorities, with a focus on remittances and the transition from access to the use of financial services.

Through these priorities, South Africa has an opportunity to shape global financial regulation, and as the FSCA, we will continue to support National Treasury and the South African Reserve Bank as they lead the country’s engagement in the G20 Finance Track.

But while making an impact internationally is important, what matters just as much is how we bring those lessons back home. It’s one thing to drive global conversations, but we must also apply what we learn and adapt it to our context.

For example, in the context of the diversity and inclusion agenda, one of the debates of interest globally concerns the need to be mindful of the cost of regulation. Some of you will be aware of the developments in the global north around the regulatory burden emanating from diversity, equity and inclusion initiatives. Now, we are all aware of the trade-offs, the trade-off between the cost of regulation and competitiveness for example, but we are similarly aware of the societal costs of leaving others behind and would advise against sacrificing inclusion at the altar of so-called competitiveness, that brand of growth and progress cannot be sustainable. I think we have an opportunity as South Africa to demonstrate that we can multi-task. We can transform, grow and also be sustainable. It is not easy, but we believe it is possible. We might need to recalibrate some priorities and resource allocation, but we can certainly do more than just one thing at a time.

The two-pot system

We successfully launched the two-pot retirement system last year. Which was really a response to general economic hardship and specific financial vulnerability of retirement fund members. The sector was very responsive to this reality for which we want to commend the retirement industry. The point though is that the billions of rands in withdrawals represent a cost in terms of reduced retirement savings. We must ensure that the compulsory preservation component of the reforms is locked in and not reversed, so that overall, the retirement system is not undermined.

Financial Consumer Education

This highlights the urgent need for stronger consumer education. Financial education is central to this and is also a key variable to the effectiveness of conduct regulation overall. It is at the heart of how we think about consumer resilience. Over the past year, we have enhanced our strategic focus on financial education as the FSCA. Hosting the first Financial Education Summit was testament to this. We intend to expand financial education programs and collaborations, using technology and digital platforms to enhance accessibility and reach.

Unclaimed Financial Assets

Another issue we have been focusing on—beyond simply creating consumer awareness—is the broader challenge of unclaimed assets. This is a significant issue in South Africa's financial sector, with an estimated R88 billion sitting unclaimed across various financial institutions. The problem isn't just about numbers—it has real consequences for people who are often unaware of their entitlements, leaving them unable to access funds that rightfully belong to them. This affects their financial well-being and security, which is why we've been working to fully understand the scale

of the problem and how unclaimed assets are identified, monitored, and managed across the sector.

In 2022, we published a discussion paper titled “A Framework for Unclaimed Financial Assets in South Africa”, outlining proposals for the management and treatment of these assets. Following extensive stakeholder engagement, we subsequently released the FSCA’s Response to Comments on the Discussion Paper, summarising feedback and detailing the next steps. Through this work, several key challenges were identified, including inconsistent definitions, where financial institutions apply varying dormancy periods and classifications for unclaimed assets, poor tracing efforts due to inadequate processes for locating asset owners, fragmented management approaches across sectors, and data gaps, since there’s no centralised reporting system outside of retirement funds. Our goal is simple: to ensure that unclaimed assets are properly managed and, where possible, returned to their rightful owners.

COFI Bill

As the financial sector continues to evolve, so too must the regulatory framework that governs it. Improving industry practices is essential to ensuring that financial institutions consistently deliver fair customer outcomes, regardless of the models or channels used to provide financial products and services. Achieving this requires embedding good conduct at all levels of an institution and across the entire financial services value chain, from strategy setting to product design, pricing, customer engagement, and dispute resolution. The COFI Bill represents a legislative response to these challenges, aiming to transform the regulatory landscape into one that is more outcome-focused and principles-based. Unlike traditional rule-based regulations, COFI prioritises flexibility and accountability, ensuring that financial institutions operate with a clear focus on customer fairness rather than just regulatory compliance. As communicated by National Treasury last week the Bill will be submitted to Cabinet for approval before being tabled in Parliament soon this year.

The FSCA has been actively preparing for this transition, engaging extensively with stakeholders, developing supervisory frameworks, and building internal capacity to ensure a seamless shift into this new regulatory era. However, readiness is not just the responsibility of the FSCA—it is an industry-wide imperative. Financial institutions must proactively align their business models, governance structures, and compliance strategies with COFI principles and expectations.

Greylisting and AML/CFT

Another key focus area of focus for us has been to strengthen our supervisory capabilities for dealing with AML/CFT risks and taking firm enforcement action against entities that fail to comply with the AML/CFT regulatory frameworks. This work forms part of South Africa's broader efforts to exit the Financial Action Task Force (FATF) greylist, led by National Treasury. Through collaborative efforts across multiple government agencies, significant progress has been made in addressing FATF's concerns, as reflected in the FATF and National Treasury statements following last month's FATF plenary. Mr Momoniat, who is the Head of South Africa's delegation at FATF, will provide further insights into the progress achieved and the remaining steps required for South Africa to successfully exit the greylist.

But as the FSCA, we are certainly confident that we are closer now than we have ever been to exiting the FATF greylist.

Sustainable Finance

Another critical issue we are focusing on is sustainable finance and climate risk. Sustainability is also a key priority of the South African G20 presidency. Climate-related financial risks are real and material, requiring financial institutions to integrate environmental, social, and governance (ESG) considerations into their decision-making processes. However, as sustainability gains momentum, conduct risks such as greenwashing—where institutions misrepresent their sustainability efforts—have become an area of focus for the FSCA. As part of our Sustainable Finance Roadmap, we are working on developing robust disclosure requirements to ensure greater transparency and accountability, and to further clarify regulatory expectations in this critical area of our strategy.

Conclusion

To conclude my remarks, as we embark on today's discussions, we encourage open dialogue, innovative thinking, and a shared commitment to shaping a financial sector that is not only resilient and well-regulated but also inclusive and responsive to the needs of all South Africans. We will also share how we are creating an FSCA of the future in the SupTech solution that we are investing in which will transform how we interact with the sector and how we analyse and use data as a response to the seismic changes we see in the financial sector regulatory landscape. Once again, I warmly welcome everyone to this conference, and I hope you will engage actively in the insightful discussions ahead.

Thank you.

