

2026 FSCA 3-YEAR REGULATION PLAN

1 April 2026 – 31 March 2029

Following the 2025/2026 review of the Regulation Plan

REGULATION



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EXECUTIVE SUMMARY

The 2026 FSCA 3-Year Regulation Plan 1 April 2026 – 31 March 2029 (2026 Regulation Plan) sets out the Financial Sector Conduct Authority's (FSCA) strategic approach to developing and strengthening South Africa's regulatory framework to ensure it remains robust, forward-looking, and aligned with both domestic priorities and international standards.

The 2026 Regulation Plan builds on previous annual reviews and reflects strong implementation performance during the 2025/26 period, during which multiple regulatory instruments were finalised, submitted, or progressed through consultation. Overall, regulatory reform initiatives are on track, demonstrating the FSCA's sustained capacity to deliver on its regulatory agenda.

Strategic Direction

The 2026 Regulation Plan is informed by a consistent set of strategic drivers:

- Transitioning toward a more harmonised, outcomes- and principles-based regulatory framework.
- Aligning with international regulatory standards and addressing findings from global peer reviews.
- Responding to emerging risks relating to fintech developments, artificial intelligence, operational resilience, and cyber risk.
- Addressing sector-specific regulatory gaps and risks.

A central pillar of the Plan remains the development and implementation of a holistic, cross-sector regulatory framework under the Conduct of Financial Institutions (COFI) Bill. This reform is expected to fundamentally reshape the legislative landscape and reduce the need for fragmented and rules-based regulation over time.

Key Regulatory Priorities (2026 – 2029)

Over the next three years, the FSCA will focus on the following priorities:

- Advancing the COFI Bill transition and supporting the related Parliamentary process.
- Harmonising and strengthening conduct regulation.
- Strengthening financial markets regulation, which includes benchmark reform, central clearing frameworks, and market infrastructure oversight.
- Enhancing cross-sector frameworks, including governance, outsourcing, operational resilience, unclaimed assets, and beneficial ownership transparency.
- Continuing reforms in retirement funds, collective investment schemes, and new areas of regulation for the FSCA such as alternative investment funds and payment services.

New and Emerging Focus Areas

The 2026 Regulation Plan incorporates several strategic focus areas where regulatory responses are expected to evolve as policy work matures, such as:

- Sustainable finance, including ESG-related disclosures.
- Open finance and data governance frameworks.
- Artificial intelligence.
- Data risk management.
- Transition from JIBAR to ZARONIA benchmark rates.
- Transition linked to the transfer of prudential responsibilities to the Prudential Authority.

Approach to Implementation

While maintaining regulatory momentum, the FSCA is conscious of the cumulative burden of legislative change on the financial sector. The 2026 Regulation Plan therefore emphasises the following:

- Limiting the introduction of new projects where possible.
- Sequencing reforms carefully.
- Using consultation and phased implementation to support industry readiness.

Outlook

The Regulation Plan represents a critical tool in guiding South Africa's transition toward a more integrated, resilient, and customer-focused financial regulatory system. While timelines remain indicative and dependent on external factors, the FSCA remains committed to the following:

- Promoting fair customer outcomes.
- Enhancing market integrity and efficiency.
- Ensuring the regulatory framework remains responsive to both global developments and domestic realities.

Ongoing stakeholder engagement will be central to achieving these objectives and ensuring that regulatory reforms are both effective and proportionate.



1. INTRODUCTION



1.1 Three-year framework

The Financial Sector Conduct Authority (FSCA) published its inaugural 3-year Regulation Plan on 30 June 2022. The Regulation Plan is a rolling three-year framework that is reviewed and updated annually to ensure that it remains relevant, responsive to emerging risks and developments, and aligned with the FSCA's strategic objectives.

1.2 Purpose

Since its introduction, the Regulation Plan has served as an effective strategic tool to guide the development of South Africa's financial sector regulatory framework. The FSCA has made significant progress in advancing key legislative reforms and strengthening both conduct and financial markets regulation. While this progress provides a strong foundation, the next phase of reform will be more complex and transformative.

1.3 Legislative reforms

The 2026 Regulation Plan is developed against the backdrop of significant primary law reforms, most notably the Conduct of Financial Institutions (COFI) Bill and the ongoing review of the Financial Markets Act. A central focus for the period ahead will be to support the National Treasury in finalising these reforms, while concurrently transforming the subordinate legislative framework to enable a coherent, seamless and effective transition to a more harmonised, outcomes- and principles-based regulatory system.

1.4 Transparency

In this context, the Regulation Plan remains a critical instrument for managing and sequencing regulatory reform. It provides transparency on the FSCA's regulatory priorities, facilitates coordination across regulatory stakeholders, and enables the sector to plan for forthcoming regulatory developments.

1.5 Structure

The FSCA's 2026 Regulation Plan is therefore structured in distinct sections that fulfil different functions.

Section 2 is retrospective and provides a review of regulatory framework developments and outcomes achieved during the 2025/26 financial year vis-à-vis the 2025 Regulation Plan.

Section 3 explains the approach followed in updating and prioritising the 2026 Regulation Plan and identifies the key regulatory focus areas and anticipated developments for the next three years, covering the period 1 April 2026 to 31 March 2029.

2. REVIEW OF THE 2025 REGULATION PLAN IMPLEMENTATION

2.1 Overall performance and milestones

2.1.1 The FSCA demonstrated strong performance throughout the year under review (1 April 2025 – 31 March 2026). There were numerous regulatory instrument-related publications and submissions during the reporting period. Furthermore, seven regulatory instruments or final publications were finalised during the reporting period. The FSCA did not experience any significant delays in progressing its regulatory framework workplan and work is therefore progressing as planned.

2.1.2 Notable milestones that were achieved during this period include the following:

- I. **FSCA Conduct Standard 2 of 2025 (RF) – Conditions Prescribed for Pension Fund Benefit Administrators.** Final Conduct Standard published on 6 August 2025.
- II. **FSCA Conduct Standard 3 of 2025 (CIS) – Requirements for Collective Investment Schemes Managers.** Final Standard published on 14 August 2025.
- III. **Conduct Standard Requirements relating to Securities Financing Transactions.** Published for public consultation on 3 September 2025.
- IV. **Joint Standard 1 of 2025: Criteria for the exemption of an external central counterparty or external trade repository from the provisions of the Financial Markets Act.** Final Joint Standard published on 3 October 2025.
- V. **Equivalence framework for financial markets.** Final equivalence framework published on 3 October 2025.
- VI. **FSCA FM Notice 2 of 2025: Determination of requirements relating to external CCP or external TR licence applications.** Final determination published on 3 October 2025.
- VII. **Joint Standard Recovery Plans for Market Infrastructures.** Joint Standard submitted to National Treasury for tabling with Parliament on 16 October 2025.
- VIII. **Conduct Standard for Benchmarks and related instruments.** Published for consultation on 9 March 2026.
- IX. **Conduct Standard - Reporting and public disclosure in relation to Short Sales.** Published for a third round of public consultation on 26 March 2026.
- X. **Prudential Standard – Quarterly Regulation 28 reporting.** Draft Prudential Standard submitted to Parliament on 27 March 2026.
- XI. **FSCA CIS Notice 1 of 2026 - Determination relating to Foreign Collective Investment Schemes soliciting investments in the Republic.** Final Determination published on 30 March 2026.
- XII. **FSCA Prudential Standard 1 of 2026 (RF) – Regulatory Reporting Requirements and Annual Financial Statements for Pension Funds.** Final Prudential Standard published on 30 March 2026.
- XIII. **Joint Standard - Capital requirements and risk management rules for non-bank ODPs.** Discussion Document published on 30 March 2026.
- XIV. **Conduct Standard – Requirements for Market Infrastructures.** Published for a third round of public consultation on 30 March 2026.

- 2.1.3 In addition, good progress was made in various other focus areas reflected in the Regulation Plan, which includes furthering technical work on a range of projects and initiating targeted informal consultation.

2.2 Cross-cutting projects

- 2.2.1 **Support in developing critical pieces of primary legislation - Conduct of Financial Institutions Bill and Financial Markets Act Review:** During the reporting period the FSCA continued to contribute to the development of the Conduct of Financial Institutions (COFI) Bill and Financial Markets Act Review (FMAR). This entailed supporting the National Treasury to resolve a range of technical drafting and providing general assistance to progress these Bills. The COFI Bill, in particular, has made good progress and in late March 2026 the Bill was officially approved by Cabinet for submission to Parliament. On 17 April 2026, the Minister of Finance published a notice of its introduction to the National Assembly in the Government Gazette.¹
- 2.2.2 **Developing a holistic, sector-wide, robust and customer-focused regulatory framework under the COFI Bill:** During the reporting period, informal consultation (through the COFI Bill Transition Working Group) took place to discuss various themed frameworks, including the draft Fit and Proper Framework, the draft Risk Management, Internal Controls and Control Function Framework and the draft Complaints Management Framework.
- 2.2.3 **Other cross-cutting projects:** Following the finalisation of 2024/25 key cross-cutting projects, the focus during 2025/26 moved to the progressing of technical work on a range of other critical projects, such as the Joint Standard – Beneficial Owners of Financial Institutions; Joint Standard Relating to Governance; Joint Standard Relating to Outsourcing; and joint work relating to sustainable finance, open finance, operational risk and resilience, cloud computing and artificial intelligence.² Several of these projects are likely to advance to public consultation stage during 2026/27.

2.3 Conduct focused projects

- 2.3.1 **Collective investment schemes:** Work in the collective investment scheme (CIS) environment progressed well in accordance with the 2025 Regulation Plan. This included finalising the *FSCA Conduct Standard 3 of 2025 (CIS) – Requirements for Collective Investment Schemes Managers and FSCA CIS Notice 1 of 2026 - Determination relating to Foreign Collective Investment Schemes soliciting investments in the Republic; progressing the Review of Board Notice 90 of 2014, Board Notice 52 of 2015 and Board Notice 573 of 2003*; continuing work in developing a *CIS accounting framework*;³ commencing technical work on reviewing the *CIS Pro Forma Deed*; and continuing technical work in develop a *fit for purpose framework for alternative investment funds*.
- 2.3.2 **Pension funds:** The pension funds focused projects also progressed well. This included finalising *Prudential Standard 1 of 2026 (RF) – Regulatory reporting requirements and annual financial statements for pension funds and FSCA Conduct Standard 2 of 2025 (RF) - Conditions prescribed for pension fund benefit administrators*; and submitting the *Prudential Standard – Regulation 28 quarterly reporting requirements for pension funds* to Parliament.
- 2.3.3 **Banking sector:** In the banking sector, the focus was on co-operative financial institutions (CFIs), co-operative banks and mutual banks, and on developing Joint Standards, in conjunction with the Prudential Authority, in respect of these financial institutions.

¹ <https://www.treasury.gov.za/twinpeaks/45791%2020-1%20NatTreasury.pdf>

² Although the last-mentioned 'joint work' is currently at policy development stage as opposed to legislative intervention stage.

³ Specifically focused on addressing findings reflected in the most recent Financial Sector Assessment Program.

2.3.4 **Payment services:** Technical work in respect of developing a conduct standard for payment services also progressed well, noting that further engagements with the National Payment System Department of the South African Reserve Bank will have to take place to discuss alignment and timing or sequencing of frameworks pertaining to the payment services environment.

2.4 Financial markets projects

2.4.1 **Major developments:** The financial markets environment was subject to comprehensive work and various publications that have resulted in good progress in line with the planning reflected in the 2025 Regulation Plan. Major developments comprising multiple regulatory framework interventions include the following:

- i. *Joint Roadmap for Development of a Regulatory Framework for Central Clearing in South Africa and interrelated developments (Central Clearing Roadmap): Phase 2 of the Central Clearing Roadmap was finalised during 2025/26 through the publication of three instruments, i.e. Joint Standard 1 of 2025: Criteria for the exemption of an external central counterparty or external trade repository from the provisions of the Financial Markets Act, Equivalence framework for financial markets and FSCA FM Notice 2 of 2025: Determination of requirements relating to external CCP or external TR licence applications.*
- ii. *Financial benchmark reforms:* The project focused on establishing a framework to regulate the provision of financial benchmarks progressed well and entailed the publication of various documents that are intended to support the final framework.

2.4.2 **Draft frameworks:** The FSCA also published three important draft frameworks for public consultation, i.e. a third version of the conduct standard focused on market infrastructures, a third version of the draft conduct standard focused on reporting and disclosure of short sales for public consultation, and the conduct standard focused on securities financing transactions.

2.4.3 **Draft standard:** In addition, the draft *Joint Standard - Minimum requirements for the recovery plans of market infrastructures* was submitted to Parliament. The FSCA also published, for public consultation, a discussion document that is meant to support the development of a framework focused on capital requirements and risk management rules for non-bank ODPs.



3. THE 2026 REGULATION PLAN

3.1 Approach in developing the 2026 regulation plan

- 3.1.1 The same prioritisation principles and approach set out in previous regulation plans were adopted for the 2026 Regulation Plan. In general, the priorities identified last year remain the same, but certain changes to timelines were necessary.
- 3.1.2 As discussed in the 2025 Regulation Plan, an ongoing important consideration entails managing the volume of legislative changes and the impact that such continuous legislative reform may have on the sector, both from a planning and cost perspective. For that reason, the 2026 Regulation Plan attempts to limit, as far as possible, the introduction of new regulatory projects.
- 3.1.3 Also as previously communicated, it is important to understand that although the Regulation Plan contains a substantial volume of legislative interventions, these are expected to become significantly less frequent after the finalisation of the COFI Bill transition project.⁴ By then, the regulatory framework will have matured and will reflect an outcomes- and principles-based approach which allows for much more flexibility and negates the need for constant legislative change.
- 3.1.4 The key strategic factors driving the development of the Regulation Plan, which was highlighted in the 2024 and 2025 Regulation Plans, remains the same. These include the following:
- i. Alignment of the regulatory frameworks with international standards.
 - ii. Actively pursuing harmonisation and consolidation of laws governing cross-cutting themes and transforming the legislative landscape into one that is more outcomes- and principles-based.
 - iii. Topical and emerging risks.
 - iv. Identified sector specific risks.
- 3.1.5 General revisions to the 2026 Regulation Plan include the following:
- i. Timelines on certain projects were revised.
 - ii. New deliverables and timelines for the period 1 April 2028 – 31 March 2029 have been included.
 - iii. The projects that were finalised during the reporting period have been removed.
 - iv. New projects of strategic importance were highlighted.
 - v. New focus areas were added.

⁴ See, for example, paragraph 3.2 above.

3.2 Conduct regulatory framework

3.2.1 **Primary legislation:** As mentioned previously, the COFI Bill has been officially approved by Cabinet for submission to Parliament and the Minister of Finance published a notice of its introduction to the National Assembly in the Government Gazette. Once the Bill is tabled in Parliament, the FSCA will provide technical support to the National Treasury to support Parliamentary deliberations, as deemed necessary.

3.2.2 **Developing a holistic, sector-wide, robust and customer-focused regulatory framework under the COFI Bill:** The development of a holistic, cross-sector, robust and customer-focused regulatory framework under the COFI Bill remains a top priority for the FSCA. Work in relation to Phase 2 of the COFI Bill transition work⁵ will continue throughout 2026/27 and it is envisaged that public consultation will commence on high-priority themed frameworks. As previously explained, the respective themed frameworks will be introduced on a staggered basis. Although work in relation to Phase 3 has commenced, this phase will likely only advance in earnest once Phase 2 is far progressed.

The FSCA is also embarking on a broader project focused on COFI Bill readiness and more detail in this regard will follow in due course, once the communication strategy has been finalised.

3.2.3 **Banks, Mutual Banks, Co-operative Banks and Co-operative Financial Institutions:** During the coming year the FSCA and Prudential Authority will focus on refining the draft Standards applicable to CFIs and co-operative banks.⁶ The exact nature and approach underpinning these standards must still be discussed and agreed on as there are other projects that might impact the standards, such as the Joint Standard – Governance, and themed framework relating to risk management, internal controls and control functions. The same holds true for the draft Prudential Standards applicable to Mutual Banks, which the Prudential Authority is in the process of developing and which have been earmarked as standards that could potentially be converted to a joint standard, noting that a decision regarding the latter has not yet been taken.⁷

No other banking-specific interventions have been included in the 2026 Regulation Plan.

3.2.4 **Insurers and FAIS:** No insurance or FAIS specific interventions are earmarked for completion within the next three years. However, as explained in previous FSCA Regulation Plans, various insurance and FAIS related matters will be considered as part of the process focused on transitioning the existing sectoral laws to the COFI Bill framework.

3.2.5 **Collective investment schemes:** No new CIS related projects have been added to the 2026 Regulation Plan. Two projects were finalised and have been removed from the 2026 Regulation Plan, namely the Conduct Standard – Requirements for Collective Investment Scheme Managers and the FSCA CIS Notice 1 of 2026 - Determination relating to Foreign Collective Investment Schemes Soliciting Investments in the Republic (replacement of Board Notice 257 of 2013).

The remaining CIS related projects listed in the 2025 Regulation Plan, and accompanying explanations, remain relevant and have been perpetuated in the 2026 Regulation Plan. These include the following:

- *Review of Board Notice 90 of 2014, Board Notice 52 of 2015 and Board Notice 573 of 2023:* As explained previously, the intention of this review is to develop one holistic joint standard that cover various of the areas currently covered by the aforementioned Board Notices, also taking into account that the Prudential Authority will in due course become responsible for the prudential regulation of CIS managers. Targeted consultation on the draft framework occurred during the course of 2025/26 and the project will likely enter the public consultation phase during the end of the 2026/27 financial year.

⁵ See previous Regulation Plans for more detail surrounding this project.

⁶ These entail different Standards dealing with a variety of themes such as licensing requirements, governance, risk management, prudential requirements, etc.

⁷ As mentioned in the 2025 Regulation Plan, it is possible that it might not be necessary for the FSCA to participate in this project as Mutual Banks are already subject to the FSCA Conduct Standard 3 of 2020 (BANKS) – Conduct Standard for Banks.

- *Development of a collective investment scheme accounting framework:* An initial draft framework has been drafted. Although public consultation will likely occur in 2026/27, the promulgation of the framework is dependent on the COFI Bill.
- *Review of Pro-forma Deed for CISs:* Technical work informing the review of the Pro-Forma Deed started in 2025/26. Technical work will continue throughout 2026/27 as this project has dependencies on various CIS regulatory framework developments and the outcome of the COFI Bill. This project will only start enjoying a higher priority once the foundational frameworks, on which the project depends, are at an advanced stage.
- *Interim amendments to Board Notice 90:* The next steps related to this project will be taken during the course of 2026/27 and it is likely that the project will be concluded either at the end of 2026/27, or early in 2027/28.

3.2.6 **Alternative investment funds:** The promulgation of a fit for purpose framework for alternative investment funds remains dependent on the COFI Bill. Further technical work has been identified and will continue throughout 2026/27, with 2027/28 being earmarked for public consultation.

3.2.7 **Retirement funds:** No new retirement fund related projects have been added to the 2026 Regulation Plan. Two projects were finalised and have been removed from the 2026 Regulation Plan, namely the Conduct Standard – Conditions Prescribed for Pension Fund Benefit Administrators and the Prudential Standard – Requirements Related to Regulatory Reporting and Audited Financial Statements for Pension Funds. The remaining retirement fund related projects listed in the 2025 Regulation Plan, and accompanying explanations, remain relevant and have been perpetuated in the 2026 Regulation Plan. These include the following:

- *Prudential Standard – Regulation 28 Reporting Requirements for Pension Funds (holistic reporting):* This Prudential Standard is intended to replace FSCA Prudential Standard 1 of 2024 (RF) Regulation 28 Quarterly Reporting Requirements for Pension Funds and will introduce a new form of quarterly reporting in terms of Regulation 28. The FSCA already submitted the draft Prudential Standard to Parliament and the final Prudential Standard is expected in the first half of 2026/27.
- *Requirements relating to the liquidation of pension funds:* This project was added to the Regulation Plan in 2025 and technical work commenced in 2025/26. Technical work will continue throughout 2026/27, with 2027/28 earmarked for public consultation. As explained in the 2025 Regulation Plan, the exact nature of the instrument(s) that will be used to give effect to this project is still under consideration.
- *Daft Conduct Standard – Conditions for living annuities in an annuity strategy:* The status of this project remains the same. Decisions surrounding the way forward on this standard will be taken in due course.
- *Other pension/retirement fund matters:* As communicated in the 2025 Regulation Plan, the FSCA is considering potential reviews and/or interventions in respect of various other areas in the pension/retirement fund environment. These potential reviews include Directive 8, Pension Fund Circulars 86 and 90, practices in the employer environment and pension/retirement fund costs and fees. The aforementioned are still under consideration and no final decisions have been made. It does, however, seem likely that Pension Fund Circulars 86 and 90 will be incorporated into the Disclosure Themed Framework (as part of the COFI Bill Transition Project) and that Directive 8 will also be incorporated into some of the existing frameworks under development (such as the Joint Standard – Governance).

3.2.8 **Payment services:** The 2025 Regulation Plan gave detailed context surrounding the development of a conduct standard focused on payment services. A concept framework was developed during the course of 2025/26, and for the coming year the focus will be on finalising a draft for public consultation. However, before publishing for public consultation, the FSCA will first have further discussions with the National Payment System Department (NPSD) of the South African Reserve Bank to agree on approach, sequencing, and associated matters, given the dependencies between the conduct standard and the NPSD's draft authorisation framework.

3.3 Financial markets regulatory framework

3.3.1 **Primary legislation:** The FSCA will continue to support the National Treasury in finalising the review of the Financial Markets Act. This will include ongoing technical support in finalising the Bill for public consultation as well as support throughout the public consultation process itself. Although some dependencies exist between the review of the Financial Markets Act and regulatory projects that the FSCA is currently working on, these dependencies can be managed and the existing projects can proceed without any significant disruption.

3.3.2 **Regulatory instruments:** No new financial markets related projects have been added to the 2026 Regulation Plan, although some recent projects are still under consideration. The three projects relating to Phase 2 of the Joint Roadmap for Development of a Regulatory Framework for Central Clearing in South Africa (Joint Roadmap) has been finalised and no longer appears on the Regulation Plan. Phase 3 of the Joint Roadmap, which is focused on establishing eligibility criteria for central clearing and, ultimately, mandating the central clearing of certain OTC derivative transactions, is ongoing. The FSCA plans to publish a discussion document for public consultation in 2026/27, and also to commence technical work on developing a joint standard.

The remaining financial markets related projects listed in the 2025 Regulation Plan, and accompanying explanations, remain relevant and have been included in the 2026 Regulation Plan. These include the following:

- *Standard - Capital and Risk Management Requirements for Non-Bank ODPs:* During 2026/27 the FSCA will continue technical work in formulating the draft standard with a view to publish it for public consultation in 2027/28.
- *Framework for Regulating the Provision of a Benchmark:* As explained in the 2025 Regulation Plan, this project was subject to various significant changes brought about by amendments to the European Union Benchmark Regulations, resulting in a narrowed focus on significant and critical benchmarks only. The project which is under way comprises various instruments. The intention is to submit the final conduct standard to Parliament during the 2026/27 financial year, with a view to finalise the conduct standard and related instruments (as explained in the 2025 Regulation Plan) in 2027/28. The FSCA will coordinate with the National Treasury to ensure that the final Benchmark Regulations are made at approximately the same time.
- *Conduct Standard - Requirements for Market Infrastructures:* The third draft of this conduct standard was published for public consultation in March 2026. Although this project is a high priority for the FSCA, the nature of the conduct standard remains contentious and, consequently, the next steps for this project will only be determined once the nature and extent of comments received through the public consultation process have been considered.
- *Joint Standard - Recovery Plans for Market Infrastructures:* The joint standard has already been submitted to Parliament, and the final joint standard will be published in 2026/27.
- *Draft Conduct Standard - Requirements Relating to the Reporting and Disclosure of Short Sales:* Following the second round of publication in 2025/26, the intention is to have final 'fatal flaw' targeted engagements with selected stakeholders during the course of 2026/27, with a view to submit the conduct standard to Parliament in that same year.

- *Draft Conduct Standard – Requirements Pertaining to Securities Financing Transactions:* Next steps are being considered following the publication of the conduct standard for public consultation during 2025/26. The next steps for 2026/27 will either include publishing the conduct standard for a second round of public consultation or submitting the conduct standard to Parliament. A final decision in this regard must still be taken and depends on the nature and extent of comments received through the public consultation process.
- *Conduct Standard – Requirements for Credit Ratings Agencies:* This project was a new inclusion in the 2025 Regulation Plan, which provided a detailed explanation surrounding the need for this project. Technical work on this project commenced in 2025/2026 and it is likely that a draft conduct standard will be published for public consultation at the end of 2026/2027.
- *Amendments to FMA Conduct Standard 3 of 2018 – Conduct Standard for Reporting Obligations in respect of Transactions In Over-The-Counter Derivatives:* This project was a new inclusion in the 2025 Regulation Plan, which provided a detailed explanation surrounding the need for this project. Technical work on this project commenced in 2025/26 and it is likely that draft amendments to Conduct Standard 3 of 2018 will be published for public consultation at the end of 2026/27.

3.3.3 **New projects:** The following potential new projects for inclusion in the Regulation Plan are currently under consideration:

- **Risk management practices for market infrastructures:** Due to technological advancements and how markets have developed, risk management practices have evolved. Matters of relevance include the adoption of direct market access, the order router trading processes, trading across exchanges necessitate the development of new trade types to facilitate market activity, and so on. The aforementioned also includes matters such as adoption of Matched Principal Trade type and post trade aspects, trade entry risk controls as well as mitigation.

As a result, market infrastructures have not been standardised across markets and have adopted varying processes. The relevant regulatory framework requirements have not been adapted to adequately address the current risk management landscape. Other developments, however, might impact how the FSCA proceeds to address the aforementioned. More specifically, frameworks such as the joint standards dealing with governance, risk management, internal controls and control functions could potentially serve as appropriate frameworks to host some of the requirements that drive the required standardisation and risk mitigation. On the other hand, since this issue is peculiar to market infrastructures, the FSCA might also consider progressing this as a standalone framework. In the interim the FSCA will continue to assess how to address this shortcoming considering the current landscape and future frameworks currently under development, and will formulate a view on how to proceed with this project. Once the FSCA takes a formal view on the way forward, the Regulation Plan will be revised accordingly.

- **Nominee approval processes as contemplated in 76 of the Financial Markets Act:** Section 76(2) of the Financial Markets Act states that “the criteria for the approval of a nominee of an authorised user or a participant and the ongoing requirements applicable to it must be equivalent to criteria determined in conduct standards for nominees.” To date, criteria for nominees have not been determined in a conduct standard. The concept of nominees is not limited to the financial market’s environment and cuts across various types of financial institutions.

⁸ E.g. submission to Parliament or a fourth round of public consultation.

It is also for the latter reason that the FSCA identified “nominees and custody” as a key conduct theme forming part of its COFI Bill Transition Project. More specifically, the FSCA has drafted an initial framework addressing nominees and custody which it intends to progress through the COFI Bill transition project. In the context of the shortcomings identified in the financial markets environment, the question is therefore not whether the FSCA should develop criteria for nominees, but rather if the FSCA should progress standalone requirements/criteria for nominees in the financial markets context independent from the broader “nominees and custody” themed framework that is currently under development, or should all nominee related requirements be limited to the relevant themed framework.

The FSCA will continue to unpack the benefits and disadvantages of both potential approaches and will in due course formulate a formal view on the way forward, after which the Regulation Plan will be revised accordingly.

- **Appointment of auditors:** The Financial Markets Act contains very limited requirements pertaining to the appointment of auditors (see section 89). Section 89(3) states that the FSCA “must approve the appointment of the auditor of every market infrastructure”. However, assessing applications pertaining to the appointment of auditors becomes difficult in the absence of sufficient minimum standards against which such applications can be assessed.

In addition, a lack of sufficient minimum standards creates substantial risk. Therefore, there is need to establish baseline requirements governing the appointment of market infrastructure auditors. The “auditing and accounting requirements” theme was initially earmarked for a later stage in the COFI Bill transition process, but due to increasing risk, it has become a priority. It is therefore likely that this project will be progressed as a standalone project ahead of the aforementioned themed framework. Notwithstanding, this matter is still under consideration and once a final decision is taken, the Regulation Plan will be revised accordingly.

3.4 Cross-cutting/sector regulatory framework developments

3.4.1 **Projects carried over:** The cross-cutting/sector regulatory framework projects listed in the 2025 Regulation Plan, and accompanying explanations, remain relevant. These include the following:

- *Joint Standard – Governance:* Technical work in relation to this joint standard continues and public consultation will take place in due course. This project remains a top priority for the FSCA as governance forms the bedrock of financial sector regulation.
- *Conduct Standard Regarding Industry Practices and Treatment of Lost Accounts and Unclaimed Assets:* Work in relation to this project has been delayed due to competing priorities. Notwithstanding, this project will enjoy a renewed focus in 2026/27 with the intention of publishing a draft conduct standard for public consultation in due course.
- *Joint Standard – Requirements Relating to Beneficial Owners:* Informed by Chapter 11A of the Financial Sector Regulation Act, the Authorities formulated a draft joint standard and aim to publish the draft joint standard for public consultation during 2026/27. This project is becoming increasingly important due to ongoing efforts to address the Financial Action Task Force (FATF) findings stemming from its mutual evaluation review of South Africa.
- *Cross-sector licensing requirements:* The development of cross-sector licensing requirements in anticipation of the COFI Bill is continuing and has progressed well. However, the dependencies highlighted in previous Regulation Plans remain relevant and timelines surrounding public consultation on these draft requirements are at this stage uncertain. The FSCA has also in the interim initiated a broader project focused on FSCA COFI Bill readiness, and it is possible that this project will be incorporated into this broader project.

- *Joint Standard – Requirements Relating to Third-Party Service Provision (outsourcing):* Technical work in respect of this joint standard, is expected to continue throughout 2026/27 and a version for public consultation will be ready in due course. The standard is focused on harmonising and strengthening requirements pertaining to third party service provision or outsourcing.

3.4.2 **Projects recently formalised:** Certain projects that were highlighted as being “other strategic focus areas” in the 2025 Regulation Plan have now been included as formal outputs for under the 2026 Regulation Plan. These include the following:

- *Draft Joint Standard – Operational Risk and Resilience Requirements:* This joint standard will aim to harmonise and strengthen requirements pertaining to operational risk and resilience. Technical work is expected to continue throughout 2026/27, with a view to publish a draft joint standard for public consultation in 2027/28.
- *Draft Joint Standard – Cloud Computing and Offshoring of Data:* This joint standard is aimed at establishing requirements pertaining to cloud computing and offshoring of data. Technical work is expected to continue throughout 2026/27, with a view to publish a draft joint standard for public consultation in 2027/28. A final decision must still be taken on whether this should be a standalone joint standard or whether it should be incorporated into other existing frameworks or joint standard(s).

3.5 Other strategic focus areas

3.5.1 **Sustainable Finance:** As was mentioned in the FSCA Sustainable Finance Update Report 2026 (SF Update),⁹ the FSCA made good progress with its sustainable finance programme, especially in the pillars related to market integrity, reliable sustainability information, and fair consumer outcomes. The FSCA prioritised strengthening the sustainable finance information chain, recognising that effective markets depend on credible corporate disclosures, responsible sustainability claims at both product and retail levels, robust data and intermediary oversight, and informed consumer and investor participation.

Certain projects that form part of the FSCA Sustainable Finance Programme will likely result in regulatory framework interventions, notably the following:

- Potential guidance on sustainability-related claims.
- Aspects relating to public corporate disclosure or reporting aligned to the global baseline set by the International Sustainability Standards Board (ISSB), particularly IFRS S2.
- Market development aspects, particularly focusing on the carbon credit market and ESG rating services and ESG data product providers.

Collaboration with other relevant bodies will continue to ensure effective coordination of sustainable finance interventions. Regulatory framework interventions flowing from the FSCA Sustainable Finance Work Programme will, as the work progresses, be incorporated into the FSCA's Regulation Plan.

3.5.2 **Open Finance:** As part of an ongoing commitment to support Open Finance development in South Africa, the FSCA – in collaboration with the Intergovernmental Fintech Working Group (IFWG) members under the guidance of the National Treasury – is working towards the development of an Open Finance Policy Position for South Africa. As things stand, the IFWG members under the National Treasury guidance has led a coordinated effort to define the

⁹ [https://www.fsc.co.za/_api/cr3ad_researchanddatadocs\(76953325-2d2c-f111-88b4-000d3a64f616\)/cr3ad_document/\\$value](https://www.fsc.co.za/_api/cr3ad_researchanddatadocs(76953325-2d2c-f111-88b4-000d3a64f616)/cr3ad_document/$value)

rationale, use cases, technical considerations, and regulatory implications of Open Finance. This has resulted in various published working papers addressing a distinct dimension of implementation each –ranging from policy imperatives and use case prioritisation, Application Programming Interface (API) standardisation, competition, cost and benefits considerations and regulatory alignment. As South Africa's market conduct authority, the FSCA is expected to continue playing a leading role in Open Finance particularly in areas of consumer protection, data governance, and industry oversight.

As mentioned in the 2025 Regulation Plan, the outcome of the Open Finance Work Programme is likely to result in legislative interventions, subject to prioritisation and a phased approach. The nature and timing of these legislative interventions will be determined in due course, and the Regulation Plan will be revised to accommodate these interventions as the work progresses.

- 3.5.3 **Artificial intelligence:** Following the publication of the FSCA and Prudential Authority's document titled 'Artificial Intelligence in the South African Financial Sector' (AI Report), the FSCA and Prudential Authority initiated further research into artificial intelligence with a view to formulate a Discussion Paper that will build on the AI Report and include further stakeholder engagement on key regulatory and supervisory questions. The Discussion Paper will also support alignment with broader national artificial intelligence strategies and promote coordination across financial sector regulators. The outcome of the Discussion Paper will assist the FSCA in making informed decisions surrounding such policy and regulatory framework interventions surrounding artificial intelligence, which will in due course be included in the Regulation Plan.

In addition, as explained in the 2025 Regulation Plan, the FSCA and Prudential Authority intend including high-level governance principles relating to the use of artificial intelligence by financial institutions into the Joint Standard – Culture and Governance requirements for financial institutions.

- 3.5.4 **Data management and data risk:** Data management and data risk is rapidly increasing due to accelerated digital transformation, artificial intelligence adoption, cloud migration, and complex, strict global regulations. As such, a need has been identified to holistically consider and mitigate data management and data risk through potential regulatory framework interventions.

The FSCA and Prudential Authority are currently in the process of setting up formal structures that will initiate technical work informing this project. The exact nature of any intervention flowing from this work must still be considered, e.g. regulatory instrument, guidance, and the like, and will in due course be included in the Regulation Plan as a formal output. It is also acknowledged that it is likely that there will be overlaps between this work and the Open Finance framework currently under development. The FSCA will therefore have to be assured that as these two projects progress, there will be alignment, duplication will be avoided and that there will be effective leveraging off the two processes (to the extent possible).

- 3.5.5 **Transition from the Johannesburg Interbank Average Rate (JIBAR) to the South Africa Rand Overnight Index Average (ZARONIA):** The South African Reserve Bank (SARB) as the benchmark administrator for the Johannesburg Interbank Average Rate (JIBAR) and the South African Rand Overnight Index Average (ZARONIA) have announced the planned cessation of JIBAR for 31 December 2026.

As such, the transition from JIBAR to ZARONIA has gained meaningful momentum over the past year, supported by coordinated regulatory guidance and sustained market engagement. The FSCA, working closely with the SARB and the Market Practitioners Group, has continued to provide direction to the market through formal publications and supervisory communications. This has included two FSCA Communications on the benchmark reform and a Joint Communication issued with the SARB in 2025, which reinforced regulatory expectations

¹⁹ <https://www2.fsc.co.za/Regulatory-Frameworks/Pages/Artificial-Intelligence.aspx>

regarding transition timelines, the adoption of ZARONIA as the preferred near risk free rate, and the proactive management of legacy JIBAR exposures. These were complemented by targeted “Dear CEO” letters outlining supervisory expectations relating to governance, transition planning, risk management, and the fair treatment of financial customers.

As JIBAR is expected to cease by December 2026, the transition will affect a wide range of financial markets that reference JIBAR as a benchmark, including the loan market (from syndicated lending to consumer credit and mortgages), derivatives (both over the counter and exchange traded), bonds and floating rate notes, securitised products, and short term instruments such as repurchase agreements.

Many of these financial instruments are underpinned by contracts that reference JIBAR and include so called “tough legacy contracts” that cannot be amended, or cannot easily be amended. In this context, the National Treasury have proposed amendments to the Financial Sector Regulation Act, to introduce targeted “safe harbour” provisions aimed at facilitating the orderly transition of such legacy contracts to ZARONIA. These proposed amendments were set out in the General Finance Laws (Official Benchmarks and Procurement) Amendment Bill which was published for public comment in December 2025. The FSCA will continue to support the National Treasury in the development of these legislative amendments.

In parallel, the FSCA has taken steps within its existing remit to support an orderly transition, including the granting of a specific exemption applicable to collective investment schemes to enable the controlled management of certain legacy JIBAR linked instruments during the transition period. The SARB has continued to publish ZARONIA data, methodology documentation, and consultation papers, while industry guidance developed under the Market Practitioners Group has supported consistent market conventions and fallback approaches. From a supervisory perspective, the authorities have relied on structured data gathering exercises, readiness assessments, and bilateral engagements to monitor progress, identify key risks – particularly those arising from legacy exposures – and implement proportionate, risk sensitive supervisory responses. The FSCA remains committed to taking all necessary regulatory actions within its mandate to support a smooth, fair, and responsible transition from JIBAR to ZARONIA.

- 3.5.6 Transitional arrangements pertaining to the prudential regulation of retirement funds, collective investment schemes, and friendly societies:** The FSCA and Prudential Authority continue planning for the transition of prudential regulation of retirement funds, collective investment schemes and friendly societies to the Prudential Authority, noting that in December 2025 the Minister of Finance extended the transition date for collective investment schemes, pension funds and friendly societies until 31 March 2028.¹¹

As previously explained, the outcome of the transition process is likely to have an impact from a regulatory framework perspective, which could entail –

- transitioning certain prudentially focused frameworks currently supervised by the FSCA to the Prudential Authority;
- converting certain frameworks currently supervised by the FSCA to Joint Standards; and
- developing new prudentially focused frameworks (by the Prudential Authority).

Assessment of the nature and extent of the regulatory framework impacts are still taking place, and the Regulation Plan will in due course be amended to reflect the outcome of any regulatory interventions that need to take place as a result of the transition process.

¹¹ <https://www.resbank.co.za/content/dam/sarb/publications/prudential-authority/pa-public-awareness/covid-19-response/2025/Joint%20Communication%20of%202025%20-%20Determination%20s291%20and%20s292.pdf>

3.5.7 **Guidance notices and interpretation rulings:** Interpretation rulings will be progressed as and when the need arises. As explained in previous Regulation Plans, the FSCA continues to refine its approach to Guidance Notices, which entails adopting a more structured approach. However, the approach is dependent on the regulatory framework evolving to one that is more outcomes- and principles-based as Guidance Notices will be used to inform the legislated outcomes- and principles. The COFI Bill transition project is envisaged to transform the framework in this way, and it is therefore likely that this approach will only be in full effect after the COFI Bill transition project has reached a mature stage.

Notwithstanding the above, the FSCA is in the process of considering to take forward into the next year certain potential Guidance Notices, mainly in the context of the financial markets environment.

3.6 Summary

Annexure A itemises the regulatory framework projects on which the FSCA will focus on over the course of the next three years (1 April 2026 to 31 March 2029) as contained in the 2026 Regulation Plan, together with deliverables and timelines when technical work and drafting will occur.

It is reiterated that projects are dependent on various external and internal dependencies which could influence timelines. Furthermore, the strategic direction of some of these projects might change and the FSCA might decide not to progress a particular project, or to progress it in a different way.

The projects and the timelines indicated in Annexure A are therefore a broad estimate, not fixed, and are subject to change. The colour scale for the timeline is as follows:

Planned external facing action
Technical or drafting work or input required
Finalisation
No work required
No actions- project finalised

4. CONCLUSION

The FSCA Regulation Plan is a three-year plan which is reviewed annually to ensure the plan is up to date and takes into account changing circumstances, emerging developments and risks.

The FSCA reiterates that stakeholder engagement and consultation is critical to ensure the framework is robust, promotes the fair treatment of financial customers and the efficiency and integrity of financial markets, is aligned to international standards, yet fit for purpose considering the domestic context.

Stakeholders are therefore implored to participate in this process of legislative change to ensure optimal results for the financial sector and South Africa.



ANNEXURE A: PROJECTS AND TIMELINES 2026 to 2029

HOLISTIC TIMELINE FOR REGULATORY INTERVENTIONS														
RP# ¹²	SI ¹³	INITIATIVE ¹⁴	2026/2027 BP YEAR				2027/2028 BP YEAR				2028/2029 BP YEAR			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
			Apr - Jun '26	Jul - Sept '26	Oct - Dec '26	Jan - Mar '27	Apr - Jun '27	Jul - Sept '27	Oct - Dec '27	Jan - Mar '28	Apr - Jun '28	Jul - Sept '28	Oct - Dec '28	Jan - Mar '29
1	CC	COF Bill	Timelines for completion outside of the control of the FSCA. Support will continue as long as necessary.											
2	CC	FMR/ Bill	Timelines for completion outside of the control of the FSCA. Support will continue as long as necessary.											
3	CC	Regulatory framework under the COFI Bill	Targeted consultation on themed frameworks				Targeted and public consultation on themed frameworks				Targeted and public consultation on themed frameworks			
			Continuation of other technical work				Continuation of other technical work				Continuation of other technical work			
4	CC	Cross-sector licensing requirements	Technical work and formulation				Targeted and potentially public consultation				Public consultation and finalisation			
5	CC	CS treatment of lost accounts and unclaimed assets	Technical work and formulation			Public consultation		Technical work and refinements		2nd round of public consultation		Technical work and refinements		Parliament submission
6	CC	JS – Beneficial Owners	Technical work	Public consultation		Technical work and refinements			Parliament submission and finalisation					
			Envisaged timeline. Timeline must still be confirmed between the FSCA and Prudential Authority.											
7	CC	JS – Outsourcing	Technical work and formulation			Public consultation		Technical work and refinements		2nd round of public consultation		Technical work and refinements		Parliament submission
			Envisaged timeline. Timeline must still be confirmed between the FSCA and Prudential Authority.											
8	CC	JS – Operational Risk and Resilience	Technical work and formulation				Public consultation		Technical work and formulation		2nd round of public consultation			
9	CC	JS – Cloud computing and data offshoring	Technical work and formulation					Public consultation		Technical work and formulation		2nd round of public consultation		
10	CC	JS – Governance	Technical work and refinement			Public consultation		Technical work, refinements and engagement with the PA			2nd round of public consultation		Technical work, refinements and engagement with the PA	
11	FC	Eligibility Criteria for central clearing	Public consultation (Discussion Document)	Consideration of public comments received.		Technical work (on Joint Standard), Refinement and engagement (on criteria)			Public consultation (Joint Standard)		Refinement and engagement		Submission to Parliament and finalisation	

¹² Regulation Plan number.

¹³ Sector indicator.

¹⁴ Due to space restrictions abbreviated descriptions were used. Full descriptions are contained in the Regulation Plan table- see first column of this table which provide a reference to the relevant Regulation Plan number contained in the Regulation Plan table.

HOLISTIC TIMELINE FOR REGULATORY INTERVENTIONS															
RP# ¹²	SI ¹³	INITIATIVE ¹⁴	2026/2027 BP YEAR				2027/2028 BP YEAR				2028/2029 BP YEAR				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
			Apr - Jun '26	Jul - Sept '26	Oct - Dec '26	Jan - Mar '27	Apr - Jun '27	Jul - Sept '27	Oct - Dec '27	Jan - Mar '28	Apr - Jun '28	Jul - Sept '28	Oct - Dec '28	Jan - Mar '29	
12	FM	Standard – Capital and risk management requirements for non-bank ODPs	Technical work				Public consultation (Joint Standard)				Refinement and engagement				2nd round of public consultation
13	FM	JS - Recovery Plans for MIs	Publish final Joint Standard												
14	FM	CS - Benchmarks (and related instruments)	Public consultation	Refinement and engagement			Submission to Parliament				Make final Standard and related documents				
15	FM	CS - Requirements for Market Infrastructures	Public consultation	Refinement and engagement			TBD: Submission to Parliament or public consultation		TBD						
16	FM	CS – Short sale reporting and public disclosure	Technical work and refinements			Submission to Parliament and finalisation									
17	FM	CS - SFTs	Technical work and refinements		Second round of public consultation			Technical work and refinements		Submission to Parliament and finalisation					
18	FM	CS – CRS	Technical work and formulation			Public consultation		Refinement and engagement					Submission to Parliament and finalisation		
19	FM	Amendments to CS 3 of 2018: Reporting to a TR	Technical work and formulation		Public consultation		Technical work and refinements		Submission to Parliament and finalisation						
20	CIS	Draft (interim) BN90 amendments	Finalisation												
21	CIS	Review of BN90, BN52 and BN573	Continuation of technical work and consideration of public comments received from informal consultation			Public consultation		Refinement and engagement		Second round of public consultation		Refinement		Submission to Parliament	
22	CIS	CIS accounting framework	Continuation of technical work		Public consultation		TBD								
23	CIS	Review of Pro-forma Deed for CIS	Continuation of technical work and informal consultation				TBD								

HOLISTIC TIMELINE FOR REGULATORY INTERVENTIONS														
RP# ¹²	SI ¹³	INITIATIVE ¹⁴	2026/2027 BP YEAR				2027/2028 BP YEAR				2028/2029 BP YEAR			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
			Apr - Jun '26	Jul - Sept '26	Oct - Dec '26	Jan - Mar '27	Apr - Jun '27	Jul - Sept '27	Oct - Dec '27	Jan - Mar '28	Apr - Jun '28	Jul - Sept '28	Oct - Dec '28	Jan - Mar '29
24	AFS	Alternative Investment Fund Framework	Continuation of technical work		Informal consultation		Continuation of technical work		Public consultation		Refinement and engagement		2nd round of public consultation	
25	RF	CS – Living Annuities	Formulate view on way forward				TBD							
26	RF	PS – Quarterly Reg 28 reporting (holistic reporting)	Submission to Parliament and finalisation											
27	RF	Liquidation and liquidator requirements for pension funds	Continuation of technical work				Public consultation		2nd round of public consultation		2nd round of public consultation		Refinement and engagement	
28	PM	Conduct Standard – Requirements relating to payment services	Continuation of technical work		Public consultation		Refinement and engagement		2nd round of public consultation		Refinement and engagement		Submission to Parliament and finalisation	
29	CF/ CB	JSs – CFIs and Co-Op Banks	Approach to be agreed with the PA, and timelines to be established.											

The colour scale for the timeline is as follows:

Planned external facing action
Technical or drafting work or input required
Finalisation
No work required
No actions- project finalised



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