

NATIONAL TREASURY**NO. 749****21 AUGUST 2015****PUBLICATION OF EXPLANATORY SUMMARY OF THE FINANCIAL SECTOR REGULATION BILL, 2015**

The Minister of Finance intends tabling the Financial Sector Regulation Bill, 2015 ("the Bill"), in the National Assembly. The explanatory summary of the Bill is hereby published in accordance with Rule 241(1)(c) of the Rules of the National Assembly.

The object of the Bill is to achieve a financial system that works in the interests of financial customers, and supports balanced and sustainable economic growth in the Republic, by establishing, in conjunction with the other financial sector laws, a regulatory and supervisory framework that promotes—

- financial stability;
- the safety and soundness of financial institutions;
- the fair treatment and protection of financial customers;
- the efficiency and integrity of the financial system;
- the prevention of financial crime;
- financial inclusion; and
- confidence in the financial system.

The object of the Bill will be achieved by—

- Conferring on the Reserve Bank the mandate to protect and enhance financial stability, and if a systemic event has adversely affected financial stability, to restore and maintain financial stability;
- Establishing the Financial Sector Conduct Authority and the Prudential Authority to supervise and regulate the provision of financial products and financial services;
- Ensuring co-operation, collaboration, co-ordination and consistency between the Financial Sector Conduct Authority, the Prudential Authority, the National Credit Regulator, the Reserve Bank and other organs of the state;
- Protecting the interests of customers acquiring or using financial products and financial services by ensuring that financial institutions treat customers fairly and providing financial customers with financial education programs;
- Providing for the regulation of significant owners of financial institutions and creating a framework for the supervision of financial conglomerates;
- Ensuring a consistent and standardised approach to financial regulation, by establishing harmonised systems of licensing, supervision, complaints resolution, enforcement and review mechanisms;
- Providing for procedural matters such as information sharing arrangements, information gathering and for supervisory on-site inspections and investigations into the affairs of a financial institution;
- Providing financial sector regulators with enforcement powers, establishing the Financial Services Tribunal to hear reviews of decisions made in terms of the financial sector laws, and for the imposition of administrative penalties and related orders;
- Establishing the Financial Sector Ombud Schemes Regulatory Council to provide for the regulation of ombud schemes.

A copy of the Bill will be available on the National Treasury website at <http://www.treasury.gov.za> after the introduction of the Bill in Parliament, and also by contacting:

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