

FSCA COMMUNICATION 42 OF 2020 (RF)

Publication of final Conduct Standard for Minimum skills and training requirements for board members of Pension Funds

1. Purpose

The purpose of this Communication is to inform stakeholders that today the Financial Sector Conduct Authority (FSCA) published the following conduct standard and supporting documents:

- Conduct Standard for Minimum Skills and Training Requirements for Board Members of Pension Funds;
- Statement supporting the Conduct Standard; and
- Consultation Report.

2. Background

- 2.1 Section 7A(1) of the Pension Funds Act, 1956 (the Act) provides that members of a fund have the right to elect a certain percentage of board members. Board members so elected often do not have the necessary and relevant retirement fund knowledge or expertise, however, this is not limited to board members that have been elected by members and does extend to fund elected board members as well.
- 2.2 Section 7A(3) of the Act requires that members of the board of a pension fund must attain such levels of skills and training within six months after the board member's appointment, as may be prescribed by the FSCA.
- 2.3 The main objective of the conduct standard is to prescribe minimum skills and training requirements for board members of pension funds. The Conduct Standard underwent a comprehensive public consultation process and was also submitted to Parliament as required in terms of section 103 of the Financial Sector Regulation Act, 2017 (FSR Act).
- 2.4 Following the processes as set out in Chapter 7 of the FSR Act, the FSCA today published the final Conduct Standard and relevant supporting document.

3. Availability of Information and Enquiries

- 3.1 The documents referred to in paragraph is available on the FSCA's website at www.fsc.co.za.
- 3.2 For more information regarding the Conduct Standard and/or this Communication please contact the Regulatory Framework Department of the FSCA at Roslynne.vanwyk@fsc.co.za.



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