



ASSOCIATED COMPLIANCE
FOR A COMMON PURPOSE

AC Regulatory Review
JANUARY 2026



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DON'T READ THIS AT YOUR OWN PERIL !!

From AC

**Happy New Year to you and yours from all
of us here at AC!**

New staff member:

Cheryl Mojapelo has joined the AC Team in a support role to the compliance officers and operates via the Cape Town office. Initially, as Cheryl learns the ropes, she will be working with those clients which are usually handled by Morag. Expect to see Cheryl's name on emails and maybe even the odd phone call, as she settles into her learning curve.

'Willing compliance':

What is this? It's a term used by Ethicalways, a professional consulting company offering advisory and training services to organisations seeking to promote a culture of workplace integrity, as,

"a state in which most of the people in your target audience do the right thing, consistently, without being compelled or coerced into doing so"

The term was used in an article in the Compliance Institute's December newsletter by the director of Ethicalways, Penny Milner-Smyth.

Makes interesting reading on how organisations can promote ethical and compliant conduct with their people, and recognises that compliance professionals, be they internal or external to the organisation, have limits on their ability to demand compliance.

Some interesting approaches are suggested.

If you are intrigued and want to learn more click here. [Read More](#)

And maybe the following is aligned to this thinking, originally slotted into the Interesting things we have read section of the Review but “promoted” when we read this article.

INSPIRATION FOR THE WEEKEND (for the year?)

“Take a leap of faith and begin this wondrous new year by believing.” (that you can complete your compliance projects this year) - Sarah Ban Breathnach

Sarah is a best-selling author, philanthropist and public speaker (and now compliance advisor courtesy of our slight amendments).

A failure to achieve FAIS Fit & Proper deadlines related to competence requirements – is this a case for debarment?

If managed correctly by the FSP then debarment should not be involved!

So how do you manage these correctly?

When the representative is appointed by the FSP, the KI/manager should always identify the key Fit and Proper competence deadlines on behalf of the representative and highlight them on the FSP’s Competence Register, which should be updated quarterly, within the FSCA’s annual reporting period. This may seem obvious if the representative is brand new in the industry however, even if the representative has experience, due to the various classes of business which may be involved the representative’s deadlines may differ depending on their DOFA History therefore, the basic competence check should always include,



- **Class of Business Training Certificates (compliance deadline is within 12 months of Date of First Appointment for each specific class of business)**
- **Regulatory Exam for Representatives (compliance deadline is within 24 months of Date of First Appointment)**
- **Approved Qualification (compliance deadline is within 72 months of Date of First Appointment)**

Product Specific Training also falls into *FAIS Competence* compliance, given that it's a prerequisite for the representative's mandated appointment however, we would see this more of a requirement during the process of being appointed at the FSP rather than falling into a debarment situation, although technically it's possible, so we will exclude this for the purpose of this article.

So, 1st stage of Fit and Proper representative management - Identify the deadlines.

Management of the deadlines with the representative (generally appointed under supervision) is to always remember that "managing" includes mentoring and encouraging and guiding the person through the supervision process with the focus on their respective *Fit and Proper* deadlines.

The representative's Letter of Appointment should also contain these details.

The key to avoiding a possible debarment, is

- Identify well in advance, if the target dates are achievable for the specific mandate involved on behalf of the representative.



- Plan a possible adjustment to the representative's mandate - should the representative be involved in various classes of business, the representative may need to drop one of the categories rather than removing the representative from the register altogether.
- Provided the representative status is removed or adjusted via the FSCA Central Register PRIOR to the applicable deadline AND their job function is adjusted to an administrative role, there is no breach of regulation, thus no debarment is needed.

If it seems likely/inevitable that a deadline may not be achieved, the manager needs to be proactive and plan with HR - Debarment becomes an issue when representatives are aware of their competence deadlines and yet continue to work as representatives after the applicable deadline, then debarment becomes necessary as a breach of regulation is then evidenced.

The need to carry out a debarment would also reflect badly on the key individual, as well as the appointed supervisor as it is their duty to be aware of the representative's competence deadlines and mentor them as required.

From the HR perspective, management of any change in job description/status, needs to be properly reviewed, as Section 13 mandate letters/certificates would need to be revoked. This would also, include adjustment of disclosed Representative Status in email signatures and redistribution of outstanding financial services, where representative status is needed.

Once the necessary certificate/qualification has been achieved, the person can be reinstated as a representative. The gap created by not performing as a representative cannot be used in the minimum supervision period timelines.

However, the removal of status is often poorly managed and / or received by the representative concerned and as we have often seen, results in the affected person resigning and seeking employment elsewhere.

It is also important that the employee exit process is well managed and to this regard we would recommend a formal “certificate of service” document being issued. This document may also be supplied should an employee reference be requested.

This letter would set out the representative history, inclusive of the deadlines that were in place and removal of representative status due to missed deadlines. This approach is preferable to implementing a debarment process resulting in the person being blocked from employment, which would often come with its own challenges.

As always, any queries around what to do when and how, should be referred to your compliance officer.

 From AC HAS



And just like that, it is now February 2026!!

Happy New Year to all the readers. As we wrapped up 2025, we reflected on the main events that took place per month. I thought we can try and plan for 2026 in the same way. With what we know now, of course, things will inevitably change!

January – Strategic workforce planning

HR teams are putting plans in place to focus on important matters and strategic alignment for 2026. In the South African context, which should consider scarce skills, youth unemployment and assisting the economy with graduate pipelines and employment opportunities.

15 January was the deadline for submitting the Annual Employment Equity reports.

February – Labour Reform Process and Compliance reset

HR teams need to be ready for legislative changes and regulatory compliance this year. Anticipated labour law updates will require contract reviews, policy audits, and compliance checks.

The proposed **amendments to South Africa's immigration laws and policies** – a revised draft White Paper published on 12 December 2025 - is currently open for public comment and written submissions are accepted until 18 February 2026.

The National Economic Development and Labour Council ("NEDLAC") has eventually published their report on the **Labour Law Reform Process** which kicked off in April 2022.

The report includes the proposals tabled and the outcomes of the participating parties' discussions. This has been submitted to the Minister of Employment and Labour. Four amendment bills are introducing changes to the Labour Relations Act of 1995 (LRA); The Basic Conditions of Employment Act of 1997 (BCEA); the National Minimum Wage Act of 2018 (NMWA) and the Employment Equity Act of 1998 (EEA).

Some of the key proposed changes:

1) Limitations on remedies for high-paid employees

Employees earning above a certain threshold (proposed at R1,8m per year) will no longer be entitled to reinstatement or re-employment for unfair dismissal (except in cases of automatic unfair dismissals such as discrimination or whistleblowing). The only remedy available will be compensation capped at the high-income threshold amount.

This is aimed at giving employers more predictability in disputes involving senior executives.

2) Clarification of Procedural Fairness

A new provision will define **procedural fairness** for dismissals, stating that, *unless a collective agreement states otherwise*, a fair procedure **is one in which the employee has been given a reasonable and adequate opportunity to respond to the reason for dismissal**.

This aligns with the new Code of Good Practice on Dismissals and signals a move away from overly formal or adversarial pre-dismissal processes.

3) Qualifying Period for Unfair Dismissal Protection

A **Qualifying Period** (for example the first three months of employment or the probation period specified in the employment contract) would mean **basic unfair dismissal protections do not apply during this period** (except for automatic unfair dismissals).

This gives employers some flexibility on determining fit for purpose hiring early on during employment.



4) Increase in Statutory Severance Pay

The **BCEA** proposal suggests **increasing severance pay** for retrenchments from one week's pay per completed year to **two weeks' pay per completed year** of service.

This would provide greater financial support to employees affected by retrenchment, though it only applies prospectively after the law takes effect.

5) Changes to large-scale retrenchments

Proposals include shifting the power to make facilitation rules from the Minister to the CCMA. Also, sections allowing urgent applications to challenge procedural fairness while the retrenchment process is still ongoing, will be removed. It is proposed that all aspects of retrenchment dismissals to be challenged only after the dismissals have taken place.

6) Redefining "Unfair Labour Practice"

The proposal is to narrow down the definition of unfair labour practice by deleting sections that cover disputes related to promotion, demotion, training, and benefits. This will reduce disputes going to the CCMA.

March – National Minimum Wage

Projections and recommendations for the increase to the NMW put it at about R30,23 per hour. This is roughly a 5% increase overall. If confirmed by the Minister of Employment and Labour, this will take effect on 1 March 2026.

April – Annual submissions

COIDA Return of Earnings (ROE) for the 2025/2026 assessment year is expected to follow the standard submission timeline in 2026. The window generally opens on 1 April and closes on 30 June. Employers need to report on their actual earnings from 1 March 2025 – 28 February 2026. Payment of the invoice is within 30 days of the invoice date.

The deadline for your Annual Workplace Skills plan and Annual Training report is 30 April.

May – Annual submissions

The deadline for the Annual Emp501 submissions is generally 31 May. This is for us to reconcile the monthly Emp201 declarations, and for the employers to issue the annual Tax certificates (IRP5/IT3a). A kind reminder that the annual recon will not be accepted if you have employees/contractors on your payroll without **Income tax numbers**. Be sure to do an audit and to chase those without a tax number.

September & October

Emp501 Interim employer reconciliations that cover 1 March – 31 August for 2026.

All the best for 2026; we tackle it month-by-month!



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From the FSCA

New FSCA website:

The testing of the new site was wrapped in lots of hype about how good it was going to be, and everyone would find it so user friendly.

Unfortunately, the reality was far from what was promised when it went live, with no actual formal notice, in mid-December. One day we went into www.fsca.co.za and there it was.

We started to look around and “play” only to find it was full of errors and missing data on our client records.

When we closed for the year, it seemed some errors had been fixed but it was far from perfect. We hoped the industry downtime would be used to get the site fixed.

When we returned in the new year we did an assessment of the site, both FSP records and site functionality and site information and found that whilst there had been some improvements, many errors remained.

We tested the process to correct an error using an example case we had identified. The response we had was as follows,

“Kindly note that we are currently experiencing technical challenges on our new website. Our ICT team is actively working to resolve these issues.

To lodge a query, please visit our website and make use of the Feedback Platform via the link below:

<https://www.fsca.co.za/Feedback/>



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To search for FSP information, please use the link below:

Entity-Persons-Search

Once on the page, select **Legacy Search** from the drop-down menu and click on **Financial Service Providers** to proceed with the **Entity/Persons Search**".

This was the first formal acknowledgement we had received on the issues being experienced so we were keen to get more information and asked,

"Hi ***,

We are finding many errors in the Ki/Rep profiles on the new site.

Is it our responsibility to identify all such errors within our client base and notify you of them individually via the feedback platform?

Or is your ICT team working on matching data between the old and the new sites and correcting errors?

The prospect of doing an audit on every client to identify errors would be a daunting and time-consuming task.

Your feedback would be appreciated.

And I think the entire FSP, and compliance officer base would need to be advised of the status and corrective actions needed".

And the feedback,

"Good day Craig

Kindly note that the feedback platform was created for the public to provide input for all the challenges they are experiencing on our new website.



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However, Our ICT team is working on the challenges you have brought to our attention.

Whilst the issue of data is being resolved under the new website, kindly use the following link to access the accurate data from our old website.

[Entity-Persons-Search](#)

*Once on the page, select **Legacy Search** from the drop-down menu and click on **Financial Service Providers** to proceed with the **Entity/Persons Search**.*

We apologise for any inconvenience caused and appreciate your patience and understanding”.

So, what we took from this was that,

1. We can check data on the old system for now.
2. ICT are working on fixing the errors.
3. We don't need to submit any individual changes – at least for now – to correct old data.

But we have sought confirmation from the FSCA.

We also shared our findings of our testing to the ICT people to assist and we recommended that a formal press release be made to FSPs and compliance officers (who often, as we do, manage the licence data via the website) on the status of the site and how to manage any errors found as this will restore some lost credibility and allow a standard for managing to be set thus preventing everyone doing their own thing which will not help the fix.

The implications of this situation are that new changes needed may be delayed and errors may be seen on FSP profiles that cannot immediately be corrected. Once we better understand the way forward, we will let you all know.

2025 annual levies:

Well, many of you will have seen that these were released late in 2025, in fact the invoice date was 25 December, although invoices may not have been seen as a good Christmas present.

Deadline for payment was the 30th of January.

Proof of payment should have been sent to the Regulator, so if paid and no proof of payment sent, please do so to,

fscalevies@fsca.co.za

We would also appreciate a copy of the proof of payment so we can keep track that everyone has paid and keep your report updated with the payment date.

If you have not received your invoices, or have other queries you can contact the FSCA directly on the following designated credit controllers,

FSP NUMBER	CREDIT CONTROLLER	TEL. NUMBER
1 to 8199	Ntsetsana Maesela	012 422 2841
8200 to 15499	Katlego Mabusela	012 367 7153
15500 to 44599	Ogodiseng Sebakeng	012 422 2806
44600 to 50999	Thato Maphiri	012 428 2959
51000 to 56000	Ayanda Mgagule	012 367 7155

Or via e-mail at fscalevies@fsca.co.za

Quote your FSP number (no spaces, e.g., FSP12345) in the subject line.

Or talk to us and we will gladly try to help you chase down the necessary feedback.

On-going criminal checks for all key persons:

Many of you have undertaken these checks via the Regulator's appointed agents, MIE. To date these have been restricted to new key individual, director and natural person shareholder appointments and existing individuals in these categories for accountable institutions (AI).

We recently queried why one individual director of an AI was selected for such an assessment out of a director panel of six.

We thought it was due to his personal profile. He is not an SA citizen and not resident in SA but there are two others with a similar profile who were not selected.

Was it simply a mistake? Our thinking was that the FSCA would surely select at FSP level and do the checks on all people associated with that FSP in one "swoop."

So, we queried this with FSCA and were advised,

"Please note that the criminal verification process is rolled out in batches due to the high volume of individuals linked to licensed entities who must be subjected to this exercise. Therefore, not all impacted persons in the licensed entity and/or financial sector at large will receive communication from MIE to avail themselves for criminal checks at the same time."

And we also established that foreign based individuals are not excluded from this process,

“Furthermore, MIE has an established streamlined process in place for foreign individuals and/or individuals residing outside South Africa”.

There has been no indication given as to when existing individuals for the non-AI category of FSPs will start to be evaluated.

From the FIC and matters money laundering

Employee screening:

Directive 8 that introduced the need for staff screening has been with us now for a couple of years, but questions still get asked around how to risk rate an employee's role to enable the correct screening to be undertaken.

The Compliance Institute have recently issued a guidance document on the subject that sets out how employers should risk rate employee roles.

The concept can be applied much wider than the money laundering risk for which it was written to assist with. For example, what level of “screening” in its broadest sense should be applied to the recruitment process or the annual staff assessment process.

[Click here](#) to download the document.



And whilst talking screening more generally we had the following query from a client during the month, (NB: This client underwent a FSCA/FIC on-site visit in August 2024 but has yet to receive the final report).

“At present, our CRM system automatically conducts monthly screenings for all clients and alerts us immediately if any matches are identified. In addition, we perform screenings at onboarding (new business), during the annual client review, and when there are additional transactions for a client.

(Our CRM provider) has advised that risk-based screening intervals should apply as follows:

- *Low-risk clients: every 3 years*
- *Medium-risk clients: every 2 years*
- *High-risk clients: annually*

Given that monthly automated screenings are already in place, I'd like to clarify whether it is still necessary to manually conduct yearly screenings for all clients regardless of their risk rating at their annual review. This requirement is proving to be quite time-consuming and may duplicate effort.

Applying the risk-based intervals would reduce duplication and allow us to focus resources where they are most needed, while still maintaining compliance.

Could you please advise on whether we should continue with annual manual screenings for all clients, or adjust to the risk-based schedule recommended by the CRM?”

Our feedback was as follows,

“Let's start with making sure we are all referencing the same “screening”. I think (FSP staff member) is talking sanction screening only here? But let's explore this a little further.



*The regulators' approach on sanction screening is that they expect AIs to sanction screen their clients against the TFS list upon onboarding and every time the list is updated and published (which can be frequent). This aspect seems to be addressed by the CRM platform as ***** has confirmed that on-going screening is done monthly so any amendments to the lists would be picked up by this process.*

If there is confidence in this sanction screening process, then we would agree with (FSP staff member's) suggestion that the additional manual sanction screening over and above the on-boarding process would not be needed, unless of course there were any specific circumstances that caused you to check specific individuals based on news reports about sanctions being imposed on categories of individuals where you wanted a more cautious approach.

Sanction screening is a "shot gun" approach with all clients being screened irrespective of their money laundering risk profile so the reference to Low/Medium/High risk clients to determine the frequency of annual screening is not needed given the on-going monthly screening, so it makes me think they are referencing a broader screening process.

If we reference the (CRM provider's) document we have their definition of screening as,

- 11 Sanction lists world-wide
- DPEP/FPEP/PIP lists
- Adverse media (20 Categories aligned with FATF, EU's 6th AML Directive and ESG)

*Other than the monthly sanction screening that is done I believe ***** are referring to the balance of their screening work when they talk of a screening strategy of Low/Medium/High risk clients (another assumption – these are classified to your standards within the platform – right?) and not the on-going manual screening being done by the staff at renewal and at policy change events which is sanction list based.*



If this is correct, do we agree with their timeframes for review?

Not really. The issues of DPEP etc. and adverse media are issues that can change quickly at both a personal and juristic level so a low risk, however defined, can move to high risk in a short space of time thus a 3 year wait for checking on such changing is too long in my view.

Having said that, much of your risk rating is as much about products taken out by the client as it is the client themselves i.e. low risk products with monthly debt order payment will lower the risk in the CDD process.

(The CRM provider) does not build product type, geographical client location, occupation, etc. into their automated "screening" process so these aspects still need to be done manually as part of the on-going CDD standards. Take care not to fall back on "screening" as your only on-going CDD.

But as the MLCO you can set your own standards. Re-imagine another on-site visit and you were asked to justify the 1,2- and 3-year screening program.

As a matter of interest your RMCP does not reference these differing screening processes as part of your CDD as noted in the (CRM provider) document, although we accept it is awaiting an upgrade/review once (if) we get the results of the Regulators on-site visit".

Draft Directive 10 issued for comment:

Issued on 19 December 2025 for public comment, this draft Directive sets out new proposed geographic location disclosure requirements for all accountable institutions listed in Schedule 1 of the FIC Act.

The primary objective is to require accountable institutions to provide detailed geographic information when registering with the FIC. This includes disclosures on their:

- Head office locations
- Branches (inside and outside South Africa)
- Subsidiaries (inside and outside South Africa)
- Branches of subsidiaries, both domestic and foreign

The intention is to help the FIC and supervisory bodies understand each institution's group structure and geographic footprint in the Republic or outside the Republic, while strengthening risk-based and group-wide supervision.

At the time of registration, accountable institutions will need to provide particulars of the above.

Accountable institutions already registered with the FIC will need to update their registration with the required geographic information within 90 days of the Directive coming into effect

Any subsequent changes to an accountable institution's group structure will require updating the FIC's records within 90 days after such change/s.

It's important to note that the information requested in the draft Directive is not intended to require accountable institutions to register branches and subsidiaries as a separate accountable institution to the head office, nor to regard such registered branches and subsidiaries as accountable institutions (if they are not a separate legal entity).

Summarised definitions included in the draft Directive are,

Head office — where senior management is primarily located.

Branch — any office that operates on behalf of an accountable institution but is not a separate legal entity.

Subsidiary — based on voting rights or control of board appointments.

Once effective, failure to comply with the Directive will render an accountable institution non-compliant, exposing it to administrative sanctions under the FIC Act.

Submissions are open until 13 February 2026, where comments must be submitted via the FIC's online consultation form.

[Click here](#) to download the draft Directive and [here](#) to download the Consultation Note.

We see a correlation between this draft Directive and the FSCA's draft Omni-Risk Return which introduces client-related geographic risk factors. There is a thematic alignment with both shifting toward a geography-based risk assessment.

Draft AML/CFT amendment Bill tightens regulatory net:

Still a draft Bill so no need to rush off and fully understand this just yet but the final version will likely give the already regulatory punch-drunk accountable institution more pressures, although the Bill seems to be more fine tuning/clarifying than brand new standards.

This link [Draft AML/CFT amendment Bill tightens regulatory net](#) via QSure gets you to a good summary of the proposed changes from Moonstone. We will obviously keep you posted on developments



From the FAIS Ombud

The latest Ombud's Newsletter:

The latest (December 2025) newsletter, under the baobab tree, can be found via the following link,

<https://www.faisombud.co.za/wp-content/uploads/2025/12/FAIS-Ombud-Newsletter-December-2025.pdf>

As always this is a must read as a tool to learn from the mistakes of others. In fact, it is also a key regulatory requirement set out in section 18, Part IX, Complaints, of the General Code of Conduct, which states,

- (v) monitor determinations, publications and guidance issued by any relevant ombud with a view to identifying failings or risks in their own policies, services or practices.

You will note that the newsletter especially the case studies are directed to the policyholder, although this does not distract from learning that can be extracted by the FSP.

And don't ignore the non-life example because you only do life and vice versa. The mistakes, where they occur, and the related learning can usually be applied across differing sectors.

So, what does this edition contain?

All Risk cover for drones:

A farmer requested cover for 2 drones, at least one of which was close to R250,000 in value. The "all risk" cover excluded damage whilst in flight and – yes you guessed it one of the drones was damaged whilst in flight, so the claim was rejected. The farmer was not happy stating in his complaint to the Ombud's office that the policy terms were never explained and were not suitable for his needs.



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Surely the broker would have asked what the drones were to be used for? And ensured the correct cover was obtained, or if such cover was not available, ensure the client understood this.

Well, it seems not. The request was completed and the policy provided but with no related advice or highlighting of T&Cs and assessment of the suitability of the product.

A key aspect of this case in our view was the belief that they had no responsibility in this regard. They stated in their “defence”,

“...that its role was limited to administrative tasks, as the drones were added to the all-risk insurance policy at the explicit written request of the Complainant's office, and that it had no obligation to provide advice or highlight exclusions”.

Does the Code allow a broker not to advise clients if clients submit specific instructions?

Of course, it doesn't and the Ombud ensured this was pointed out to the FSP in question, noting aspects of both the Code and TCF (notwithstanding that TCF is still only a principle for brokers given there is no regulation on TCF outside of the insurers' PPRs).

The learning point here is not to simply accept instructions without questioning both the underwriting requirements and the needs of the client – whether they understand them or not. Even a simple “new vehicle” may have hidden complexities that need to be understood, e.g. is there a new driver involved? – the kids!! Is there finance on the new car? Is there a different usage involved? And then advise accordingly.



The broker went on to argue,

"...that all disclosures were made through the policy schedule and documentation shared with the client, which were sufficient for the Complainant to make an informed decision."

and,

that *"... the Complainant's (has a) duty to read and understand the policy terms"*.

These latter 2 aspects were taken into consideration in the Ombuds recommendation where he noted that,

".....the Complainant did receive the updated policy schedule wherein the conditions and exclusions were clearly stated twice – in the main line and the exclusions. The Complainant reasonably should have read the schedule and noted the exclusion"

And

"..... that the Respondent pay 50% of the claim amount, totalling R122,350.00, due to its omission to fully comply with the Code of Conduct and the TCF Principles".

Now the statement that *"The Complainant reasonably should have read the schedule and noted the exclusion"* is a direct contradiction of a recent Ombud recommendation we reported on (August 2025 Regulatory review) where the broker was told they cannot expect or rely on a client reading the policy/schedule T&Cs, even though the client was advised to do so in our earlier case, as these must be clearly highlighted in the Record of Advice.



This type of inconsistency from the Ombud's office is simply not acceptable, but which is the right approach? Which analyst at the Ombud's office is correct? We would venture to say that as this article appears in the Ombud's official newsletter, presumably "signed off" by the Ombud himself, that the narrative in the drone example is the correct approach.

On the broader issue of a client's responsibility in reading what they have been provided with, there needs to be a standard on what degree of responsibility can/should be applied when it comes to a client reading their policy T&Cs. We totally accept that this cannot be 100% as the broker does need to be make things clear and ensure that they follow the Code's requirements, but we have always believed pointing out these material T&Cs via specific references to the content of policy schedules and policy wordings is an effective way to do so, but we are not advising the Ombuds' office.

Life Annuity – A Retirement Option:

A case that talks to differing information in the Record of Advice and issued policy documentation causing problems and whose responsibility is it. In this case the complainant included the insurer as well as the broker in her complaint.

One theme that stood out for us was in the statements,

"The Ombud noted that the deceased was not provided advice in a timely manner, as the Record of Advice was signed after the policy quotation was signed."

Given the differences between the RoA and issued policy documentation the Ombud is clearly concerned that the RoA being the last issued document seen and signed takes precedence in the clients' mind.

And,

“It (the General Code of Conduct) also mandates that advice must be adequate, appropriate, and provided in a timely manner, allowing clients to make informed decisions”.

Emphasising that the RoA is integral to the decision-making process i.e. before the policy is issued.

Although the article does not have the Ombud specifically make these direct statements, but our interpretation cannot be too far of the mark.

The question then must be how often does this situation happen?
And what risk does this present to both the client and the broker?

Matters Transformation

Financial Sector Transformation Council annual return:

(“FOR ISSUE DATED BETWEEN 01 JANUARY 2025 AND 31 DECEMBER 2025”)

We alerted you to the deadline for this return in the December Review. The actual Notice, dated October 2025, was subsequently sent to all FSPs by the FSCA on the 13th of January.

If you have not received it, you can download the Notice [here](#).

Returns to be e-mailed to,

reporting@fstc.org.za

by the 27th of February 2026.



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The FSTC have ignored our request for clarity on the statement that the return must be for affidavits and verification reports issued in 2025 where previously there was specific link to a financial year-end, so we suggest that you submit as requested, although this query is more of an issue for FSPs with year-ends from October – December that may not have been completed and submitted to the FSCA by the end of 2025 thus the applicable affidavits in particular issued in 2025 would have been based on their 2024 financial statements.

If you don't qualify for the use of an affidavit, i.e. you are a QFSI or a Generic enterprise but don't have a verification report, our advice, as in previous years is, to submit a response explaining your non verified and non-compliant status.

Interesting things we have read

From FAnews

The full might of the Conduct Regulator on display:

An article on the R2bn penalty imposed on Banxso (Pty) Ltd that we gave details on in the December 2025 Review. We have included more detail, more so for the writer's comments than the detail itself, as shocking as that is.

"Your writer reckons jailtime is more fitting punishment than a fine that is unlikely to be paid"

"Enforcement outcomes matter less to clients than the recovery of lost capital. Would a greater focus on criminal prosecution improve outcomes for South African financial consumers?"

We couldn't agree more.

[Click here to read more](#)



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AI in insurance: admissibility, accountability, and legal integrity:

We have been encouraging clients to think about formality on the use of artificial intelligence within their workplace and this article expands on that by asking “*can AI-generated insights or outputs stand up in court?*” with Tristan Marot, Senior Associate at Norton Rose Fulbright, specifically in the claims decision environment, but the views presented could be just as relevant in the underwriting/advice environment.

[Click here to read more](#)

From IOL

What the Momentum court ruling means for former brokers facing R475,000 liability:

If you have signed suretyship on behalf of a business you might want to read this article,

<https://iol.co.za/business/2026-01-16-what-the-momentum-court-ruling-means-for-former-brokers-facing-r475000-liability/>

To quote from the article’s summary,

“The case highlights the risk that individuals face when signing deeds of suretyship for a company. Even if the company is liquidated, those who personally guaranteed its obligations can still be held liable for debts”.

From South African Live (via QSure)

Wake up and smell the COFI as more consumer protection is on the way:

Another article about COFI? Well Yes, an interview with Johan Minnie, CEO at Consult by Momentum but it's not the overall subject that caught our eye but some of the statements made.

For example,

"Do you sometimes doubt if your financial adviser is right about everything? When the COFI Bill becomes law, they will have to be".

Really? They will have to be right about everything. We wonder where he sees Momentum's staff having to be right about everything as they would need to know at least as much as their brokers if not more.

*"...unlike the current rules and regulations approach that dominates the financial services industry, COFI, much like Treating Customers Fairly (TCF), is principles-based. It places a clear obligation on advisers to demonstrate, on principle, that they gave sound advice in the client's best interests, **charged fair compensation in line with the effort involved** and disclosed what needs to be disclosed. (Our highlight)*

The burden of proof shifts to the adviser which is ultimately fairer to the client".

Minnie says the question is no longer whether advisers understand the rules, but whether they can show value when tested.

"This will be especially difficult where ongoing product fees have continued long after genuine engagement faded. COFI does not only address poor conduct but also highlights weak value propositions and outdated service models that once passed without challenge."

This would presumably put pressure on broker fees generally if not commission specifically.

We would like to know where these views come from given the lack of meaningful detail in much of COFI. Is this one person/company's interpretation of what they think the intention is? Is it based on their legal/compliance staff's assessment of what we have seen? As there are some bold statements – not least of which is the opening statement, which we will repeat in case you missed it,

“Do you sometimes doubt if your financial adviser is right about everything? When the COFI Bill becomes law, they will have to be”.

So presumably your compliance officers will need to know more. 😊

Here is the link to read the full article.

[Wake up and smell the COFI as more consumer protection is on the way.](#)

From Werksmans attorneys

Regulatory Snapshot: Financial Services and AML:

A useful summary of some regulatory expectations and known happenings for 2026 from Hilah Laskov.

[Regulatory Snapshot: Financial Services and AML](#)



ASSOCIATED COMPLIANCE
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And Finally

Out of office message:

As people started going on leave last year, we saw one message that we did not immediately understand,

"I will be out of office on PTO".

Upon enquiry the PTO we were told stands for "Paid Time off".



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Johannesburg Address:

Office 30 Work Central
1st Floor, Bel Air Shopping Centre (Entrance 2)
Bellairs Drive
North Riding
Johannesburg
2169



Email:

- info@associatedcompliance.co.za



Tel:

- 011 678 2533

Layout & Design
by **AP+i**



www.ap-i.co.za