



ASSOCIATED COMPLIANCE
FOR A COMMON PURPOSE

AC Regulatory Review
FEBRUARY 2026



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DON'T READ THIS AT YOUR OWN PERIL !!

From AC

Annual financial statements - deadlines:

The next two deadlines for submission of Annual Financial Statements are,

- November 2025 Financial year end: **submission by 31 March 2026**
- December 2025 Financial year end: **submission by 30 April 2026**

And if the financial statements are not audited, please don't forget to attach the completed 'Annexure A' for the applicable exemption.

How the regulations don't always help:

We were asked to help someone recently with an old (2015) debarment case that now needed to be lifted. The ex-representative, wanted to re-join the financial sector however, had yet to find a willing FSP/employer to sponsor the process, which is generally easy enough. The thought process was, that a lifted debarment would greatly assist in the hunt for a representative job.

How hard could this be, we asked ourselves, so we offered to help...

The original debarment of the representative did seem to be justified however, the process followed by the FSP, less so. The request was to lift the Debarment Ruling, given it was over 10 years ago, not challenge the initial decision.

We established who to approach at the FSCA and helped with a draft of the submission letter and thought that would be it – the person was on their way to sorting matters out.



However, the FSCA said,

“Based on the correspondence below (the application seeking assistance and requesting to meet with the FSCA to discuss), you were correctly advised that, should you feel aggrieved by the decision, you ought to approach the High Court for reconsideration. In light of this, we are unable to accede to your request for a meeting to discuss a decision that was taken by the FSP.

You may, however, approach the Financial Tribunal to determine whether there is any available recourse should you wish to challenge your debarment”.

Not very helpful. It's not that the person was “aggrieved” by the decision but needed to have the decision removed from his record as it was now 10 years later – he had “done his time” so to speak.

In the meantime, a PAIA request was made to the FSCA to get the original debarment submission papers, if the representative had to go to court then there needed to be some reference material, as nothing had been given to the individual at the time of the debarment and the FSP's records, being more than 5 years old, had been destroyed. They did however issue a letter stating there were no further issues to be concerned about regarding the individual so, effectively allowing the debarment to be lifted. This process went smoothly, and the paperwork was provided.

Next step was the Tribunal, but more disappointment followed, as they said,

“The Tribunal unfortunately does not have jurisdiction to deal with the matter. The 'decision' was taken at a time (2014) when the Financial Services Appeal Board's jurisdiction was set out in sec 26 of the FSB Act 97 of 1990. It had no jurisdiction to hear an appeal against a 'decision' by an FSP under s 14 of the FAIS Act 37 of 2002. The FSR Act 9 of 2017 applies to decisions taken under that Act. Since it came into force on 1 April 2018, it does not apply to this case. The Act does not operate retrospectively.



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If you do not wish to follow the re-appointment route, you might (if so advised) have a right of review by a high court, but the Tribunal cannot be of assistance in this regard either”.

We assumed that such an approach would be to use the Promotion of Administrative Justice Act (PAJA) as the basis of asking for a review of the matter, although neither the FSCA nor the Tribunal gave that advice.

So, whilst the regulatory infrastructure allows for remedies - not all remedies are accessible based on when the problem arose and the one remaining, being the High Court, is simply not attainable by most people given the prohibitive costs involved. You can get justice provided you can afford to get justice however; we suggested that the individual approach Legal Aid to see if he qualified.

It just seems disappointing that the Regulator cannot find a way to assist this person. A loophole in the law that could be fixed? – but how many 10-year old debarments in need of lifting do they receive to want to find the loophole.

When is your name not your name?

When, The Department of Home Affairs says so!

We have recently had quite a few representative applications involving ladies with ID documents in use from their maiden names, married names and divorced names...

So why is this important?



1. The FSCA *ePortal* system is now linked to the Department of Home Affairs, therefore names on the supporting ID documents, need to match the representative application form to allow the on-line registration of the representative.
2. The supporting documentation which is required when submitting a representative application, e.g. statements of results/credits, qualifications and product training, obviously reflect the name of the representative at the time the documents were obtained and they don't always reflect an ID number, which would assist in linking a document to the person, which is a big problem where the names have changed. This has led to many queries and delays in the registration process.

We recommend that such matters are identified at the recruitment stage and not at registration stage, when there is pressure to get someone added to the FSP license asap, and we then delay the process as we seek confirmation that what we see is in fact accurate.

Product Specific Training and how best to manage this process when appointing new representatives:

We recently had some discussions with a broker client on this subject, and we felt it was worthy of detailing it here, as it is a common issue raised on a regular basis.

When being asked to register the new representatives we requested, as we usually do, evidence of the product training that had been completed. We were supplied with our *Rep Supplementary Form* which caters for, amongst other things, details of 'completed product training'.



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The branch manager of the FSP asked,

"In the Employment History tab, of the attached documents, they have each noted the product training which they have completed. Should they provide the certificates for all of the PST that they have completed? Secondly, is there now a specific period allowed for PST to be completed whilst under supervision?"

We work closely with more than 20 different insurers and some of them have three or more products, which are at least 60 different training modules. Some of the insurers have up to ten products. How do we know which ones to prioritize?"

We currently run a program in office whereby each employee needs to complete either one PST module or one CPD hour per week. The progress of all employees is monitored and captured on a register."

A scenario we can well understand.

(NB: We like the action plan here of one CPD hour and one PST module per week as the training norm 😊)

Our response was,

"I think as we all know, managing PST has always been and will likely always be problematical."

We added the 'question on PST' to the supplementary form to at least flag what PST had already been done for a new Rep to allow the KI/branch to assess the person's experience against the products that they will be working with at the FSP and enable plans to be made to arrange PST for those insurer products they will be working with, if there had been no prior exposure."



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Do you need to get evidence?

We are obviously going to say that “yes, in an ideal world proof should be obtained” and we like to think Reps take ownership of their own learning and will have access to the evidence of completion. This proof is only needed for the products/insurers that are relevant to the work to be done at the FSP.

Where there is no evidence, although in this case the Rep has been very specific on what has been done, so more than likely has the records, the BM (KI) must satisfy themselves that the person does indeed have the required product knowledge before they are ‘let loose’ on the clients.

We created 2 Declarations, copies attached, that can be used to “sign off” PST undertaking generally and that specific knowledge does exist. This is set up for a KI sign off.

How do you prioritise?

Simply ensure that the insurer products which are dealt with the most, are done first.

Even then that could take a while, but we can’t insist that all have to be done before they can be added. We just need to see that some training is in place and there is a plan for the balance.

And overall, we would expect that Reps themselves understand the need to seek guidance if and when they have to deal with a product/insurer where there has been no PST exposure”.

We hope this practical example helps clear the PST fog just a little bit.



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Legacy Qualifications:

These are qualifications which will be left behind once the QCTO qualifications are fully introduced.

(Just a reminder that the Quality Council for Trades and Occupations (QCTO) is replacing Further Education and Training Certificates (FETC) and other legacy qualifications with Occupational Qualifications.)

However, you will be able to complete the “old” style qualifications, typically the FETC range, provided you have already enrolled.

The cut-off date for enrolling for an FETC qualification is currently flagged as **30 June 2026**, although it has changed several times.

Thereafter, only the QCTO versions will be available.

Assuming an individual is part-way through an FETC, or they choose to enrol for this type of qualification before 30 June 2026, they will have until June 2029 (July 2029 for the short-term version) to complete their FETC qualification.

Employers planning staff development, might want to look at whether they should enrol staff into the FETC programmes now, rather than enrolling for the new QCTO qualification.

I hear you ask, Why?

The QCTO qualification is made up of the following components,

- Knowledge (Theory)
- Practical Modules (Assignments)
- Workplace Modules (Evidence)
- EISA (External Integrated Summative Assessment)
 - o EISA means that the learner will write an external exam (like RE / Matric) and can then achieve the qualification (once competent)



From what we have been told, INSETA, who will manage/oversee these assessments, will only run these twice a year, thus effectively delaying completion, and considering the FAIS deadlines, managing this may be an issue.

The current QCTO offerings are,

- **Claims Assessor**
- Insurance Underwriter
- **Financial Advisor**
- **Long-Term Insurance Advisor**
- Health Care benefits Advisor
- **Investment Advisor**
- Employee & Pension Funds Benefits Advisor

Those mentioned above in bold print have already been approved by the FSCA.

We have yet to see how these will be applied in practice, as one of the key aspects of the QCTO structure is the workplace modules, which (again what we have been told), require the person to be in the designated role, for the qualification which is being undertaken.

So, a Claims Assessor wanting or needing to move into the underwriting division, would need to already be in the role of Insurance Underwriter to proceed with registration for the qualification.

And if the FSCA want the Insurance Underwriter qualification as part of the 'Fit & Proper' standards, then an individual would possibly need to have 2 qualifications whereas currently, one would suffice i.e. the FETC.

But, the FSCA have not yet informed the market how they intend applying these qualification standards... so if you think it's complicated now.....



When buying a *FAIS licence*... Some *Due Diligence* is needed:

Let's start by saying technically you are not 'buying a licence', you are buying a juristic entity that happens to own a *FAIS Licence*.

Typically, these companies are dormant from a trading perspective, i.e. you are not buying a book of business or a brokerage that is a going concern but nevertheless you need to check out the goods before you buy, as what you buy becomes yours – including its liabilities.

- One of the first things which needs to be checked will be, the entity's status with SARS, i.e. tax clearance certificate.
- You also need to check that the annual returns are up to date, specifically CIPC – even dormant companies need to submit annual statements and returns.
- And furthermore, all applicable municipal rates, taxes, and FSP levies must be up to date.
- It's also significant to look at outstanding complaints. The importance of reviewing this type of information, will depend on how long the company has not been trading. A review of the last complaint register is wise, as you need to be aware if there is anything recorded which could raise its ugly head, either directly or via the FAIS Ombud. Remember such matters are against the licence holder – who is now you!



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Also consider how Professional Indemnity (PI) cover will need to be structured to protect you and the exiting owner from such matters...

And actual or potential litigation. Is the company already embroiled in a matter that could go to court? Are the current PI insurers involved? Will they continue to deal with matters if ownership of the FSP changes mid case?

Whilst that seemingly low-price tag to acquire the licence “quickly” may be tempting, it could be more costly than you envisaged if you don’t do your due diligence.

Is anything ever really free? Especially Insurance:

The concept of using the term “free insurance” is not a new one, as is the debate on whether it can be used as a tool to market insurance products.

This discussion raised its head once again this month, which we feel is worthy of letting the e-mail ping-pong that took place, tell the story.

The client asking was a UMA. This is relevant in some of the responses referenced.

“Hi Craig

As part of our marketing drive this year, we’re thinking of giving away free cover / severely discounted rates (e.g. free / discounted cover for the first 3 months for clients who sign up during an introductory period) in selected markets to encourage sales and to get the ball rolling. Do you know if there’s any regulatory problems with this?”



"The simple answer is Yes - there is a problem.

Apart from the issue that there is really no such thing as 'FREE' insurance as the insurer has to account for a policy in some way so would need to agree to a R0 premium so you need their sign-off OR you pay the premium (or discount if that were the route) although you would likely say free in the hands of the policyholder.

That little issue aside the ST Act does have the following,

44. Prohibition on inducements

No person shall provide, or offer to provide, directly or indirectly, any valuable consideration as an inducement to a person to enter into, continue, vary or cancel a [short-term policy](#), other than a [short-term reinsurance policy](#).

And I would say free insurance would be seen as an incentive.

You might be able to "hide" discounted premiums better i.e. just sell "at a loss" for a period and then slowly get the price back up – but as soon as you advertise the process you are following you are back to it being seen as an incentive.

Can't you add on free benefits e.g. and use the money you would spend on the free cover (assuming you were planning on spending) is diverted elsewhere.

Then the benefit is withdrawn at some point – this example may not be practical, but it should illustrate the point".



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"Thanks Craig. Free insurance effectively means that shareholders are funding a loss in lieu of growth and future profits.

Insurance companies offer and advertise discounts on insurance premiums all the time. It is common for insurers to reduce premium to retain a policy when a (good) client wants to cancel. Is this not also a valuable consideration as an inducement? What's the difference between e.g. a 20% discount and 90%/100% discount? Surely a "cash-out bonus" could also be seen as a valuable inducement? Even offering a could be interpreted as an inducement, no?"

The response,

I agree this is a messy place.

A good few years ago now, the then FSB took on a (car dealership) whose dealership was offering "free" insurance when buying a VW. Their mistake was it was on a billboard across the highway from the FSB offices – which was seen and challenged. Despite our best efforts to say the incentive was to buy a car and not get insurance they stuck to their guns and forced a different strategy on the selling initiative from the dealership.

So maybe the message is don't make it a high-profile initiative that can be challenged?

But free insurance I still maintain is a misnomer – someone has to pay. Be that your shareholders (funding a loss is not the same as paying the premium to the insurer – unless you are meaning the same thing). The insurer has to account for the premium – so it is they who are OK with funding the premium and possible losses. Do they have a view?

And remember no premium = no commission – hardly an incentive for the broker to punt the product.



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As I said initially, discounts are much easier to use given, they are used extensively. They do however tend to reference a discount on existing premiums being paid – well in the typical Outsurance style add – although they tend to have the disclaimer “risk profile dependent”.

Maybe the risk profile aspect could be explored. The big discount to reward a good risk profile (whatever they would be) e.g. Up to date with You know what you would consider a good profile.

The cash out bonus has been a policy benefit for many years (it used to be a no claims bonus for the following years premium) and rewards good results / loss control by the policyholder – after the good year, not upfront.

The benefit I mentioned as packaging a tangible benefit as a benefit of the policy is better than a blatant “free” policy.

On the subject of a policy benefit maybe having it as a “free” “cheap” VAP on(the insurer’s product) that could be expanded at subsequent renewals – or good loss ratios get a policy. That kind of thing.

Happy to continue the debate”.

And finally (for now 😊)

“Ok great, thanks Craig. I think I get the nuance...”

From AC HAS



The FAIS # Series:

We are putting forward a 10-part series that will equip HR practitioners and/or managers aka Key Individuals, with practical tools to navigate *FAIS* Compliance while building a broader culture of HR compliance.

We understand that many of you don't have HR departments or even HR people to help with the subject, in which case it falls onto the designated Key Individual/s to ensure these standards are followed. Using this series would go a long way to creating your own HR manual, focused on matters *FAIS* as well as being a useful guide for the experienced HR practitioners where they are in place.

1 *Introduction to FAIS Fit & Proper Requirements from an HR Lens*

1. Section 1: The Regulatory landscape

1.1. The Regulatory Framework: Who's Who

1.1.1. The Financial Sector Conduct Authority (FSCA)

The FSCA replaced the FSB in April 2018 and is the market conduct regulator for South Africa's financial services sector. The FSCA enforces the FAIS Act and multiple other financial sector laws. Its mission is to protect financial customers and ensure market integrity.



1.1.2. The Key legislation HR must know about:

- Financial Advisory and Intermediary Services Act (FAIS Act), 2002
- Board Notice 194 of 2017 – Determination of Fit and Proper requirements
- FSCA FAIS Notice 86 of 2018 – Exemption of Services Under Supervision
- Financial Sector Regulation Act (FSR Act), 2017
- FIC Act – Anti Money Laundering / Countering the Financing of Terrorism (AML/CFT) compliance

The FSCA dramatically increased its AML/CFT supervision staff from 7 to 26 following South Africa's Financial Action Task Force (FATF) grey listing. This means your HR practices around background screening, monitoring and compliance tracking, are under greater scrutiny than ever before.

2. The three pillars of FAIS Fit & Proper requirements.

2.1. Understanding “Fit and Proper”

Definition: The Fit and Proper requirements assess whether an individual is sufficiently ethical, experienced, qualified, and competent to perform their role in the financial services industry.

The three pillars:

PILLAR 1: HONESTY, INTEGRITY AND IN GOOD STANDING (Chapter 2, Board Notice 194)

- * No criminal convictions relating to dishonesty, fraud, theft, or financial misconduct
- * No previous debarments or licence withdrawals
- * Sound financial standing (not insolvent or under debt review without disclosure)
- * No history of regulatory sanctions in any jurisdiction

HR's role:

- Pre-employment criminal record checks
- Credit bureau checks (with consent)
- Verification of employment history
- Checking the FSCA debarment register
- Reference checking focused on integrity and conduct

Many HR departments only check criminal records at the hiring stage but fail to monitor **on-going financial soundness or regulatory sanctions**.

PILLAR 2: COMPETENCE (Chapter 3, Board Notice 194)

Representatives must have:

- **Minimum qualifications** (Grade 10, Grade 12, or Degree - depending on the mandated FSP category)
- **Regulatory Examinations** (RE1, RE5, RE3, RE4)
- **Class of Business** (COB) training (within 12 months of appointment)
- **Product-specific training** (before rendering financial services)
- **Minimum experience** (varies by category and product sub-category)

The five FSP Categories:

- **Category I:** General FSPs (most common)
- **Category II:** Discretionary FSPs
- **Category IIA:** Hedge Fund FSPs
- **Category III:** Administrative FSPs
- **Category IV:** Assistance Business FSPs (funeral insurance)

HR's role:

- Creating competency matrices for each position
- Tracking qualification timelines and deadlines
- Managing supervision agreements
- Coordinating training schedules
- Maintaining competency registers (required by law)

HR Insight Box:

The Date of First Appointment (DOFA date): This is the exact date a person is first registered as a representative with the FSCA. This date is permanent. It doesn't reset when someone changes FSPs. HR must obtain DOFA Reports from the FSCA (with the candidate's consent) to accurately calculate the deadlines for complying with Fit & Proper requirements. Missing a deadline results in automatic debarment if the representative continues to provide financial services post their respective deadline.

PILLAR 3: CONTINUOUS PROFESSIONAL DEVELOPMENT (Chapter 4, Board Notice 194)

All FSPs, Key Individuals, and Representatives must complete ongoing CPD hours to maintain and enhance their professional competence.

CPD Annual Cycle:

- Runs from; 1 June to 31 May, for each FAIS monitoring cycle
- 2026 Cycle deadline: 31 May 2026
- CPD hours, the number required may vary by FSP category and product categories



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What counts as CPD:

An activity that,

- Is accredited by a Professional body (IISA, FPI, CISA)
- Is allocated points/ hourly value or part thereof by that Professional body, and
- Is verifiable

What doesn't count as CPD:

- Product training
- Work towards a qualification
- Internal company meetings (unless specific accredited training component)
- Sales conferences without educational content
- Social networking events

NB: The lines do get blurred, as many conferences and industry events do get accredited by professional bodies due to the "learning" content they contain.

HR's role:

- Implementing CPD tracking systems
- Budgeting for CPD activities
- Creating CPD policies
- Scheduling time for representatives to complete CPD
- Conducting CPD audits before FSCA inspections
- Maintaining CPD records (must be retained)



3. Section 3: Why is this an HR Matter and not just a Compliance matter?

3.1. The HR-Compliance partnership

The model that works:

- Integrated approach: HR and Compliance work as strategic partners
- Shared accountability: Clear roles and responsibilities
- Systems thinking: FAIS embedded in all HR processes

3.2. HR's Expanded Role in FAIS Compliance

Recruitment & Selection

- Designing job descriptions with FAIS competency requirements
- Conducting Fit and Proper assessments during interviews
- Verifying qualifications and checking registrations (including names on certificates match names of recruit)
- Screening for honesty, integrity, and good standing
- Date of First Appointment (DOFA) screening with the FSCA and/or via AC

Onboarding & Induction

- FAIS orientation for all new representatives
- Setting up supervision agreements (for those not fully competent)
- Enrolment in COB and RE exam programmes
- Product-specific training coordination
- Ensuring the names of people, specifically married/divorced female staff where name changes may have occurred, match their current ID as per The Dept of Home Affairs' records



Performance Management

- Linking FAIS milestones to performance objectives
- Monitoring supervision arrangements
- Conducting competency assessments
- Managing consequences of non-compliance (warnings, PIPs, termination of contracts)

Employee Relations

- Managing disciplinary processes that may lead to debarment
- Understanding the intersection of LRA and FAIS Act
- Handling appeals and reconsideration applications
- Supporting investigations (internal and FSCA)

Risk Management

- Maintaining compliance registers
- Preparing for FSCA inspections
- Responding to FSCA information requests
- Documenting all FAIS-related HR decisions

HR Insight Box:

HR must maintain accurate registers of Qualifications, Regulatory Exams, Class of Business training, and CPD hours. This can often be built into the Human Resources Information System (HRIS) that you are using for your employee data.



4. Section 4: Common HR Compliance mistakes and how to avoid them – FAIS specific

Mistake	Problem	Consequence	Solution
Failure to Verify DOFA Before Setting Deadlines	HR calculates compliance deadlines from employment start date instead of DOFA	Missing statutory deadlines, leading to possible debarment	Always request DOFA report from the FSCA with candidate consent
Treating Supervision as a Formality	Supervision agreements signed but not implemented; no actual oversight occurs	Undetected incompetence, client harm, FSCA penalties	Build structured supervision programs with regular assessments (detailed in Newsletter #4 & #5) to follow.
Inadequate Criminal & Credit Screening	Basic criminal check only; no ongoing monitoring	Hiring or retaining individuals who are not "honest and of good standing"	Comprehensive pre-employment screening plus annual refresh checks – write this into your recruitment consent form
Not Checking the FSCA Debarment Register	Hiring someone previously debarred without knowing	Employing an unauthorised representative; FSP liable for illegal activities	Check www.fscs.co.za/debarment register for every candidate
Missing CPD Tracking Systems	No centralised system: representatives self-manage; records incomplete	Failure to prove CPD compliance during FSCA inspection	Implement CPD management software or spreadsheet with monthly reporting
Inadequate Qualification Verification	Accepting copies of certificates without verification	Fake qualifications (RE5 exam fraud is a major FSCA focus area—see 2024/25 report)	Verify every qualification with issuing institution and check FSCA's recognised qualifications list



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No Competency Register	Required by law but not maintained or updated	FSCA inspection finding; licence suspension risk	Create and update register quarterly; review before inspections
Misclassifying Employees as non-representatives	Assuming admin or support staff do not need FAIS compliance	Unlicensed representatives rendering services; regulatory breach	Conduct role analysis; if any Advice or Intermediary Services involved, classify as representative
Ignoring the 6-Month Debarment Window	Discovering misconduct after employee leaves but waiting too long to act	Cannot debar; industry-wide risk as person can work elsewhere	Commence debarment process within 6 months of separation (detailed in Newsletter #9)

What is next in this series?

Newsletter #2: Competency Requirements - Deep dive into categories, qualifications, and exams

Newsletter #3: FAIS-Compliant Recruitment - Screening, verification, and onboarding

Newsletter #4: Supervision Requirements - Legal requirements and best practices

Newsletter #5: Practical Supervision Implementation - Tools, assessments, and mentoring

Newsletter #6: Workplace Skills Plans & Development - Strategic workforce planning

Newsletter #7: CPD Management - Systems, tracking, and culture

Newsletter #8: Employment Equity & FAIS - Integration strategies

Newsletter #9: Debarment Processes - Procedures, fairness, and legal compliance

Newsletter #10: Building a Development Culture - Beyond compliance to excellence.

From the FSCA

FSCA (not so) new website:

There has still been no formal commentary from the FSCA on the status of the website and its related problems.

The website is now using the old FSP database for searches, so at least that aspect can be better managed.

One key area that continues to be distributed is the lack of what the FSCA called “subscription notices”. This was our primary means of picking up notices from the FSCA, which included Tribunal matters. Despite re-registering via the new site and formal requests via the website for details on this missing data. Or is it missing? Or simply not being issued. We know not...

So, we have had to seek details of what is happening from other sources, hence the increased reference to various sources that have been used to provide you with the required information.

FSCA Consumer Advisory Panel released Inaugural Annual Report:

To quote from the February press release, as it adds context to this report,

“The Financial Sector Conduct Authority (FSCA) announces the publication of the first annual report from its Consumer Advisory Panel (Panel), a body created to amplify the voice of the South African financial customer.



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The 11-member Panel provides critical input to ensure consumer perspectives are embedded in the FSCA's regulatory work. Its inaugural report, covering November 2023 to March 2025, details the Panel's contributions in support of the FSCA's commitment to improved market conduct, fair customer treatment and financial inclusion, ultimately fostering a financial sector that works in the best interests of all South Africans.

The report outlines its progress in establishing operations, governance, and engagement. The report highlights several key consumer issues the Panel has proactively raised with the FSCA for consideration, including, the growing role, impact and regulatory challenges posed by financial influencers ("finfluencers"); the application and implications of artificial intelligence (AI) on finance; access to and cost of payment and banking products and services on ordinary consumers and SMMEs; and the effectiveness of consumer education initiatives.

"Our mission is to ensure the customer's voice is not just heard but is instrumental in shaping a financial sector that works for all South Africans," said Diane Terblanche, Chairperson of the Panel. "This report marks a significant first step. By providing a coordinated channel for consumer insights on issues from finfluencers to AI, we are strengthening the FSCA's ability to deliver fair outcomes for customers."

[Click here](#) (FSCA consumer advisory...) to download the report.

One aspect raised in the report was further reported on in the Business Explainer publication,

[FSCA Faces Scrutiny Over Rise of Finfluencers](#)

From the FIC and matters money laundering

Results of client on-site inspection:

The final report from an on-site visit in September 2024 was finally released by the FIC during February 2026. Our initial view is that it has many errors, poor conclusions and facts simply ignored. That said, there are some good learning aspects for the FSP, and us here at AC as well.

We will provide a more detailed assessment once the report has been responded to and the final outcome, i.e. if there will be a fine, is known.

Upgraded RMCP draft:

One use of the report referenced above will be to test our upgraded template RMCP for effectiveness against the reported shortfalls.

We hope to have the new draft ready for release to our accountable institution clients by the end of March.

But we need to caution you when using the draft, as with any draft policy or procedure and seemingly even more so with an RMCP, as you need to '*personalise, personalise, personalise*'. It needs to reflect who you are as an accountable institution and not who we may think you are.



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From the Financial Services Tribunal

Debarment set aside, after Tribunal flags timing discrepancies:

Whilst the issues that caused the debarment to be instituted are serious matters and if proven, should definitely lead to debarment. The issues raised are procedural in that the FSP in question, processed the debarment in the month of July yet only instituted the 'formal debarment process and hearing' in October. Seems like someone realised an error had been made and tried to cover up with some formalities.

[Debarment set aside after Tribunal flags timing discrepancies](#)

Transfer of client data justified debarment, Tribunal finds:

Another case that reflects that ownership of client data vests with the FSP and not the employee, and any transferring of data to the employee or any third party is a dishonest act in terms of FAIS and warrants debarment.

[Transfer of client data justified debarment, Tribunal finds](#)

NB: Both the links in this section were sourced via QSure and are summarised by Moonstone.



From the Information Regulator and related data matters

Information Regulator launches POPIA monitoring exercise:

The following is an article from Nadine Mather (Partner) and Savanna Stephens (Senior Associate) at Bowmans issued on the 19th of February, which we felt was worthy of the full article being provided rather than the usual link in the 'Interesting Things We Have Read' section, given many have a fair POPIA shop front but the back office is often lacking in content and detail.

"As 2025 came to a close, the Information Regulator commenced a robust compliance monitoring exercise, with many organisations receiving formal notices requiring them to demonstrate compliance with the provisions of the Protection of Personal Information Act (POPIA).

A more structured approach to oversight

In terms of section 40(1)(b)(i) of POPIA, the Information Regulator is mandated to monitor and enforce compliance with the provisions of POPIA by both public and private bodies and is empowered to take necessary steps to perform this oversight function.

While the Information Regulator has conducted own-initiative assessments in recent years, this new compliance monitoring exercise reflects a more structured, proactive and documentation-driven approach to regulatory oversight.



What does the monitoring exercise require?

Organisations selected for monitoring will be formally notified and are required to submit a comprehensive POPIA compliance report, together with supporting documentation, within 14 business days.

The compliance report must demonstrate how the organisation complies with the provisions of POPIA, with a particular focus on (i) the conditions for lawful processing of personal information, (ii) direct marketing by means of unsolicited electronic communications, and (iii) cross-borders transfers of personal information.

Although the report must address the organisation's overall compliance with POPIA, the Information Regulator specifically requires organisations to provide:

- *an overview of the organisation, including its processing activities and the approximate number of data subjects affected.*
- *details of subsidiaries and branches (where applicable).*
- *the total number of employees employed by the organisation.*
- *confirmation of designated or delegated deputy information officer(s), together with proof of registration.*
- *a copy of the organisation's compliance framework, including its privacy policy/ statement, retention policy, and information security policy.*
- *details of the POPIA training and awareness sessions conducted during the previous financial year.*
- *a copy of the organisation's risk register reflecting reasonably foreseeable internal and external risks to personal information (while not expressly required by POPIA, organisations must be able to demonstrate compliance with their security safeguard obligations).*
- *any mitigation/ implementation plan addressing the identified risks.*
- *a copy of the organisation's incident response plan.*



- *the organisation's manual prepared in terms of the Promotion of Access to Information Act.*
- *a personal information impact assessment conducted to ensure adequate measures and standards for the lawful processing of personal information.*
- *copies of any legitimate interest assessments conducted where an organisation relies on legitimate interests to process personal information (noting that POPIA does not expressly require such assessments, and reference to a legitimate interest assessment has only been made in the Guidance Note on Direct Marketing issued by the Information Regulator).*
- *a report on direct marketing activities (where applicable), including consent mechanisms.*
- *the number of POPIA-related complaints received during the most recent financial year; and*
- *the number of security compromises experiences during the most recent financial year.*

The compliance report must be submitted electronically via email to the Information Regulator. Physical submissions or electronic storage devices will not be accepted. Importantly, the monitoring process may include physical inspections at the organisation's premises, notwithstanding the submission of a report.

Monitoring vs enforcement

We understand that this monitoring exercise is a proactive measure adopted by the Information Regulator in terms of section 40(1)(b)(i) of POPIA. It is distinct and separate from the enforcement procedures regulated under Chapter 10 of POPIA.



Should the Information Regulator consider enforcement action necessary after reviewing a report, we understand that the provisions of Chapter 10 would then be invoked. In this regard, the consequences of non-compliance with POPIA are significant and may include enforcement proceedings which may, in turn, result in administrative fines of up to ZAR 10 million, civil liability or even imprisonment in certain circumstances.

Practical implications for organisations

With the Information Regulator ramping up its monitoring efforts, organisations should take proactive steps now to ensure that they are fully compliant with the provisions of POPIA.

Organisations should also keep detailed records and documentation of their steps and internal measures that have been implemented to comply with POPIA.

Maintaining detailed and up-to-date records of compliance measures will enable organisations to respond promptly and effectively should they receive a notice requiring submission of a compliance report”.

Another legal firm, Michalsons, in their regulatory predications for 2026 has the Information Regulator,

“.... Issue(ing) more notices and be (ing) stricter in enforcement, with a particular emphasis on NPOs, gated-access communities, and foreign organisations”.



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AC Regulatory Review FEBRUARY 2026

Popia is strong, Paia needs reform, says Information Regulator: The Information Regulator reflects on Popia, Paia and why data rights governance must blend legal and technical expertise.

An article, via QSure, from Tech Central being an interview with Mukelani Dimba, from the Information Regulator's office.

[Popia is strong, Paia needs reform, says Information Regulator](#)

Matters Transformation

Sweeping changes to B-BBEE Codes:

On 29 January 2026, the Department of Trade, Industry and Competition (DTIC) took a fundamental step in South Africa's B-BBEE transformation narrative by publishing a draft Government Gazette detailing a range of proposed changes. Whilst many seem technical by nature, we would suggest those of you using a consultant to assist with your transformation strategies consult with them on what the implication would be on your strategy if implemented as published.

Click here to download an article from Biz Community within which you can download the actual Gazette.

[Draft Gazette 54032 introduces sweeping changes to B-BBEE codes](#)

2026 FSTC annual returns:

The deadline for submission has passed (27/02/2026) although it is likely submissions will still be accepted as they have in previous years, so if not already done, we would suggest you do so.

Interesting things we have read

From FAnews

The new rules of trust and transparency:

One for those playing in the Employee Benefit sector that looks at the regulatory changes role players should be aware of.

[Click here to read more](#)

Survey spotlights the Direct versus Intermediated Insurance divide:

The survey out of the University of Pretoria looks at how well, or otherwise, the direct players are doing, especially in the short-term Personal Lines sector – the more commoditised covers.

[Click here to read more](#)

The writer asks the question at the end: Do local consumers understand the nuances between Direct and Intermediated Insurance distribution. Your thoughts?

Liability in the age of AI: Who's Accountable?

An article via QSure, by Omar Ismail, Claims Specialist at Santam. This should be of interest to the financial sector where AI is being used to assist or even develop advice for clients.

[Liability in the age of AI: Who's accountable?](#)

Compliance and ethics: two sides of the integrity coin:

An interview with Rianné Potgieter, Chief Executive Officer at the International Federation of Compliance Associations (IFCA) – formerly CEO of the local Compliance Institute. This helps explain the often-narrow divide between doing what you are supposed to do (the legal obligation to do something) and doing the right thing (decisions based on the culture and values of an organisation)

[Click here to read more](#)

From Michalsons

The Law in 2026 – our predictions:

A heavy focus on AI matters...

[Read more](#)



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From COVER

Compliance and Competitiveness: How to Structure Broker Fees in Short-Term Insurance:

An article from Masthead on this subject, which as regular readers will know, is one of our hobby horses and regulatory ridden. Some interesting ideas on services that warrant a fee – if provided that is.

[Read Article](#)

From Money Web (via QSure)

Why cyber insurance claims are increasingly being rejected:

An interview (you can read or listen to this one) by Jeremy Maggs. Recommended for the sales teams to better understand why over 40% of Cyber Policy Claims, are rejected (as stated in the interview) – this MUST be built into your advice to clients. Click here to read/listen.

[Why cyber insurance claims are increasingly being rejected](#)

And a related article from SME Tech Guru:

[Can cyber insurance protect businesses from AI-powered criminals?](#)



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From Webber Wentzel

COIDA overhaul: what workplaces need to know about injury claims and compliance.

An article by Kate Collier and Kalene Watson, on the extensive changes to this piece of legislation important to all employers. Whilst not directly an insurance matter for brokers and their clients, notwithstanding the continued selling of Employer's Liability insurances.

"Just in case" we wondered, when a broker uses the term "Risk Management Advice/Services" in their broker fee justifications, does that service stretch into providing this kind of update – if not advice?

It raises the question as to, where the term Risk Management as a service starts and perhaps more importantly, stops?

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

From Adams and Adams (Via QSure)

Who may challenge a FSCA decision? Practical lessons on locus standi from Banxso case

Hopefully none of our clients ever need to know this – but it is interesting, nevertheless.

[Who may challenge an FSCA decision? Practical lessons on locus standi ...](#)



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AC Regulatory Review **FEBRUARY 2026**

Quote of the month,

"Organisational culture is the foundation of ethical compliance."



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