

20 November 2020

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Dear Ms Matchane

The Banking Association South Africa (BASA) submission on the second draft of the Conduct of Financial Institutions (CoFI) Bill

BASA expresses our gratitude for allowing us additional time to compile a submission which is representative of the views and inputs of our members. As you know some of our members are also conglomerates, therefore our comments are not limited to “banking” only.

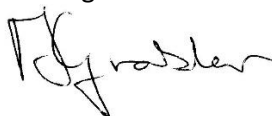
We had opportunity to engage with National Treasury and the Financial Services Conduct Authority on 18 November 2020 where we highlighted some of the main areas of concern with regard to the current draft of the CoFI Bill. This engagement was critical and very helpful for us to position our thoughts, concerns and challenges with our Policymaker and Regulator and we trust that we will have similar engagements in the future to address issues as required. In particular, we request further engagement on the framework relating to credit and payment services. We understand the need to introduce market conduct regulation in these areas, but we are also very conscious of overlap with existing legislative frameworks and resulting consequences at operational, policy and strategic levels in our member organisations. Our members are committed to provide the best possible service and products to their customers and we need to understand and unpack the CoFI Bill requirements and impact in order to have sustainable, practical and fair processes in place to provide this service to customers.

We understand that all stakeholders have resource and time constraints and need to meet deliverables but we urge the Policymaker and the Regulator to provide the stakeholders fair opportunities to engage thoroughly when comments and input are required on important legislation, such as the CoFI Bill. The BASA submission consists of the following parts:

1. The Main submission deals with all aspects of the CoFI Bill and the Schedules.
2. Annexure A deals with specific definitions and is supplementary to the Main submission.
3. Annexure B deals with credit specific input and comments and is supplementary to the Main submission.
4. Annexure C deals with Wholesale banking issues and is supplementary to the Main submission.

We are looking forward to continued engagements and remain available for discussions as required.

Best regards



**Adri Grobler Manager:
Legislation & Regulatory Oversight**