



**Media release**

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### **Joint Standard for significant owners, effective from 1 December 2020**

The Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA) today publish Joint Standard 1 of 2020: Fitness, propriety and other matters relating to significant owners (Joint Standard), in terms of the Financial Sector Regulation Act.9 of 2017 (FSR Act). The Joint Standard will become effective on 1 December 2020 and will apply to significant owners of financial institutions as well as financial institutions.

A person<sup>1</sup> is a significant owner of a financial institution if the person, directly or indirectly, alone or together with a related or inter-related person, has the ability to control or influence materially the business or strategy of the financial institution.

Chapter 11 of the FSR Act makes provision for the regulation of significant owners of financial institutions and, more specifically, section 159 of the FSR Act makes provision for the financial sector regulator to develop standards on the fit and proper requirements for significant owners of financial institutions. In addition, the Authorities are required to develop a joint standard on what constitutes an increase or a decrease in the extent of the ability of a person, alone or together, with a related or inter-related person, to control or influence materially the business or strategy of the financial institution.

A draft of the Joint Standard was first released for public consultation on 5 October 2018, which was followed by a revised draft of the Joint Standard for further public consultation on 23 July 2019. A consultation report encapsulating all the comments and responses was prepared by the Authorities. The draft standard, as well as the consultation report, was submitted to Parliament in November 2019 in accordance with the processes contemplated in the FSR Act.

The Authorities have also published the exemption notices in respect of the financial institutions and significant owners that will not be subject to the requirements of the Joint Standard.

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<sup>1</sup> This includes a natural person, legal person and organ of state.

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