

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.

_____ Words underlined with a solid line indicate insertions in existing enactments.

ANNEXURE C

LEVIES PROPOSAL IN TERMS OF SECTION 239(1)(b) OF THE FINANCIAL SECTOR REGULATION ACT

The Financial Sector Conduct Authority, in terms of section 239(1)(b) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), hereby proposes levies as reflected below in the form of proposed amendments to Schedule 2 of the Financial Sector and Deposit Insurance Levies Act, 2022 (Act No. 11 of 2022).

SCHEDULE 2

FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN RESPECT OF FINANCIAL SECTOR CONDUCT AUTHORITY

(Section 4(1)(a))

Application

1. Table B must be applied to calculate the levy payable by a supervised entity that is—
- (a) a bank or a branch;
 - (b) a co-operative bank;
 - (c) a mutual bank;
 - (d) a non-life insurer;
 - (e) a life insurer;
 - (f) a microinsurer that conducts life insurance business only, non-life insurance business only, both life insurance business and non-life insurance business or reinsurance business;
 - (g) an exchange;
 - (h) a central securities depository;
 - (i) an independent clearing house;
 - (j) an associated clearing house;
 - (k) a central counterparty;
 - (kA) an external central counterparty as defined in section 1(1) of the Financial Markets Act;
 - (l) a trade repository;
 - (lA) an external trade repository as defined in section 1(1) of the Financial Markets Act;
 - (m) an over-the-counter derivative provider;
 - (n) a credit rating agency;

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- (nA) an external credit rating agency as defined in section 1(1) of the Credit Rating Services Act, 2012 (Act No. 24 of 2012);
- (nB) a benchmark administrator designated by the Minister in terms of section 3(2) of the Financial Sector Regulation Act;
- (nC) foreign benchmark administrator (a person domiciled in a foreign country that is authorised to perform services related to the provision of a benchmark in a jurisdiction outside of the Republic, and that is subject to the laws of a country other than the Republic);
- (o) a pension fund: **[occupational fund;]** a pension fund that is not a beneficiary fund, a preservation fund, a provident preservation fund or a retirement annuity fund;
- (oA) a pension fund: a beneficiary fund as defined in section 1(1) of the Pension Funds Act, 1956;
- (p) a pension fund: preservation fund;
- (q) a pension fund: provident preservation fund;
- (r) a pension fund: retirement annuity fund;
- (s) a pension fund administrator;
- (t) a collective investment scheme in securities;
- (u) a collective investment scheme in hedge funds;
- (v) a foreign collective investment scheme;
- (w) a collective investment scheme in property;
- (x) a collective investment scheme in participation bonds;
- (y) a category I or IV financial services provider;
- (z) a category II, IIA or III financial services provider;
- (zA) a category I or category IV financial services provider in respect of only the following financial products subcategories:
 - (i) Long-term insurance subcategory A; or
 - (ii) friendly society benefits; or
- (zB) a financial services provider (authorised in multiple categories).

Alleviation of double levy payment in respect of clearing house

2. A clearing house that is approved in terms of section 110(6) of the Financial Markets Act to perform the functions of a central counterparty or a licensed independent clearing house who is also licensed as a central counterparty is liable to pay the levy applicable to a central counterparty, but is not liable to pay the levy applicable to an associated clearing house or an independent clearing house.

Levy payment in respect of reinsurer

3. A reinsurer that is licensed under the Insurance Act to conduct both life insurance business and non-life insurance business must be levied separately for its life insurance business and non-life insurance business.

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TABLE B

	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Proposed Base Amount (Rands)	% Change	Variable Amount(s) (Rands)	Proposed Variable Amount (s) (Rands)	% Change	Description of Variable	Formula	Maximum (Rands)	Proposed Maximum (Rands)	% Change
1.	Bank or branch	One	55 650	57 876.00	4%	0.001836% x A	0.001909% x A	3.98%	A = total liabilities as at 30 June of the preceding levy year as reported in the BA100, or liabilities as reported in the previous financial statements published in terms of IFRS (if first not available)	Levy = Base amount + Variable amount	22 260 000	23 150 400.00	4%
2.	Co-operative bank	One	1 113	1 157.52	4%	0.001391% x A	0.001446% x A	3.95%	A = total liabilities as at 30 June of the preceding levy year as reported in terms of section 22 of the Co-operative Banks Act, 2007, or in previous financial statements (if first not available)	Levy = Base amount + Variable amount No levy is charged if A does not exceed R2 000 000	5 565	5 787.60	4%
3.	Mutual bank	One	2 226	2 315.04	4%	0.001391% x A	0.001446% x A	3.95%	A = total liabilities as at 30 June of the preceding levy year as reported in terms of section 53 of the Mutual Banks Act, 1993, or in previous financial statements (if first not available)	Levy = Base amount + Variable Amount No levy is charged if A does not exceed R3 000 000	111 300	115 752.00	4%
4.	Non-life insurer	One	13 912.50	14 469.00	4%	V1 = 0,1722% x A V2 = 0.0525% x B	V1 = 0,1790% x A V2 = 0.0546% x B	3.95% 4%	A = gross written premiums below R60 million B = gross written premiums above R60 million Gross written premiums as stated in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements	Levy = Base amount + V1 + V2	5 565 000	5 787 600	4%

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	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Proposed Base Amount (Rands)	% Change	Variable Amount(s) (Rands)	Proposed Variable Amount (s) (Rands)	% Change	Description of Variable	Formula	Maximum (Rands)	Proposed Maximum (Rands)	% Change
5.	Life insurer	One	55 650	57 876.00	4%	0.00278% x A	0.00289% x A	3.96%	A = gross best estimate liabilities or technical provisions as a whole, adjusted to an absolute value per line of business as reported in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements	Levy = Base amount + Variable amount	11 130 000	11 575 200	4%
6.	Microinsurer (life insurance business only, non-life insurance business only, both life insurance business and non-life insurance business or reinsurance business)	One	5 565	5 787.60	4%	V1= 0.1131% x A V2= 0.0342% x B	V1= 0.1176% x A V2= 0.0355% x B	3.98% 3.80%	A = Gross written premiums below R60 million as stated in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements B = Gross written premiums above R60 million as stated in the most recent annual Quantitative Return Template submitted to the Prudential Authority in respect of the year preceding the levy year, in accordance with the prescribed requirements	Levy = Base amount + V1+V2	556 500	578 760	4%
7.	Exchange	Four	139 125	144 690	4%	0.0001224% x A	0.0001273% x A	4%	A = turnover value of trades for the quarter preceding the levy period	Levy = Base amount + Variable amount	12 243 000	12 732 720	4%
8.	Central securities depository	Four	139 125	144 690	4%	0.0000123% x A	0.00001279% x A	3.98%	A = value of trades settled for the quarter preceding the levy period	Levy = Base amount + Variable amount	1 001 700	1 041 768	4%

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	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Proposed Base Amount (Rands)	% Change	Variable Amount(s) (Rands)	Proposed Variable Amount (s) (Rands)	% Change	Description of Variable	Formula	Maximum (Rands)	Proposed Maximum (Rands)	% Change
9.	Independent clearing house	Four	139 125	144 690	4%	0.0001224% x A	0.0001273% x A	4%	A = value of trades cleared for the quarter preceding the levy period	Levy = Base amount + Variable amount	1 669 500	1 736 280	4%
10.	Associated clearing house	Four	139 125	144 690	4%	0.0000078% x A	0.00000811% x A	3.97%	A = value of trades cleared for the quarter preceding the levy period	Levy = Base amount + Variable	834 750	868 140	4%
11.	Central counterparty	Four	139 125	144 690	4%	0.0001224% x A	0.0001273% x A	4%	A = value of trades cleared for the quarter preceding the levy period	Levy= Base amount + Variable amount	4 173 750	4 340 700	4%
12.	External central counterparty	Four	100 000	104 000	4%	Not applicable				Levy = base amount	Not applicable		
13.	Trade Repository	One	556 500	578 760	4%	Not applicable				Levy= Base amount	Not applicable		
14.	External trade repository	Four	25 000	26 000	4%	Not applicable				Levy = base amount	Not applicable		
15.	Over-the-counter derivative provider	One	111 300	115 752	4%	Not applicable				Levy = Base amount	Not applicable		
16.	Credit rating agency	One	2 000 000	2 080 000	4%	1.5% x A	1.56% x A	4%	A = Total Revenue generated by the credit rating agency during the previous financial year	Levy= base amount + variable amount	Not applicable		
17.	External Credit Rating Agency	Four	R100 000	R104 000	4%	Not applicable				Levy=Base Amount	Not applicable		
18.	Benchmark administrator	One	Not applicable	Not applicable		1.5% x A	1.56% x A	4%	A = Total Revenue generated by the benchmark administrator during the previous financial year	Levy = Variable amount	Not applicable		

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	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Proposed Base Amount (Rands)	% Change	Variable Amount(s) (Rands)	Proposed Variable Amount (s) (Rands)	% Change	Description of Variable	Formula	Maximum (Rands)	Proposed Maximum (Rands)	% Change
19	Foreign Benchmark Administrator	Four	R100 000	R104 000	4%	Not applicable				Levy=Base Amount	Not applicable		
20.	Pension fund—all pension funds not referred in item 21.	One	2 226	2 315.04	4%	18.03 x A	18.75 x A	4%	A = number of members and every other person who receives regular peri-odic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year	Levy = Base amount + Variable amount	5 565 000	5 787 600	4%
21.	Pension fund — pension preservation fund, provident preservation fund, retirement annuity fund and beneficiary fund	One	2 226	2 315.04	4%	18.03 x A	18.75 x A	4%	A = number of members and every other person who receives regular periodic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year	Levy = Base amount + Variable amount	16 695 000	17 362 800	4%
22.	Pension fund administrator	One	9 084.67	9 448.06	4%	V1 = 968.31 x A V2 = 1.17 x B	V1 = 1 007.04 x A V2 = 1.21 x B	4% 4%	A = number of pension funds under administration as at 28 February of the levy year B = number of members and every other person who receives regular peri-odic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds under administration) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year	Levy = Base amount + V1 + V2	Not applicable		

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	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Proposed Base Amount (Rands)	% Change	Variable Amount(s) (Rands)	Proposed Variable Amount (s) (Rands)	% Change	Description of Variable	Formula	Maximum (Rands)	Proposed Maximum (Rands)	% Change
23.	Collective investment scheme in securities	Four	14 375.51	14 950.53	4%	V1= 2 300.57 x A V2= 0.0000579% x B	V1= 2 392.59 x A V2= 0.0000602% x B	4% 3.97%	A = number of portfolios or funds at end of previous quarter B = total amount of assets managed at end of previous quarter	Levy = Base amount + V1 + V2	Not applicable		
24.	Collective investment scheme in hedge funds	Four	14 375.51	14 950.53	4%	V1 = 2 300.57x A V2 = 0.005175% x B	V1 = 2 392.59 A V2 = 0.005382% x B	4% 4%	A = number of portfolios, funds or sub- schemes, at end of previous quarter B = total amount of assets managed at end of previous quarter	Levy = Base amount + V1 +V2	Not applicable		
25.	Foreign collective investment scheme	Four	14 375.51	14 950.53	4%	V1 = 7 957.95 x A V2 = 0.0003940% x B	V1 = 8 276.27 x A V2 = 0.0004097% x B	4% 3.98%	A = number of portfolios, funds or sub- funds at end of previous quarter B = total net amount of assets managed on behalf of South African investors at end of previous quarter	Levy = Base amount + V1 +V2	Not applicable		
26.	Collective investment scheme in Property	One	14 375.51	14 950.53	4%	111 300 x A	115 752 x A	4%	A =number of portfolios	Levy = Base amount + Variable amount	Not applicable		
27.	Collective investment scheme in participation bonds	Levy determined four times per levy year, but total amount of the levy due for the levy year is paid once	14 375.51	14 950.53	4%	V1 = 2 300.57 x A V2 = 0.0000579% x B	V1 = 2 392.59 x A V2 = 0.0000602% x B	4% 3.97%	A= number schemes at end of previous quarter B = aggregate amount owing by mortgagers at end of previous quarter	Levy = Base amount + V1 + V2	Not applicable		
28.	Category I or IV financial services Provider	One	4 006.80	4 167.07	4%	578.76 x A	601.91 x A	4%	A = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year	Levy = Base amount + Variable amount	2 782 500	2 893 800	4%

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	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Proposed Base Amount (Rands)	% Change	Variable Amount(s) (Rands)	Proposed Variable Amount (s) (Rands)	% Change	Description of Variable	Formula	Maximum (Rands)	Proposed Maximum (Rands)	% Change
29.	Category II, IIA or III financial services provider	One	8 347.50	8 681.40	4%	V1 = 578.76 x A V2 = 0.0020697% x B	V1 = 601.91 x A V2 = 0.0021524% x B	4% 4%	A = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year B = the total value of in- vestments managed or administered on behalf of clients in terms of the authorisation as a financial services provider on 31 August of the levy year: Provided that investments under management or administration held in foreign currency must be included at the ex- change rate published in the press at that date	Levy = Base amount + V1 +V2	2 782 500	2 893 800	4%
30.	Category I or Category IV financial services provider in respect of only the following financial products sub- categories: Long-term insurance subcategory A or Friendly Society Benefits	One	4 006.80	4 167.07	4%	250 x A	250 x A	0%	A = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the preceding levy year to 31 August of the levy year	Levy = Base amount + Variable amount	2 782 500	2 893 800	4%

	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Variable Amount (s) (Rands)	Description of Variable	Formula	Maximum (Rands)
31.	Financial Services Provider (authorised in multiple Categories)	One			A person that is authorised for multiple categories is liable for a single levy calculated as follows: (1) = the most onerous of the base amounts applicable to the different categories for which the person is authorised. (2) = the average total number of key individuals plus average total number of representatives, under the different categories, calculated over the period 1 September of the preceding levy year to 31 August of the levy year: Provided that the key individuals and representatives who are approved or appointed under multiple categories are counted once for the purposes of the calculation. (3) = the total value of investments managed or administered on behalf of clients under the different categories on 31 August of the levy year: Provided that investments under management or administration held in foreign currency must be included at the exchange rate published in the press at that date. (4) = the most onerous of the maximum amounts applicable to the different categories for which the person is authorised.		