

## **FSCA COMMUNICATION 20 OF 2025 (FM)**

### **Publication of documents to operationalise Phase 2 of the *Joint Roadmap for the development of a regulatory framework for central clearing in South Africa***

#### **1. PURPOSE**

- 1.1 The purpose of this communication is to inform stakeholders that today the Financial Sector Conduct Authority (FSCA) published the documents detailed below, which pertain to separate but related developments relevant to the financial markets.
- 1.2 These documents bring into operation Phase 2 of the *Joint Roadmap for the development of a regulatory framework for central clearing in South Africa* (Joint Roadmap).<sup>1</sup> Phase 2 of the development of the regulatory framework for central clearing comprised developing an equivalence framework accompanied by a (1) licensing framework and (2) an exemption framework for external central counterparties (CCPs) and external trade repositories (TRs) that may wish to operate in South Africa.

#### **2. BACKGROUND**

- 2.1 In September 2023 the FSCA published the revised draft *Equivalence Framework for financial markets* for public consultation.<sup>2</sup> Four industry stakeholders commented on the draft framework and responses to each comment received are set out in the consultation report published alongside the final framework and this Joint Communication.
- 2.2 At the same time the draft *Determination of requirements relating to external central counterparty or external trade repository licence applications* (Determination) was published for public consultation.<sup>3</sup> The Determination sets out the form and manner in which an application for an external central counterparty licence or external trade repository licence must be made to the FSCA in accordance with sections 49A(3)(a) and 56A(3)(a) of the Financial Markets Act, 2012 (Act No. 19 of 2012) (FMA).
- 2.3 In a parallel process, the FSCA and the Prudential Authority (PA) (collectively referred to as the Authorities) published, on 1 November 2023, the draft *Joint Standard: Criteria for the exemption of an external central counterparty or external trade repository from the provisions of the Financial Markets Act (Joint Standard)*.<sup>4</sup> The details pertaining to the finalisation of the Joint Standard are set out in Joint Communication [-] of 2025, available on the FSCA website.

#### **3. SUMMARY OF THE DOCUMENTS**

##### ***The Equivalence Framework for financial markets***

- 3.1 The FSCA is empowered to, with the concurrence of the South African Reserve Bank and the PA, determine that the regulatory framework of a foreign jurisdiction is equivalent to that of the South African financial markets' framework. The purpose of the Equivalence Framework is to set out the approach the FSCA will take in determining whether the regulatory framework of a foreign jurisdiction is equivalent to the regulatory framework

<sup>1</sup> Accessible on the FSCA website at: [Joint Roadmap for mandating central clearing in South Africa](#)

<sup>2</sup> For details on the consultation on the Equivalence Framework see: [draft Equivalence Framework for financial markets and draft Determination of licensing requirements](#)

<sup>3</sup> For details on the consultation on the Determination see link immediately above.

<sup>4</sup> For details on the consultation on the Joint Standard see: [draft Joint Standard - Criteria for exemption of external CCP & external TR from provisions of FMA](#)

established in terms of the FMA or the Credit Rating Services Act, 2012 (Act No.24 of 2012) (CRSA). The FSCA publishes the Equivalence Framework for financial markets, following robust formal public consultation.

- 3.2 The Equivalence Framework is accompanied by the following annexures, which outline the requisite information to be submitted to the FSCA in support of an application for equivalence:

Annexure A: Equivalence assessment for external trade repositories and external central counterparties and central securities depository links

Annexure B: Equivalence Assessment for external credit rating agencies

Annexure C: Equivalence assessment for external over-the-counter derivatives providers.

***The licensing framework: FSCA Notice [x] of 2025: Determination relating to external central counterparty or external trade repository licence applications (Determination)***

- 3.3 The FSCA is empowered in terms of sections 49A(3)(a) and 56A(3)(a) of the FMA to determine the licensing requirements for external CCPs and external TRs that wish to apply to be licensed to operate in South Africa. Following the consultation on the draft Determination as described in paragraph 2.2 above, the FSCA has now issued by notice on its website the determination of licensing requirements for an external CCP or external TR, in terms of sections 49A(3)(a) and 56A(3)(a) of the FMA, respectively.

- 3.4 The outcomes of the consultation process relating to the Equivalence Framework and Determination are published alongside the frameworks.

***Joint Standard [-] of 2025: Criteria for the exemption of an external central counterparty or external trade repository from the provisions of the Financial Markets Act (Joint Standard)***

- 3.5 The Joint Standard prescribes criteria that must be met by an external CCP or external TR when applying to be exempted from a provision of the FMA.

- 3.6 The Equivalence Framework and Determination take effect today.

**4. Availability of Documents and Enquiries**

- 4.1 The documents referred to in paragraph 3 this Communication are available on the FSCA's website at [www.fsca.co.za](http://www.fsca.co.za).

- 4.2 For more information regarding the Joint Standard or this Joint Communication please contact Talita Mshweshwe at [Talita.Mshweshwe@fsca.co.za](mailto:Talita.Mshweshwe@fsca.co.za).



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Commissioner

FINANCIAL SECTOR CONDUCT AUTHORITY

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