

ANNEXURE A

EXPLANATION OF BUDGET, ESTIMATES OF EXPENDITURE AND LEVIES AND FEE PROPOSALS

1. INTRODUCTION

- 1.1 In terms of section 239(1) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act), the Financial Sector Conduct Authority (FSCA) must, for each financial year, prepare and adopt:
- (a) a budget in accordance with section 248 that includes an estimate of its expenditure;
 - (b) a proposal for the fees that will be charged and levies that will be imposed by the financial sector body; and
 - (c) projected estimates of its expenditure for next two financial years.
- 1.2 In terms of section 240 of the FSR Act, Part 1 of Chapter 7, with the exception of section 100, of the FSR Act applies (with the necessary changes) to the adoption of the budget, estimates of expenditure as well as the fees and levies proposals as provided for in section 239.
- 1.3 As such, in adopting the budget and determining levies, the FSCA must, in accordance with section 240(2)(b) of the FSR Act, publish the following documents for public comment:
- (a) The budget, including estimates of expenditure;
 - (b) the levies proposal for the relevant financial year;
 - (c) the fees proposal provided for the relevant financial year;
 - (d) an explanation of the budget, estimates of expenditure and fees and levies proposals, and of the variation of the budget, estimates of expenditure and the fees and levies proposals against the budget, estimates of expenditure and the fees and levies proposals adopted for the previous financial year.
- 1.4 The FSCA hereby provides the explanation referred to in paragraph 1.3(d) above.

2. BACKGROUND

- 2.1 The FSR Act and the Financial Sector and Deposit Insurance Levies Act, 2022 (Act No. 11 of 2022) (Levies Act) regulate the financing of the financial sector bodies constituting the system of financial regulation in South Africa.
- 2.2 It is well established that the regulators of the financial sector should be appropriately and adequately funded to enable them to effectively execute their mandates. This is important to achieve a stable financial system that works in the interests of financial customers and that supports balanced and sustainable economic growth in the Republic.¹ The FSCA is the dedicated market conduct regulator in South Africa with the mandate of enhancing and supporting the efficiency and integrity of financial markets and the protection of financial customers².
- 2.3 The Levies Act provides for the imposition of financial sector levies on supervised entities for the funding of the FSCA and other financial sector bodies. Schedule 2

¹ Section 7(1) of the FSR Act.

² Section 57 of the FSR Act.

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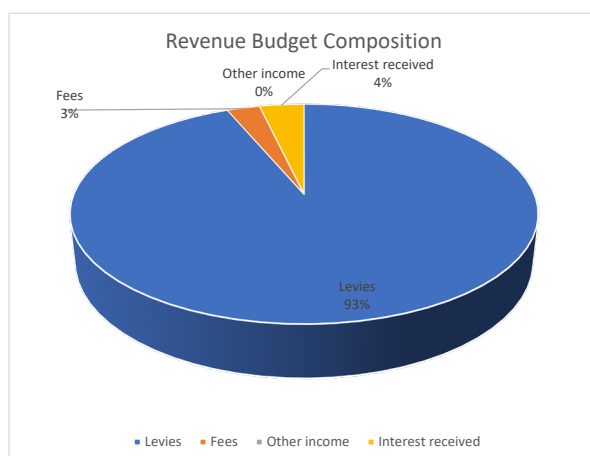
- to the Levies Act (Schedule 2) provides for the calculation of the financial sector levy in respect of the FSCA.
- 2.4 Further, section 237(1)(a) of the FSR Act provides that the FSCA may charge fees to fund the performance of functions under the FSR Act, financial sector laws and the Levies Act.
- 2.5 After the completion of the process prescribed in section 239 of the FSR Act, -
- (a) the FSCA must publish the fees that have been determined (Fee Determination) on its website in terms of section 237(2); and
 - (b) the Minister of Finance (Minister)–
 - (i) must amend the Schedules to give effect to the increase of the levies by the arithmetic mean of the Consumer Price Index as published by Statistics South Africa in the preceding calendar year as contemplated in section 10(4)(b) of the Levies Act; or
 - (ii) may amend the Schedules to the Levies Act as contemplated in section 10(2)(a) of that Act to give effect to a proposal for levies made by the financial sector body in terms of section 239(7)(b) of the FSR Act.
- 2.6 The FSCA's budget, supported by levies and fees, is critical to ensure the FSCA is adequately funded to effectively execute on its mandate.

3. FUNDING MODEL

- 3.1 The FSCA is funded by levies and fees charged to the industry it regulates. The levies are a major contributor to the FSCA revenue and as such, the costs associated with the ongoing supervision and regulation of the financial sector are funded primarily from the levies income.
- 3.2 The FSCA raises sufficient levies to cover its operational requirements and does not, as a rule, budget for a surplus/deficit unless necessary. For the financial year 2027/28 the FSCA is budgeting for gross revenue of R1.291 billion (Budget 2026/27: R1.219 billion), operating expenditure of R1.291 billion (Budget 2026/27: R1.236 billion) resulting in a deficit of R8 169.
- 3.3 The gross revenue budget of R1.291 billion comprises mainly of levies accounting for 93% (Budget 2026/27: 94%) of the gross revenue. The levy income is charged to the supervised entities based on different levy methods and formulae as provided for in the Levies Act and assessments in terms of section 242 of the FSR Act. Invoices are generated annually or quarterly depending on the sector.

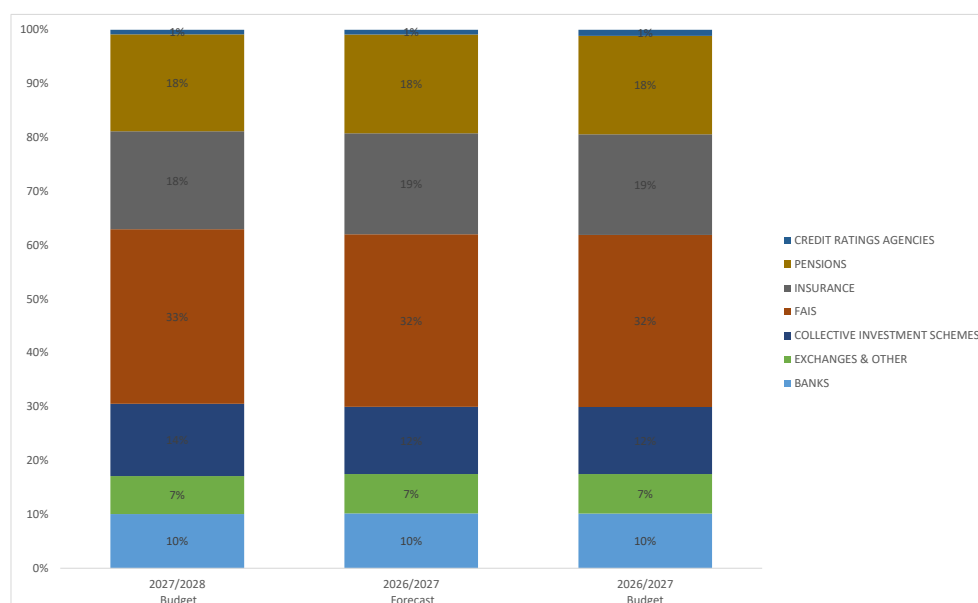
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Figure: 1: Revenue budget composition



- 3.4 The composition of the revenue per industry has remained constant when compared to the previous financial years.

Figure: 2: Levy distribution amongst the regulated sectors



- 3.5 Fee income contributes 3% of the gross revenue as it is currently modelled around the user-pay principle. Fee income relates to income charged to supervised entities to fund the performance of specific functions under the FSR Act and the relevant financial sector laws. The fees are payable in advance before any work commences and are modelled around the user-pay principle.
- 3.6 The operations expenditure budget of R1.291 billion (Budget 2026/27: R1.236 billion) comprises of staff expenditure of R926 million (Budget 2026/27: R879 million) and general expenditure of R365 million (Budget 2026/27: R357 million). Staff expenses represent 66% of the total expenditure budget which is attributable to the FSCA being a service organisation with personnel costs being the main cost driver.
- 3.7 To cover the budgeted operational expenditure (which include the capex expenditure), the FSCA is proposing to increase the levy variables by inflation

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adjustments of 3.7%. However, the FSCA is not proposing an increase of the fees contained in the Determination of Fees, 2024³.

- 3.8 The proposed increase of 3.7% to the levy rates translates to an overall increase of 5% to the overall FSCA levy when compared to 2026/27 budget. This is as a result of new entrants and fluctuations in the levy data which are used to calculate levies. Due to fees being applied on the user-pay principle, the budget is based on historic data as well as the anticipated levels of activity.
- 3.9 The 3.7% proposed inflation increase for the levy income is below the reported Average Consumer Price Index (CPI) of 4.4% as at August 2026 thus reducing the impact of levy increase to regulated entities.
- 3.10 Detailed information on the budget is provided in **Annexure B: FSCA Budget Template 2027/28**.

4. LEVIES PROPOSAL

- 4.1 The levies proposals of financial sector bodies for each financial year inform possible amendments to the Schedules of the Levies Act in accordance with section 239(7)(b) of the FSR Act. The financial sector levy proposed to be payable by a supervised entity to the FSCA as contemplated in Part A of the Levies Act, read with Schedule 2 of that Act, in respect of the 2027/2028 levy year, is an amount equal to the sum of the amounts specified in or calculated in accordance with Table B in Schedule 2, in relation to that supervised entity, in the Levies Proposal as per **Annexure C**. The amount specified is determined by matching a supervised entity with a type of supervised entity listed in the column "Type of supervised entity" in the Table in **Annexure C** and applying the formula in the corresponding line of the column "Formula" in the Table.
- 4.3 The FSCA levy proposal for the 2027/2028 financial year as per **Annexure C** illustrates the proposed increase in the base amount for each supervised entity in the column "**Proposed Base Amount**", the proposed change to the variable amount in the column "**Proposed Variable Amount**" and the proposed increase in the maximum amount applicable to each supervised entity as contemplated in section 4(2) and (3) of the Levies Act in the column "**Proposed Maximum**". The percentage increase for each of these items is shown in the column directly next to the mentioned columns and represents a **3.7%** increase.
- 4.4 Section 10(4)(b) of the Levies Act provides that the levies in the Schedules to that Act must be increased by the arithmetic mean of CPI as published by Statistics South Africa in the preceding calendar year, unless the Minister determines that there must be no increase or an increase less than that annual rate of increase. South Africa's annual CPI stands at 4.4% for August 2026, according to Statistics South Africa.
- 4.5 The levy variables for 2027/2028 must therefore automatically increase by the average annual CPI as at December 2026, the reported annual CPI as of August 2026 was 4.4%. However, the FSCA proposes to apply a 3.7% increase in line with its projected operating expenditure. The Minister may, in terms of section

³ FSCA General Notice 1 of 2024.

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10(4)(b) of the Levies Act, by notice in the *Gazette*, determine that there must be no increase or an increase less than the reported CPI increase.

- 4.6 Section 10(4)(a) of the Levies Act provides that a Schedule may be amended by the Minister by notice in the *Gazette* to give effect to an increase referred to in paragraph 4.4, and does not require submission to Parliament for approval, but a copy of the notice must be tabled in Parliament for information purpose. An amended Schedule takes effect on the date of publication of the notice in the *Gazette*.

5. FEE PROPOSAL

- 5.1 As indicated above, the FSCA does not propose an increase of the fees contained in the Determination of Fees for the 2027/2028 financial year. However, the FSCA intends to amend the following items of the Table of Fees in Determination of Fees:

- 5.1.1 Item 1.2, relating to the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), is proposed to be amended to expressly include hedge funds. As no fee is currently prescribed for the registration of an additional hedge fund scheme, hedge fund managers are charged a fee of R61,692 for each additional scheme. It is therefore proposed that the item be amended to align the fees applicable to hedge fund managers with those payable in respect of applications for additional schemes under other categories of collective investment schemes.
- 5.1.2 Item 1.16, relating to the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), is proposed to be amended to correct an erroneous reference to “loan shark company” by replacing it with “loan stock company”.
- 5.1.3 Item 3.27 is introduced as a new fee under the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002). The introduction of this fee is necessitated by the commencement of FSCA Conduct Standard 3 of 2025 (CIS), which provides for the approval of independent members of a manager’s governing body. The assessment and approval process is substantially similar to that applicable to the appointment of a director, and it is therefore proposed that a corresponding fee be introduced.
- 5.1.4 Item 3.2 is proposed to be amended to clarify that the fee is payable in respect of an application to update any registration details of a registered credit rating agency, including a change of name. Items 3.3 and 3.5 are proposed to be deleted, as the functions provided for under those items are encompassed within item 3.2 and no longer require separate fee provisions.

- 5.2 The proposed amendments are illustrated in the table below:

TABLE OF FEES		
FUNCTIONS		FEES
COLLECTIVE INVESTMENT SCHEMES CONTROL ACT		
1.2	Application by a manager of an additional collective investment scheme in securities <u>or</u> <u>hedge funds</u> (including one portfolio).	43,184

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1.16	Application for the approval of the acquisition by a collective investment scheme in property to a loan [shark] <u>stock</u> company in terms of section 114(3)(d).	34,715
3.27	<u>Application for the approval of head of compliance function in terms of section 8(5) of FSCA Conduct Standard 3 of 2025 (CIS).</u>	3,371
CREDIT RATING SERVICES ACT		
3.2	Application <u>to update any of the registration details including</u> [for the registration of] a change of name of a registered credit rating agency.	1,060
3.3	[Application for the amendment of the terms and conditions of registration of a registered credit rating agency.	1,060]
3.5	[Application to update any of the registration details of the registered credit rating agency.	15900]

ANNEXURE B**FINANCIAL SECTOR CONDUCT AUTHORITY BUDGET FOR 2027/28 AND ESTIMATES OF EXPENDITURE FOR 2028/29 AND 2029/30**

The Financial Sector Conduct Authority (FSCA), in terms of section 239(1)(a) and (c) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act), hereby proposes its budget for 2027/28 and estimates of expenditure for 2028/29 and 2029/30.

1 INTRODUCTION

The FSCA's mandate in accordance with the FSR Act is to enhance the efficiency and integrity of financial markets; promote fair customer treatment by financial institutions; provide financial education and promote financial literacy; and assist in maintaining financial stability.

The FSCA recognises the dynamic and ever-evolving nature of the environment in which it operates and the impact on its supervisory and advisory roles. The FSCA's relevance and effectiveness as a regulator is underpinned by the success to anticipate and respond to emergent issues. As the financial sector continues to evolve, the FSCA's strategy focuses on continuity, adaptability, and proactive responsiveness in its regulatory, supervisory and enforcement approaches. The goal is to achieve meaningful and consistent outcomes for financial customers and maintain trust and integrity in the financial sector.

In its Regulatory Strategy, the FSCA has identified five strategic objective priorities, as follows:

- Improve industry practices to achieve fair outcomes for financial customers;
- Act against misconduct to support confidence and integrity in the financial sector;
- Promote the development of an innovative, inclusive and sustainable financial sector;
- Empower households and small businesses to be financially resilient; and
- Accelerate the transformation of the FSCA into a socially responsible, efficient, and responsive conduct regulator.

The FSCA's Regulatory Strategy for 2025–2028 builds on the progress made in the previous strategic periods. The new strategy looks ahead to meet the changing needs of South Africa's financial sector and its customers. It also considers ongoing efforts to address the recommendations of the 2022 Financial Sector Assessment Program (FSAP), ensuring alignment with international best practices. This work forms part of the broader preparation for the next FSAP and reflects the FSCA's continued commitment to robust and responsive regulation.

The consolidated budget for the 2027/28 financial year as presented is drawn from the business objectives of the various divisions within the FSCA derived from the broader longer-term Strategic Objectives.

The FSCA is budgeting for gross revenue of R1.291 billion, operating expenditure of R1.291 billion resulting in a deficit position of R8 thousand for the year ending 31 March 2028.

2 FSCA BUDGET 2027/28

2.1 Principal Budget Assumptions

2.1.1 General budget assumptions applied– Economic Indicators

MTEF budgeting guidelines	Where practical budgeting is aligned to MTEF guidelines in reducing costs overall.
CPI	Annual CPI inflation 3.2% (as per MTEF guidelines).
Interest on investments	The current yield on Corporation of Public Deposits (CPD) is 7.5%

2.1.2 Staff Expenses

Cost to Employer (CTE)	Actual as at September 2025, with budgeted increase of 4.5% from 1 January 2028.
Contractors	Actual cost adjusted for CPI increase on renewal of contracts.
Outsourcing	Specialist skills as required on ad-hoc basis by business units.
Staff Training	As budgeted by HR based on user department requirements.
UIF	1% of CTE for employees earning up to R212,544 per annum. The maximum contribution per month is R177.12.
SETA levy	1.101% of CTE

2.1.3 General Expenses

Bank Charges	Amount budgeted in terms of fee structure of banks.
Computer software licenses	Based on OEM Software packages in use.
Depreciation	Based on Capex budget and the current assets on the register.
Legal fees	Budget according to current legal cases in progress, historical information and probabilities.
Professional fees	As required by business units.
Rent	Based on existing lease agreement plus rates, taxes, water and electricity.
Short-term insurance	As per latest quote obtained from insurance brokers.
Telephone	Telephone costs based on actual costs and new data cards.

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2.2 Abridged Budget Income Statement for the 2027/28 financial year

The table below depicts the Abridged Budget Income Statement for the year ending 31 March 2028; the detailed Budget Income Statement is contained in Annexure A.

Table 1: Abridged Budgeted Income Statement for the 2027/28 financial year.

Description	Notes	Budget - 2027/2028	Previous Budget 2026/2027	VAR %	Forecast 2026/2027	Budget 2028/2029	Budget - 2029/2030
LEVIES	2.3.1.1 - 2.3.1.2	1,201,354,542	1,141,242,712	5%	1,137,904,952	1,289,715,375	1,339,346,018
FEES	2.3.1.3	38,608,000	32,823,000	18%	32,798,825	39,608,000	39,608,000
OTHER INCOME	2.3.1.4	5,500,000	-	100%	18,476,724	5,704,000	5,920,000
INTEREST RECEIVED	2.3.1.5	45,533,046	44,539,187	2%	50,662,520	45,533,046	45,533,046
GROSS REVENUE		1,290,995,588	1,218,604,899	6%	1,239,843,021	1,380,560,421	1,430,407,064
TOTAL STAFF EXPENSES	2.3.2.1	- 926,223,677	- 879,302,539	5%	- 871,569,780	- 955,013,858	- 1,001,767,924
TOTAL GENERAL EXPENSES	2.3.2.2	- 364,780,081	- 356,747,503	2%	- 303,937,139	- 425,545,727	- 428,639,140
OPERATING EXPENDITURE		- 1,291,003,757	- 1,236,050,042	4%	- 1,175,506,919	- 1,380,559,585	- 1,430,407,064
OPERATING (DEFICIT)/SURPLUS		- 8,169	- 17,445,143	-100%	64,336,102	837	-

Forecasted inflation linked increase was applied for the determination of the 2028/29 and 2029/30 outer year budgets.

2.3 Operational Budget

2.3.1 Gross revenue budget

Table 2: Gross Revenue Budget

Description	Notes	Budget - 2027/2028	Previous Budget 2026/2027	VAR %	Forecast 2026/2027	Budget 2028/2029	Budget - 2029/2030
LEVIES	2.3.1.1 - 2.3.1.2	1,201,354,542	1,141,242,712	5%	1,137,904,952	1,289,715,375	1,339,346,018
FEES	2.3.1.3	38,608,000	32,823,000	18%	32,798,825	39,608,000	39,608,000
OTHER INCOME	2.3.1.4	5,500,000	-	100%	18,476,724	5,704,000	5,920,000
INTEREST RECEIVED	2.3.1.5	45,533,046	44,539,187	2%	50,662,520	45,533,046	45,533,046
GROSS REVENUE		1,290,995,588	1,218,604,899	6%	1,239,843,021	1,380,560,421	1,430,407,064

2.3.1.1 Levy budget

The gross revenue budget of R1.201 billion (Budget 2026/27: R1.141 billion) comprises mainly of levies accounting for 93% (Budget 2026/27: 94%) of gross revenue.

2.3.1.2 FSCA Levies R1.201 billion (Budget 2026/27: R1.015 billion)

The levy budget is based on the rates as determined in line with the Levies Act. The overall FSCA levy increased by 5% compared to the 2026/2027 budget. The FSCA raises sufficient levies to cover its operational requirements and does not, as a rule, budget for a surplus/deficit unless necessary.

2.3.1.3 Fees R32.608 million (Budget 2026/27: R32.823 million)

Fees are charged for processing licence applications and client requests for profile changes. Fees budget is based on historical information as well as anticipated levels of activity.

2.3.1.4 Other income R5 million (Budget 2026/27: R0 million)

The budgeted amount is for the Prudential Authority cost recoveries.

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2.3.1.5 Interest received R45.533 million (Budget 2026/27: R44.539 million)

Interest received is calculated based on the average capital balance of investments at an average return rate of 7.5 and expected future cash balances. FSCA does not budget for interest on outstanding levies, interest on PRM and discretionary funds.

2.3.2 Operational expenditure budget

2.3.2.1 Staff expenditure budget

Table 4: Staff Expenditure Budget

Description	Notes	Current Budget 2027/2028	Previous Budget 2026/2027	VAR %	Forecast 2026/2027	Budget 2028/2029	Budget - 2029/2030
SALARIES	2.3.2.1.1	- 847,947,936	- 796,643,087	6%	- 799,296,803	- 887,127,789	- 932,527,538
OVERTIME	2.3.2.1.1 (a)	- 940,320	- 96,000	880%	- 264,987	- 104,834	- 104,834
RELIEF STAFF		- 180,000	- 150,000	20%	- 87,500	- 180,000	- 180,000
CONTRACTORS	2.3.2.1.1 (b)	- 15,909,384	- 24,115,081	-34%	- 20,410,863	- 11,262,752	- 9,703,556
REGISTRATION AND MEMBERSHIP FEES	2.3.2.1.1 (c)	- 1,154,481	- 1,005,790	15%	- 1,026,337	- 1,182,207	- 1,173,553
STAFF & GROUP LIFE SKILLS TRAINING	2.3.2.1.1 (d)	- 14,609,771	- 14,396,416	1%	- 8,791,070	- 15,106,759	- 15,645,766
SEMINARS AND CONFERENCES	2.3.2.1.1 (e)	- 9,511,720	- 8,462,504	12%	- 6,569,770	- 9,851,139	- 10,319,879
LONG SERVICE AWARDS		- 2,526,000	- 3,048,000	-17%	- 3,048,000	- 2,280,000	- 3,132,000
STUDY AMORTISATION		- 4,592,434	- 3,894,888	18%	- 4,338,525	- 2,207,016	- 2,207,016
MOMENTUM EMPLOYEE BENEFIT		- 6,319,722	- 8,620,198	-27%	- 7,303,596	- 9,260,389	- 9,892,883
SETA LEVY		- 7,763,787	- 7,183,498	8%	- 7,344,865	- 8,130,685	- 8,556,007
BURSARY		-	- 1,800,000	-100%	- 1,800,000	-	-
		- 911,455,555	- 869,415,463	5%	- 860,282,316	- 946,693,569	- 993,443,031
OTHER STAFF EXPENSES	2.3.2.1.1 (f)	- 14,768,121	- 9,887,076	49%	- 11,287,464	- 8,320,289	- 8,324,893
TOTAL STAFF EXPENSES	2.3.2.1.	- 926,223,677	- 879,302,539	5%	- 871,569,780	- 955,013,858	- 1,001,767,924

2.3.2.1.1 Salaries R847.948 million (Budget 2026/27: R796.643 million)

Salaries represent 92% (Budget 2026/27: 91%) of the staff expenditure budget and 66% (Budget 2026/27: 65%) of the total expenditure budget. The high ratio of salaries to total expenditure is attributable to FSCA being a service organisation with personnel costs being the main cost driver.

Salaries are budgeted to increase by an average of 4.5% effective from 1 January 2028 aligned mainly to the forecasted SA consumer price index.

a) Overtime R0.940 million (Budget 2026/27: R0.096 million)

Overtime relates to ICT standby allowance costs.

b) Contractors R15.909 million (Budget 2026/27: R24.115 million)

The contractors' budget reduced due to the conversion of some contract positions to permanent positions. Included in the budget for the contractors is an amount of R5.667 million for developers, R6.053 million for the market regulators advisors, R2.622 for the OGC office and R1.568 million for the project management office.

c) Registration and membership R1.154 million (Budget 2026/27: R1.006 million)

This budget covers professional registration and membership fees for the FSCA staff.

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d) **Staff and group life skills training R14.609 million (Budget 2026/27: R14.396 million)**

The FSCA encourages staff to keep abreast of developments within their fields of expertise and to address identified gaps in individual staff performance through relevant training. Departments are required to submit their training requirements in accordance with the staff personal development plans. The training is to also align staff to the FSCA strategic objectives in building the new organisation, new ways of doing things and disruptive technologies.

e) **Seminars and conferences R9.512 million (Budget 2026/27: R8.463 million)**

The budget is for FSCA to participate in various conferences and seminars to keep abreast with local, regional, and international regulatory trends and standards as per divisional business plans.

f) **Other staff expenses R14.768 million (Budget 2026/27: R9.887 million)**

Other staff expenses comprise, among others, internship fees, employee funeral policy, UIF, employee wellness and workmen's compensation.

2.3.3 General expenditure budget

Table 5: General Expenditure Budget

Description	Notes	Current Budget - 2027/2028	Previous Budget 2026/2027	VAR %	Forecast 2026/2027	Current Budget - 2028/2029	Current Budget - 2029/2030
ADVERTISING AND RECRUITMENT	2.3.2.2(a)	- 5,147,494	- 4,022,979	28%	- 4,022,979	- 5,147,494	- 5,147,494
ADVISORY AND ENFORCEMENT COMMITTEE	2.3.2.2(b)	- 886,502	- 1,106,276	-20%	- 859,991	- 923,225	- 1,105,225
COMPUTER SUPPORT AND MAINTENANCE	2.3.2.2(c)	- 8,180,760	- 8,903,556	-8%	- 4,424,342	- 8,628,483	- 9,108,246
CALL CENTRE		- 5,887,350	- 5,677,088	4%	- 5,677,088	- 5,887,350	- 5,924,900
DIESEL, CLEANING AND CONSUMABLES		- 2,157,000	- 4,249,450	-49%	- 3,605,781	- 4,640,014	- 4,640,014
LEGAL FEES	2.3.2.2(d)	- 16,306,800	- 15,351,076	6%	- 14,082,524	- 16,960,300	- 17,646,475
OUTSOURCING	2.3.2.2(e)	- 20,068,320	- 16,182,879	24%	- 12,035,769	- 25,115,778	- 25,406,805
PRINTING AND STATIONERY	2.3.2.2(g)	- 2,790,404	- 2,640,912	6%	- 1,791,881	- 2,960,837	- 3,056,661
PROFESSIONAL FEES	2.3.2.2(g)	- 36,907,539	- 38,120,218	-3%	- 36,643,832	- 45,841,357	- 40,437,381
PROMOTIONS	2.3.2.2(h)	- 16,810,900	- 18,019,700	-7%	- 16,738,137	- 37,373,786	- 33,594,002
TELEPHONE		- 14,029,414	- 11,675,485	20%	- 9,913,738	- 14,701,033	- 15,413,579
LOCAL TRAVEL	2.3.2.2(i)	- 18,803,519	- 17,209,300	9%	- 12,712,346	- 23,487,467	- 26,056,752
FOREIGN TRAVEL	2.3.2.2(j)	- 19,049,910	- 19,980,481	-5%	- 14,012,917	- 21,380,491	- 21,601,007
SUBSISTENCE	2.3.2.2(k)	- 3,492,787	- 3,605,101	-3%	- 2,253,644	- 4,491,819	- 4,968,648
EXTERNAL AUDIT FEES		- 4,827,900	- 4,598,000	5%	- 3,183,005	- 5,069,295	- 5,322,760
INTERNAL AUDIT FEES		- 1,276,326	- 1,362,291	-6%	- 1,236,026	- 1,303,378	- 2,000,000
DEPRECIATION	2.3.2.2(l)	- 22,509,769	- 21,095,728	7%	- 22,541,550	- 22,042,584	- 22,112,256
SHORT TERM INSURANCE		- 3,272,966	- 3,982,358	-18%	- 4,856,376	- 4,938,094	- 4,940,351
GOVERNANCE COMMITTEE FEES		- 2,543,232	- 2,671,630	-5%	- 1,957,844	- 2,543,232	- 2,543,232
COMPUTER LICENSES AND SERVICES	2.3.2.2(m)	- 67,400,551	- 78,716,943	-14%	- 67,528,854	- 72,569,380	- 76,923,543
FSCA MEMBERSHIP FEES	2.3.2.2(n)	- 9,004,328	- 8,898,175	1%	- 5,030,116	- 13,705,830	- 13,705,830
OFFICE RENTAL	2.3.2.2(o)	- 56,254,725	- 41,227,557	36%	- 39,631,973	- 55,662,907	- 55,662,907
PUBLICATIONS	2.3.2.2(p)	- 9,537,661	- 8,552,663	12%	- 3,436,442	- 10,335,132	- 11,217,680
REPAIRS AND MAINTENANCE		- 2,940,350	- 3,691,900	-20%	- 2,863,875	- 4,029,681	- 4,029,681
CREDENTIAL VERIFICATIONS	2.3.2.2(q)	- 3,978,816	- 4,398,266	-10%	- 3,753,045	- 3,990,583	- 3,999,355
		- 354,065,323	- 345,940,011	2%	- 294,794,075	- 413,729,532	- 416,564,787
OTHER GENERAL EXPENSES		- 10,714,757	- 10,807,492	-1%	- 9,143,063	- 11,816,195	- 12,074,352
TOTAL GENERAL EXPENSES	2.3.2.2	- 364,780,081	- 356,747,503	2%	- 303,937,139	- 425,545,727	- 428,639,140

(a) **Advertising and recruitment million R5.147 (Budget 2026/27: 4.022 million)**

The budget is for advertising and recruitment fees for filling in vacant positions for the 2027/28 financial year. The costs include response handling and psychometric assessment tests.

(b) **Advisory committees R0.866 million (Budget 2026/27: R1.106 million)**

The budget comprises the Trustees' fees for the Financial Services Consumer Education Foundation as well as the fees for the Consumer Advisory Panel.

BUDGET, LEVIES AND FEES PROPOSALS

- (c) **Computer support and maintenance R8.181 million (Budget 2026/27: R8.903 million)**
 Computer support and maintenance budget is for computer applications and user support costs. The variance to previous budget is mainly due to the implementation of new technologies and support.
- (d) **Legal fees R16.308 million (Budget 2026/27: R15.351 million)**
 The budget comprises of legal fees for various FSCA departments for external legal services and debtors' collection.
- (e) **Outsourcing R20.068 million (Budget 2026/27: R16.183 million)**
 The budget comprises outsourcing fees for the Investigation and Enforcement department, security and canteen services.
- (f) **Printing and stationery R2.790 million (Budget 2026/27: R2.641 million)**
 The budget includes rental for photocopying machines, printing, annual reports, government gazettes and stationery.
- (g) **Professional fees R36.907 million (Budget 2026/27: R38.120 million)**
 Included in the budget of professional fees is an amount of R7.545 million for change management interventions and reputational management including media monitoring, R8.401 million for ICT related services, R14.927 million for regulatory instruments publications, research and sustainable finance study services. The balance of professional fees budget is shared between various divisions.
- (h) **Promotions R16.811 million (Budget 2026/27: R18.020 million)**
 The promotion budget includes budget for industry workshops and conferences.
- (i) **Local travel R18.804 million (Budget 2026/27: R17.209 million)**
 The local travel budget includes budget for local travel and accommodation for onsite visits, attendance of local seminars, conferences and meetings.
- (j) **Foreign travel R19.050 million (Budget 2026/27: R19.980 million)**
 FSCA maintains affiliations with International regulatory and professional bodies. Foreign travel is for various FSCA divisions for the attendance of various meetings, conferences and regulatory forums.
- (k) **Subsistence R3.493 million (Budget 2026/27: R3.605 million)**
 Subsistence for various FSCA departments for onsite visits and business-related travels.
- (l) **Depreciation R22.510 million (Budget 2026/27: R21.096 million)**
 The depreciation budget includes R20.162 million for the existing assets and R2.347 million for acquisitions as detailed per capital expenditure budget.
- (m) **Computer Licenses R67.401 million (Budget 2024/25 R78.717 million)**
 The budgeted amount relates to the annual renewal of ICT licences for existing and new software packages.
- (n) **FSCA membership fees R9.004 million (Budget 2026/27: R8.898 million)**
 The budget covers FSCA membership fees to various organisations.

BUDGET, LEVIES AND FEES PROPOSALS

(o) Office rental R56.255 million (Budget 2026/27: R41.228 million)

The increase in rental is primarily due to the expiry of the current rental agreement in 2025 and making a provision for the possible increase in rent for the new lease agreement.

(p) Publications R9.537 million (Budget 2026/27: R8.553 million)

Subscription to local and international publications and reports such as Juta, Lexis Nexis, RiskNet and others. Provision has also been made for Sentiments Analysis.

(q) Credential Verification R3.978 (Budget 2026/27: R4.398 million)

The budget relates to background checks for investigation purposes as well as bulk criminal verification of regulated key persons and beneficial owners.

2.4 Capital Expenditure Budget

Table 6: Capital Expenditure Budget

Asset Category	BUDGET 2027/28	BUDGET 2026/27	BUDGET 2028/29	BUDGET 2029/30
	Total	Total	Total	Total
	R'000	R'000	R'000	R'000
Computer software	50 000	65 500	10 006	10 006
Computer equipment	41 183	23 224	9 584	10 080
Leasehold improvement	3 360	8 110	6 427	6 427
Office equipment	236	1 272	-	-
Office furniture & fittings	11 461	1 006	9	9
Motor Vehicles	-	-	-	-
	106 240	99 113	26 026	26 522

Capex budget is mainly to refresh and upgrade ICT infrastructure in line with the FSCA digital strategy.