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## HIGHLIGHTS OF THE 2<sup>ND</sup> QUARTER

The 1<sup>st</sup> half of the year has been nothing short of eventful. Financial Service Providers (**FSP's**) have been working tirelessly training their staff and updating their policies and systems to ensure that they are compliant with the Protection of Personal Information Act 4 of 2013 (**POPI Act**) which fully came into effect on the 1<sup>st</sup> of July 2021. Despite the deadline for compliance passing, registration on the Information Regulators website for Information Officers has proved to be difficult and an extension for registration was given in order to allow all entities successful registration. The Act coming into effect fully, means that not only do FSP's have a responsibility to report POPI Act breaches in their institutions but that the Regulator will be able to enforce the Act and impose sanctions on non-compliant entities.

While everyone is scrambling to ensure that they are POPI compliant it is an opportune time to be reminded of the requirements of the Promotion of Access to Information Act 2 of 2000 (**PAIA**). PAIA was created to give effect to the constitutional right to access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights.

According to Section 51 of PAIA it is mandatory for all heads of private bodies to compile a manual that complies with the requirements of the section. The POPI Act amended Section 51 in that in addition to the above requirement, entities are to add to their manual information relating to processing of information. These amendments were scheduled to be effective as from 1 July 2021, however an extension of a further six months has been granted. Previously private bodies were required to submit their PAIA manuals to the South African Human Rights Commission but now they only need to publish it on their website and at a principal place of business during normal working hours.

The Financial Sector Conduct Authority (**FSCA**) also issued a notice introducing a Directive in terms of the Financial Intelligence Centre Act 38 of 2001 (**FICA**) to Provide Information (**DPI**). Key Individuals were expected to complete their DPIs by the 31<sup>st</sup> of May 2021. Accountable Institutions (**AI**) were required to answer all the questions on the DPI including background information on the AI and its processes to ensure compliance with the FICA.

The 2020/2021 Continuous Professional Development (**CPD**) cycle came to an end on the 31<sup>st</sup> May 2021. In the 2019/2020 cycle due to the uncertainty brought about by the Covid- 19 pandemic the FSCA reduced the points required for the cycle. In the 2020/2021 cycle however, individuals were expected to complete all their CPD points.

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FSP's with a financial year end of 28 February 2021 are expected to have submitted their financials by the 30<sup>th</sup> of June 2021. If an FSP fails to submit their financials timeously, they can apply to the FSCA for an extension for submission.

The 2021 National Budget came with surprise and disappointment for the industry as National Treasury scrapped the Section 12J tax break for Venture Capital Investments. The scheme was introduced in 2008 to encourage investments in small businesses and riskier ventures that can help to create jobs and economic growth. The scheme reached its expiry date on 30 June 2021.

Financial Institutions conducting business in the South African financial sector, were also required to submit an annual report to the Financial Sector Transformation Council (**FSTC**) for the period between 1 December 2019 and 30 November 2020. This was to enable the FSTC to measure the progress in implementing the provisions of the Financial Sector Code.

One of the primary lessons of 2020 is how quickly situations can change and how drastically they can impact the course of a business. It is beneficial to diligently stay abreast of regulatory changes. By remaining informed, one is positioned to take swift, decisive action when necessary.

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