

THE SOCIO-ECONOMIC DEVELOPMENT AND CONSUMER EDUCATION NOTICE 01 OF 2023

THIS NOTE SEEKS TO PROVIDE AN UPDATE REGARDING THE FUNDISA RETAIL FUND AND OTHER SIMILAR INITIATIVES – PARAGRAPH 2.3.2 OF THE FS CODE

1. Background

The Amended Financial Sector Code (FS Code), FS500, as the measurement of the Socio-Economic Development and Consumer Education elements, accommodates two bonus point allocations for grant contributions to the Fundisa Retail Fund and other similar initiatives with bonus points recognised for 0.20% of the Net Profit After Tax contribution in accordance with FS500, paragraph 2.3.2.

2. The Fundisa Retail Fund

On 08 February 2022, the Association for Savings and Investment South Africa (ASISA) announced that the Fundisa education unit trust fund will no longer accept investments from the end of September 2022 with the aim of closing the fund by the end of March 2023 following the endorsement that Government provide free higher education and training for black students within the lower Living Standards Measure (LSM) and as such the fund is no longer accepting any contributions effective from 31 March 2023.

3. Conclusion

To this end, the FSTC is seized with developing a framework on similar initiatives in line with the FS Code and will issue a guidance note as a framework for the recognition of the sector's contribution to Socio-Economic Development and Consumer Education.

The Secretariat avails itself for further clarification on the matter.

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