

Financial Sector Regulation Act, 2017

Joint Communication 1 of 2024

Publication of the Joint Standard 1 of 2024 – Outsourcing by Insurers

1. PURPOSE

This Communication informs stakeholders that today and pursuant to section 60(3)(b)(vi) and 42(b)(vi) of the Financial Sector Regulation Act (FSR Act), the Executive Committee of the Financial Sector Conduct Authority and the Prudential Committee of the Prudential Authority (the Authorities) have published the following documents:

- 1.1 Joint Standard 1 of 2024: Outsourcing by Insurers (Joint Standard);
- 1.2 Statement of Need, Expected Impact and Intended Operation supporting the Joint Standard; and
- 1.3 Consultation Report.

2. SUMMARY

- 2.1 The Joint Standard, as developed by the FSCA and PA (the Authorities), sets out the minimum expectations in relation to outsourcing by licensed insurers, specifically of material functions.
- 2.2 On 8 September 2021, the draft Joint Standard was released for public consultation, in terms of section 98 of the FSR Act, with comments due on 26 October 2021. The Joint Standard was tabled in Parliament on 30 November 2023.
- 2.3 More detail on the need, expected impact and intended operation of the Joint Standard can be found in the document referred to in paragraph 1.2 of this Communication.
- 2.4 The process for making regulatory instruments is prescribed in Chapter 7 of the FSR Act. The said process has now been concluded, and the Authorities therefore published the final Joint Standard.
- 2.5 The Joint Standard is envisaged to commence 6 months from date of publication.

3. ENQUIRIES

- 3.1 The documents referred to in paragraph 1 are available on the Authorities' websites at www.fsca.co.za or www.resbank.co.za.



FINANCIAL SECTOR CONDUCT AUTHORITY
DATE: 13 May 2024

PRUDENTIAL AUTHORITY
DATE: 15 May 2024