
MEDIA STATEMENT

PROMULGATION OF THE FINANCIAL MARKETS ACT NO. 19 OF 2012

The President has promulgated the **Financial Markets Act (No. 19 of 2012)**, which will come into operation on 3 June 2013.

The Act seeks to ensure that financial markets in South Africa operate fairly, efficiently and transparently to promote investor confidence and that the legislative and regulatory framework is brought in line with the recommendations of international standard setting bodies such as the G20, Financial Stability Board, Basel Committee on Banking Supervision and the International Organisation of Securities Commissions.

The Act repeals the Securities Services Act, 2004 (No. 36 of 2004), and will become the primary legislation governing the regulation of financial markets, market infrastructure and securities services in South Africa.

The Act primarily focuses on the licensing and regulation of exchanges, central securities depositories, clearing houses, trade repositories and market infrastructure, as well as the prohibition of insider trading and other market abuses.

Furthermore, the Act provides a framework for regulating over-the-counter (OTC) derivatives in South Africa, a key G20 commitment. In the National Treasury document, *Reducing the risks of over-the-counter derivatives in South Africa*, the Treasury had announced and adopted a phased approach to the implementation of OTC derivatives regulatory reform after an extensive consultation process.

To ensure that the market has adequate time to adapt to and comply with the new requirements, the regulations and rules that will give substance to the Financial Markets Act will become fully operational following a transitional period. Further details on these rules are available from the Financial Services Board.

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