

FSCA INFORMATION REQUEST 2 OF 2023 (GENERAL)

FINANCIAL SECTOR REGULATION ACT, 2017 (ACT NO. 9 OF 2017)

**INFORMATION REQUEST ON OPEN FINANCE-RELATED ACTIVITIES PERFORMED BY
FINANCIAL INSTITUTIONS AND THIRD-PARTY PROVIDERS**

1. DEFINITIONS AND APPLICATION

In this Schedule, “**the Act**” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), and any word or expression to which a meaning has been assigned in the Act bears, subject to context, that meaning unless otherwise defined, and –

“**FSCA**” means Financial Sector Conduct Authority as defined in section 1 of the Act;

“**Open Finance**” means the practice of financial institutions sharing their financial customer’s financial data with third parties, for the provision of Open Finance Services by those third parties, and any activities connected therewith;

“**Open Finance Services**” means services developed for a financial customer by a third party, using that customer’s financial data, which rely on the provision and movement and/or use of that customer’s data; and

“**Third Party Provider**” means a person that provides Open Finance Services.

2. INFORMATION REQUEST

The FSCA, under section 131 of the Act, hereby request financial institutions and Third Party Providers that participate in Open Finance to furnish information to the FSCA by completing the information request form available online on the Authority’s website as set out in paragraph 4 below. Where a financial institution contracts with a Third Party Provider to provide Open Finance Services to its financial customers, the financial institution must convey this Information Request to such contractors. Please take note that financial institutions and Third Party Providers that do not participate in Open Finance, do not need to submit to the FSCA.

3. BACKGROUND AND PURPOSE

- 3.1 In June 2023, the FSCA published a draft Position Paper on Open Finance¹ which builds on an assessment of the Open Finance landscape published by the FSCA in 2020. The draft

¹ Available at:
<https://www.fsca.co.za/Regulatory%20Frameworks/FinTechDocuments/Draft%20Position%20Paper%20on%20Open%20Finance.pdf>

Position Paper communicates the FSCA's view that the implementation of a suitable Open Finance regime, and making customer data available to regulated participants, can create value for customers through digital personalized financial services products and services.

- 3.2 The draft Position Paper sets out the FSCA's proposed policy position on Open Finance and confirms the intended direction of the FSCA regarding the future regulation of Open Finance from a conduct and consumer protection perspective. It also sets out recommendations in respect of, amongst others, appropriate risk mitigation by participants in the Open Finance ecosystem.
- 3.3 The draft Position Paper invited stakeholders to provide written comments on the policy proposals contained in section 8 of the draft Position Paper. As a concurrent process, the FSCA is embarking on an information-gathering exercise to consider the uptake, usage and practices by financial institutions and third party providers that participate in Open Finance within the South African landscape. Findings from the study will assist in shaping the Final Position Paper on Open Finance and the Conduct Standards to be developed in the future.

4. SUBMISSION FORMAT AND TIMELINE

All financial institutions and Third Party Providers that participate in Open Finance must complete the information request online form available on the Authority's website [here](#) by *no later than* **10 November 2023**.

5. FAILURE TO COMPLY WITH REQUEST

A failure by a financial institution or other supervised entities, who participates in Open Finance, to provide the specified information within the timeframe specified constitutes an offence under section 267 of the Act and is liable on conviction to a fine not exceeding R1 000 for each day during which the offence continues.

6. AVAILABILITY OF INFORMATION AND ENQUIRIES

This Information Request is available on the Authority's website at www.fsca.co.za under Regulatory Frameworks < Notices < General < 2023.

For more information regarding this Information Request please contact the Financial Technology Department of the FSCA at Nolwazi.Hlophe@fsca.co.za.



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