### A Summary of the Key Recommendations

* + 1. To have a fuller sense of these summarised, condensed recommendations it is necessary to consider the ‘Observations and Recommendations” in sections 12.1 to 12.18 above. The recommendations are summarised in the very brief points below, with references in brackets to the sections above to which they refer:
    2. Take into account that many issues raised here can be processed through the present FSC review and the Financial Sector Summit to be held next year.(12.1.10)
    3. An active campaign to make stakeholders and the public aware of the FSC. (12.2.3)
    4. A ‘name and shame’ approach to those who do not comply with FSC reporting requirements. (12.2.3)
    5. Industry be compelled to provide the necessary information to the FSC Council and the newly established BEEC. FSC Council and BEEC to investigate whether the statistics provided are accurate.(12.2.3)
    6. The FSC Council and the BEEC be effectively capacitated and resourced, and if necessary restructured, to play their important roles in the transformation of the financial sector. (12.2.4)
    7. CEOs of financial institutions be active in the decision-making processes of the FSC Council to ‘ensure sector buy-in’. (12.2.4)
    8. FSC and BEEC to perform more effectively and sanctions for the subjective failings of individuals in this regard. Committees to hold them to account for their performance far more rigorously in various ways. (12.2.4)
    9. Higher FSC targets, especially on ownership, management control, procurement, skills development and financial inclusion. Targets on the latter to be about take-up and usage, not just access.(12.2.8)

**Market concentration, monopolisation and ownership**

* + 1. Decisions on “once empowered, always empowered” be consistent with the B-BBEE Act.(12.3.4)
    2. Government and other relevant institutions give concerted attention to reducing the high levels of monopoly in the banking sector and encouraging new entrants. NT to consider in what ways there can be more direct black ownership of the major banks and report on this regularly. Among many other issues, consideration needs to be given to the following:(12.3.2)

a. Less stringent requirements for the licensing of certain categories of new entrants while ensuring that depositors’ interests protected. (12.3.12.1)

b. Majority black, particularly African, ownership, with adequate ownership by women, in new licenses issued. (12.3.12.2)

c. Banks, within certain timeframes, ensure that their South African direct ownership is mainly black, particularly African, with adequate ownership by women.(12.3.12.2)

d. Banks, within certain timeframes, to have blacks, particularly Africans, in the majority at all levels of management, with adequate inclusion of women.(12.3.12.3)

e. Engaging with stakeholders to legislate on these and other relevant proposals.(12.3.12.5)

* + 1. More black, including African and women, ownership of large firms in insurance industry and new black entrants to be encouraged. Among many other issues, consideration needs to be given to the following in the insurance industry(12.3.15.1)

a. Majority black, particularly African, ownership, with adequate representation of women, in new licenses issued. (12.3.15.1)

b. Insurance companies, within certain timeframes, to ensure that their South African direct ownership is mainly black with adequate ownership by women. (12.3.15.2)

c. Insurance companies, within certain timeframes, to have blacks in the majority at all levels of management, with adequate representation of women. (12.3.15.3)

d. Set-asides for black-owned and women-owned businesses as a condition for licensing.(12.3.15.4)

e. Engaging with stakeholders to legislate on these and other relevant proposals.(12.3.15.5)

* + 1. The easing of licensing and other requirements for new entrants in the financial sector provided the needs and interests of depositors and policy holders protected. Needs to be balance between focusing on the need for new entrants, and deracialising the financial sector and protecting depositors and policy holders; both these aspects be important parts of transformation.(12.3.17)

**Management Control**

* + 1. Clear FSC targets to be set for management and Boards to be reasonably representative of the demographics of country.(12.4.6)

**Financial Inclusion, including service charges**

* + 1. NT to report on progress on implementing the recommendations of 2008 Banking Enquiry Panel report, in particular on the proposals on the capping of punitive non-interest fees that are charged by banks on bounced debit orders (‘dishonour fees’) and on cash withdrawals on ATMs of rival banks. Unless strong arguments to the contrary provided, these proposals should be implemented.(12.5.3)
    2. Support the SARB on need for regulatory framework for money remittance service providers or money transfer operators who are not necessarily banks and review the overall access path for service provision in the payment system. (12.5.4)
    3. NT and SARB develop a discussion paper on fintech ranging from deposit-taking, transactional banking, lending, investments and the new virtual currencies. (12.5.4)
    4. FSC targets Empowerment Financing’ and ‘Access to Financial Services’ be amended to cater for inflationary increases, growth in assets, population and economic growth since the 2002 targets. (12.5.7)

**Repossessions and cancellation of insurance policies**

* + 1. Review National Credit Act to ensure that homeowners do not lose their homes easily when they fall into financial distress. Consideration be given to proposal for 12-month financial recovery period.(12.6.1)
    2. Firm action against abuses.(12.6.5)
    3. Support changes to the Rules of Court and legislation to stop repossession abuses. (12.6.3)
    4. Support the Constitutional Court action by Adv Douglas Shaw on behalf of applicants seeking damages for the auctioning of their houses below market value. (12.6.4)

**Support for smaller and other black businesses, including through procurement and enterprise and supplier development**

* + 1. Amount for BEE transaction financing to increase to cater for growth in assets held by the participants since 2002 targets.(12.7.1)
    2. B-BBEE Commission and FSC Council tighten loopholes in policy and regulations to reduce prospects of the system being rigged.(12.7.3)
    3. NT, the FSB and the insurance associations to investigate BIAC concerns about the ‘conflict of interest’ rule, ‘binder agreements’, ‘premium collection’ and other regulatory barriers.(12.7.6)
    4. Consideration be given to DTI proposal that the panel system that affects small and medium-sized black-owned panel-beaters, body repair shops and tow truck operators be phased out. (12.7.7)
    5. A proper balance between implementing global regulatory and other standards and ensuring the emergence of new Black entrants in the sector.(12.2.9; 12.3.17)
    6. To avoid cherry-picking the easiest elements of empowerment financing, government consider disaggregating the combined empowerment financial targets in the banking and long-term insurance subsectors across the four different pillars of Empowerment Financing to give more weight to particularly those pillars that focus on funding black SMEs, rural and township entrepreneurs, and new industries.(12.7.4)
    7. FSC targets to facilitate improved access to markets for small and medium sized black suppliers such as tow-truck operators and panel-beaters. Black suppliers get more work from the government garage and the SOEs. Support DTI proposal that procurement from black suppliers be increased to 50% by 2021. (12.7.8)
    8. NT, the FSB, the DTI and the insurance associations and other players work more effectively together with the towing and panel-beating SMEs and consider reintroducing the DTI special dispensation for short-term insurers. Review 6 December 2014 Memorandum of Agreement on transformation and procurement targets in the towing and panel-beating Industry and consider introducing a new version of this. (12.7.9)
    9. Report back to Trade and Industry Committee within 6 months of the adoption of this Report.(12.7.10)

**Skills Development**

* + 1. NEDLAC to pay special attention to the Skills Development element of the Draft FSC and ensure that it prioritises blacks, particularly Africans and women, and aligns with the Generic Codes. (12.8.2)
    2. INSETA to address BIAC challenges on capacity building and skills development support for small black independent financial advisors. (12.8.2)
    3. FSB and NCR to pay particular attention to training and support for micro-lenders. (12.8.3)

**Asset Management**

* + 1. Appropriate targets to be set in the FSC for asset managers and asset consultants. (12.9.2)
    2. Support DTI proposal that by 2019 state assets must be managed by asset management entities that are at least 51% black-owned and/or Level 4 B-BBEE status.(12.9.3)

**Actuaries and other professionals**

* + 1. Audit of specialist professions in the financial sector to encourage transformation and mentorship.(12.10.3)

**Cooperative Banks and Financial Institutions**

* + 1. Revised FSC to set effective targets for the strengthening of the cooperative subsector.(12.11.5)
    2. Strengthen legislative and regulatory framework.(12.11.4)
    3. Develop a Cooperative Banking Strategy.(12.11.1)
    4. Increase CBDA’s budget provided they held to rigorous account and there are effective sanctions for poor performance.(12.11.2)
    5. NT and DTI to consider a National Cooperative Bank. (12.11.4)

**Postbank, State-Owned and Black-Owned Banks**

* + 1. Licensing of the Postbank as soon as possible(12.12.1)
    2. Based on experiences of the Postbank consider whether need for another state-owned bank.(12.12.1)
    3. Support formation of a major black-owned bank. NT and the regulators to consider ensuring that the licensing and regulatory environment conducive to encouraging the entry of black-owned banks into the market. (12.12.2)

**Role of Reserve Bank**

* + 1. If it is financially possible, the shares of SARB’s private shareholders should be bought out. (12.13.4)
    2. Support need for discussions on how SARB can further contribute to advancing socio-economic development.(12.13.3)

**National Payment System**

* + 1. A review of the National Payment System Act to consider amending it appropriately to accommodate qualifying non-bank service providers and cooperative banks. (12.14.1)

**Bank Collusion on Currency Trading**

* + 1. Strong action against bank collusion on the manipulation of currency trading. (12.15.2)
    2. Support Competition Tribunal process.(12.15.1)
    3. If there has been wrongdoing, not just the banks, but the individuals responsible be acted against.(12.15.1)
    4. Consider tightening legislation to reduce prospects of bank collusion.(12.15.4)

**Statutory Bodies in Financial Sector Need to be More Effective**

* + 1. Statutory bodies be more effective even within their limited resources. Consider more resources, provided greater accountability and effective sanctions for poor performance.(12.16.1)

**Other Issues**

* + 1. Consider community reinvestment legislation.(12.18.1)
    2. Government, regulators, other statutory bodies and financial institutions to give greater attention to the financial education and literacy of their customers and the public generally. (12.18.2)
    3. Distinguish between legitimate and unreasonable complaints against decisions by regulators. (12.18.3)