Dear Allan

I have noted the call for submissions and having perused these proposed amendments, need to bring these observations to your Committee's attention.

1. I note that persons within Accountable Categories: 1; 2; 11; 14; 20; 21 and 22, do not have a " Statutory Supervisory Body " designated per Schedule 2.

2. I also note that Market Infrastructures of the nature of Exchanges [ JSE Ltd and the newly licensed ones ] and Central Securities Depositories [ Strate ( Pty ) Ltd ] are not specifically provided for among the List of Accountable Institutions, which comprises Schedule 1?

Why is this so or am I again missing something?

3. It to my mind would mean that these Accountable Institutions [ JSE Ltd and Strate ( Pty ) Ltd ] in particular will be without a Statutory Supervisory Body?

That surely is not the intention or is it?

Yours Faithfully

Nathan Lindsay Hittler

Chief Executive Officer

Corwil Investments Ltd

Dear Allan

Further to my earlier communication with respect to the proposed amendments to Schedules 1, 2, and 3 of the FICA, 2001, I need to bring my additional observation in this aspect:

The Financial Markets Act, 2012, places correctly quasi Statutory Regulatory upon Self Regulatory Agencies ( " SRO " ) including the JSE Ltd over its Members these are also referred to as " Authorised Users ".

The legislative scheme correctly places this duty upon the JSE Ltd since, through the JSE Rules, the JSE Ltd exercises its statutory oversight over these its Members, its Authorised Users.

This is also the most appropriate arrangement for it is the JSE Ltd whose Systems are used by the Members to conduct their Business through the Exchange which of course is a Licenced Business.

The key tool which JSE Ltd utilizes is its proprietary, Broker Dealer Accounting ( " BDA " ) System.

It is the BDA that holds all Member Records and those of the Members underlying Clients, which are relevant to the proper management of the JSE Ltd's oversight responsibility and the attendant Risks which may arise therefrom including the Anti Money Laundering and Terrorist Financing Risks which the FICA is designed to mitigate against.

It is therefore to my mind inappropriate to expect the FSCA to be the Primary Supervisory Body responsible for those Accountable Institutions defined as " Authorized Users [ Category 4 ] per Schedule 1 " since the FSCA would be solely dependent upon the JSE Ltd for support in executing its Statutory Supervisory Role since the information which it would need to rely upon is proprietary to the JSE Ltd.

There is also the unintended Financial consequence that the FSCA has not properly considered.

What would this duty Cost and were in the Budget of the FSCA will these financial resources be sourced from?

The JSE Ltd on the other hand generates Revenue from the Members and Authorised Users for the use of its Systems including the BDA System and it is these Revenues that correctly need to be deployed toward its Primary Supervisory Role over its Members and Authorised Users and their underlying Clients, and not have this burden shifted to the FSCA.

I trust that this submission will be seriously considered in the Standing Committee of Finance's deliberations.

Yours Faithfully

Nathan Lindsay Hittler

Chief Executive Officer

Corwil Investments Group