SAVCA REGULATORY UPDATE

2 July 2026

FSCA Extends Private Equity and Venture Capital FAIS Exemptions to 2029

The Financial Sector Conduct Authority (FSCA) has extended the existing exemptions applicable to private equity and venture capital activities under the Financial Advisory and Intermediary Services Act, 2002 (FAIS), from **30 June 2026 to 30 June 2029** through **FSCA FAIS Notice 39 of 2026**.

The extension preserves the current exemption framework without any changes to its scope or conditions. The exemptions continue to provide relief in respect of:

- certain persons conducting financial services-related business with private equity funds;
- the requirement in section 13(1)(c) of FAIS relating to representatives; and
- liquidity requirements applicable to certain juristic representatives.

This is a positive outcome for the private capital industry and provides members with important regulatory certainty for the next three years. The extension recognises that private equity and venture capital activities have unique characteristics that are not always accommodated within the existing regulatory framework.

SAVCA has actively engaged with the FSCA and National Treasury on these matters and will continue to use the extension period to advocate for a fit-for-purpose long-term regulatory framework for the industry, including through ongoing discussions relating to the Conduct of Financial Institutions (COFI) Bill.

SAVCA Submits Comments on Draft Capital Flow Management Regulations

National Treasury and the South African Reserve Bank recently published the **Draft Capital Flow Management Regulations, 2026** for public comment. While much of the public commentary has focused on the treatment of crypto assets, the Draft Regulations have significantly broader implications for cross-border investment, funding and capital flows. The Draft Regulations form part of the broader reform of South Africa's exchange control framework and are intended to support a transition towards a more modern, risk-based approach to the management of cross-border capital flows

Given the significance of the proposed reforms for the private capital industry, SAVCA prepared and submitted comments to National Treasury and the South African Reserve Bank.

SAVCA's submission supports the stated policy objective of modernising South Africa's capital flow management framework and introducing a more facilitative, principles-based and internationally aligned regime. However, the submission notes that, as currently drafted, the Regulations may not fully give effect to this objective.

A central theme of SAVCA's submission is that, while certain aspects of the Draft Regulations suggest an expansion in the scope of regulated activity, the more immediate concern for private capital is the uncertainty created by the current drafting and the absence of supporting regulatory guidance. In particular, the interaction between the expanded definition of capital and the operative provisions of the framework creates uncertainty regarding how a range of common investment, funding and exit transactions may be treated in practice.

SAVCA noted that this uncertainty is compounded by the absence of supporting regulations, defined thresholds and operational guidance. For private capital, regulatory certainty is critical across the investment lifecycle, including capital raising, investment structuring, capital deployment and eventual exits.

The submission highlights several areas of particular relevance to the private capital industry, including the expanded definition of capital, the treatment of common funding arrangements, the operation of cross-border investment structures, approval and discretion-based mechanisms, and the need for continuity with existing Authorised Dealer and SARB practices. Across these themes, the submission emphasises the importance of clarity and legal certainty in supporting investment, capital formation and South Africa's attractiveness as an investment destination.

Accordingly, SAVCA recommended targeted refinements to the Draft Regulations to improve clarity, enhance legal certainty and strengthen alignment between the stated policy objectives and the practical operation of the framework.

The submission has been formally lodged with National Treasury and the South African Reserve Bank. SAVCA has also indicated its willingness to participate in further technical engagements as the reform process progresses and will continue to keep members informed of developments.