

ASISH

ASSOCIATION FOR SAVINGS & INVESTMENT SA

*TRANSFORMATION  
INITIATIVES*

## *Progress with the negotiation of a Financial Sector Empowerment Code*

- Negotiations initially stalled principally due to disagreement on alignment of generic code ownership provisions and old FSC*
- Negotiations got back on track post meeting between Minister of T&I, Minister of Fin and FSC council in July 2010*
- A first draft code was published for public comment in Dec 2010. Draft did not contain agreement on key areas.*
- Negotiations facilitated through FSC council which consists of reps from Business, Labour, Govt and ABSIP - ASISA LC & TC*
- In principle agreements have now been reached on BEE Targets for Management, Employment Equity, Skills development, Socio Economic Development, Consumer Education, Enterprise Development and Empowerment Financing*
- Significant progress has been made on ownership and access to financial services*

*Implications and timelines*

- In General most aspects have been aligned to the generic code provisions. In some areas the targets are slightly more onerous for business - in others significant concessions have been agreed*
- Access and Empowerment financing provisions referenced the old FSC but are now more practical for industry*
- Agreements will only take effect once ratified by the ASISA Board and relevant structures*
- The FSC Code will ultimately replace the Generic DTI Code for the Financial Sector (assuming the negotiations are successfully concluded)*
- A second draft code will be published for public comment later in 2011*
- Reporting will commence against the new code in Dec 2012*

Key industry initiatives to support transformation and the implementation of the FSC approved by ASISA Board :

- ❑ ASISA Foundation - Key objectives
  - Enables immediate point scoring
  - Promotes industries image as a responsible corporate citizen amongst key stakeholders
  - Enables collaboration across sector on relevant social issues such as consumer financial literacy programs
  - Works with academy to provide support to ED Fund (training and mentorships)
  - Creates platform for smaller members
  - Significant opportunity to attract match funding
  - Greater social impact and enhanced governance through economies of scale

- ❑ ASISA Enterprise Development Fund - Key objectives
  - Immediate point scoring
  - Promotes industries image as a responsible corporate citizen amongst key stakeholders
  - Facilitates development of emerging black entrepreneurs linked to the industry supply chain through debt and equity funding thereby enhancing supply chain sustainability
  - Supports pressing national need for job creation
  - Partners with foundation on skills development
  - Creates platform for smaller members to do ED
  - Significant opportunity to attract match funding
  - Greater economic impact through economies of scale

### Information technology Initiatives:

- ❑ ASISA Preferential Procurement Database - Key objectives
  - Provide opportunities database for ED fund
  - Facilitates identification of BEE suppliers by members
  - Aggregates performance across membership for industry reporting
  - Reduces administrative burden on membership
- ❑ Timing
  - Foundation to be in place by end of 2011. Grant model to be finalised as part of this process (service providers appointed)
  - ED fund to be in place by end of 2011. Funding model is not yet final and will be based on formal prospectus (service providers currently being appointed)
  - Investments in Foundation and ED fund to commence in 2012
  - Database to be implemented during 2011 with first call for data in 2012

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*FOR FURTHER DETAILS  
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