

Joint Press Release

29 November 2024

FSCA and PA invites participation in framework review for distribution of funeral insurance in South Africa

The Financial Sector Conduct Authority (FSCA) and Prudential Authority (PA) (hereafter referred to as the Authorities) have initiated a review of the regulatory framework for the distribution of funeral insurance in South Africa. This review is in response to concerns identified by the Authorities as well as those raised by representatives of the funeral parlour industry, particularly regarding the appropriateness of the current regulatory framework considering the unique socio-economic and market dynamics of the sector.

The Authorities acknowledge the crucial role played by funeral parlours in communities across the country. Funeral parlours ensure the respectful handling of the mortal remains of loved ones, which carries cultural and social significance. As small businesses, they also contribute to job creation and sustainable economic growth. It is therefore important to ensure that regulatory requirements applicable to the sector are sufficiently proportional and inclusive, while also providing adequate protections for the vulnerable communities they serve.

On 6 November 2024, the Authorities issued [Joint Communication 7 of 2024](#) (Joint Communication), which sets out the current regulatory position on funeral insurance distribution in South Africa. It also highlights specific concerns identified by both the industry and the Authorities, and outlines an inter-regulatory project initiated by the Authorities to try and address these concerns.

Importantly, the Joint Communication invites key stakeholders to participate in this project to ensure a consultative process. This approach seeks to ensure that any reforms arising from the project consider the interests of market participants and affected consumers. Stakeholders are invited to participate in a series of workshops to be held in 2025 to contribute towards the formulation of a pragmatic and balanced approach for the future regulation and supervision of funeral insurance in the country.

All persons with a material interest in the outcomes of the inter-regulatory project and who wish to participate in the workshops are invited to confirm their interest by sending an email with the requisite information to the address contained in the Joint Communication.

END

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