



INSURANCE ACT, 2017 (ACT NO. 18 OF 2017)

Notice of Exemption of Sanlam Developing Markets Limited from certain provisions of the Insurance Act, 2017 (Act No. 18 of 2017)

The Prudential Authority, hereby exempts Sanlam Developing Markets Limited from compliance with the provisions of section 25(4) of the Insurance Act, 2017 (Act No. 18 of 2017) (the Act). The exemption is granted in terms of item 13(b) of Schedule 3 to the Act, read with section 281(3) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA), to the extent and subject to the conditions as set out herein.

Definitions

1. In this Schedule “the Act” means the Insurance Act, 2017 (Act No. 18 of 2017), and any word or expression to which a meaning has been assigned in the Act shall have the meaning so assigned to it, unless otherwise defined, and –

“**FSCA**” means the Financial Sector Conduct Authority as defined in section 1 of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017)

“**Kganya trust group policies**” means five group policies of which the Kganya Benefits Fund Trust is the policyholder and SDM is the insurer; and

“**SDM**” means Sanlam Developing Markets Limited;

Extent of exemption and conditions

2. SDM is hereby exempted from complying with the provisions of section 25(4) of the Act, insofar as it relates to the Kganya trust group policies;
3. The, Kganya trust group policies, do not meet the definition of a “group” as defined in Schedule 2 to the Act, and in order to issue individual policies to each of the members of the Kganya Benefits Fund Trust, the Trust deed requires amendment. The Kganya Benefits Fund Trust has brought an application to the High Court to amend the trust deed, and pending the decision by the Court the exemption is required.
4. The exemption is effective for a period of 18 (eighteen) months from 1 July 2020;
5. The exemption referred to in paragraph 2 is subject to the following conditions:
 - a) SDM must, in respect of the Kganya trust group policies, conduct its

business in a manner that will result in compliance with all aspects of group business in terms of the Act and meet all applicable provisions in terms thereof;

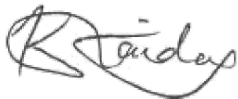
- b) SDM must comply with all the requirements applicable to a “group scheme” set out in the Regulations made under Section 72 of the Long-term Insurance Act, 1998 (Act No. 52 of 1998) (the Regulations) and the Policyholder Protection Rules, 2017 (PPRs) made under section 62 of the Long-term Insurance Act, 1998 (Act No. 52 of 1998) (LTIA PPRs); - and
- c) SDM must meet all reporting obligations as may be imposed by the FSCA in respect of the Kganya trust group policies for the duration of the exemption period.

Failure to comply with conditions

- 6. Subject to paragraph 7, failure by SDM to comply with the conditions referred to in paragraph 5 will result in the exemption no longer being applicable to SDM.
- 7. If a breach by SDM of any of the requirements applicable to a “group scheme” set out in the Regulations and the LTIA PPRs is, in the view of the FSCA, non-material in nature, such breach will not result in the exemption no longer being applicable to SDM, subject thereto that SDM remedy such non-material breach to the satisfaction of the FSCA within 90 (ninety) days of the occurrence of such breach, or a period as agreed to by the FSCA.

Amendment and withdrawal of Notice of Exemption

- 8. This Notice of Exemption is subject to:
 - (a) The amendment thereof as published by the Prudential Authority by notice on the webpage of the Prudential Authority; and
 - (b) Withdrawal in a like manner.



Kuben Naidoo
Deputy Governor and CEO: Prudential Authority

Date: 2020-06-30