Umbrella Retirement Provident Fund

Legal & industry update: August 2026

In this publication we look at:

- The FSCA's 3-year Regulation Plan: 2026 – 2029
- The Office of the Pension Funds Adjudicator's complaint form for funds lodging complaints against employers for late or non-payment of contributions

The FSCA's 3-year Regulation Plan: 2026 – 2029

FSCA's priorities for the next three years

The FSCA's new three-year Regulation Plan, released in July 2026, is best read as a roadmap for a slower, more deliberate shift to a unified, principles based regulatory and supervisory financial sector in South Africa. The message is clear: the regulator wants fewer fragmented rules over time, but stronger conduct standards, better governance and more consistent outcomes for financial customers and retirement fund members.

Following a 2025/6 year that delivered strong implementation results, with seven regulatory instruments finalised and several more advanced through consultation, the next phase is about sequencing reform carefully and intentionally.

Strategic direction

At the heart of the Plan are four strategic drivers:

- harmonising the regulatory framework,
- aligning with international standards,
- responding to fintech/AI/operational resilience risks, and
- fixing sector specific gaps.

The FSCA is especially focused on moving South Africa away from a patchwork of rules and toward an outcomes- and principles-based framework that gives regulators more flexibility and firms more responsibility.

That shift is not cosmetic. The Plan explicitly states that legislative interventions should become less frequent once the COFI transition is complete, because the regulatory framework will have matured into a more coherent system. In practical terms, the FSCA is telling the market to expect more integrated regulation, more cross-sector standards and less tolerance for siloed approaches that leave gaps between products, institutions and activities.

Conduct of Financial Institutions (COFI) legislation is the anchor

COFI is the centrepiece of the whole programme. The FSCA describes the Bill as the central pillar of a holistic, cross-sector, customer focused framework, and says work on the COFI transition will continue through 2026/27 with public consultation on high-priority themed frameworks expected on a staggered basis.

The important point for the industry is that COFI is not just a legislative event; it is the architecture for the next phase of conduct regulation.

Key priorities

The Plan sets out five broad priorities for 2026 to 2029:

1. Advance COFI,
2. Strengthen conduct regulation,
3. Strengthen financial markets regulation,
4. Enhance cross-sector frameworks, and
5. Continue reforms in retirement funds, CISs, alternative investment funds and payment services.

For retirement funds specifically

For retirement funds, the Plan is notable for what it does and does not include. No new retirement fund projects have been added, but the FSCA says the remaining projects from last year stay in place. Governance is treated as foundational and unclaimed assets remain on the agenda which suggests continuity rather than a reset.

The most immediate item is the new Prudential Standard on Regulation 28 reporting, which is intended to replace the current quarterly reporting standard and introduce a more holistic form of reporting. The draft has already been submitted to Parliament, and the final standard is expected either later in 2026 or early in 2027. That matters because it signals a more data-rich supervisory approach, with better visibility over portfolio construction, risk and compliance at fund level.

Beyond reporting, the FSCA is still working on the liquidation of pension funds, a draft standard on living annuities in annuity strategies, and possible reviews of Directive 8, Circulars PF86 and PF90, employer practices, and retirement fund costs and fees. The Plan also suggests that Circulars PF86 and PF90 are likely to be absorbed into the COFI disclosure framework, while Directive 8 may be folded into governance related standards.

What it means

For trustees, principal officers, administrators and advisors, the direction forward is obvious. The regulator wants stronger governance, cleaner disclosures, better data and clearer proof that outcomes for members are improving. On retirement funds specifically, the next few years will likely be less about brand new concepts and more about tightening reporting, standardising conduct expectations and pulling older circulars and directives into a more coherent framework.

The business takeaway is simple: prepare early. If your fund, administrator or adviser network is still operating on the assumption that COFI is a distant future issue, the FSCA's plan says otherwise. The transition is already underway, and retirement funds will be expected to show that they can meet the new standards on governance, transparency and member outcomes when the framework lands.

The Office of the Pension Funds Adjudicator's (OPFA) complaint form for funds lodging complaints against employers for late or non-payment of contributions

On 27 July 2026, the OPFA introduced a dedicated form for retirement funds to lodge complaints directly against participating employers that fail to comply with section 13A of the Pension Funds Act. Employers must calculate and pay monthly contributions to a retirement fund within seven days after month-end. Late or unpaid contributions attract interest and can amount to a criminal offence, carrying penalties of up to R10 million, 10 years' imprisonment, or both. Responsible persons and, in some cases, all company directors may also face personal liability.

The issue is significant: arrear contributions have reached an estimated R8.33 billion, affecting around 590,000 members, while section 13A matters account for 51% of OPFA complaints. The new form standardises the information and evidence required, helping the OPFA investigate matters more quickly under its Expedited Complaints policy. Looking ahead, COFI may give the FSCA stronger powers to act directly against defaulting employers.

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