



FINANCIAL INSTITUTIONS' ROADMAP TO COFI READINESS

WEBBER WENTZEL

in alliance with > Linklaters



What is COFI?

The Conduct of Financial Institutions Bill (COFI) introduces a major shift in South Africa's financial services legislation. It consolidates various industry-specific conduct laws into a single, comprehensive framework focused on strengthening market conduct regulation and protecting customers. COFI is envisaged to be the market conduct anchor of National Treasury's shift to a Twin Peaks model for financial sector regulation.

COFI is expected to be introduced in Cabinet in late 2025, tabled in Parliament by early 2026, and promulgated during the course of 2026. A three-year transitional period will follow.



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Who must comply?

COFI applies to all financial institutions as defined in the Financial Sector Regulation Act (FSR Act), including financial product providers, financial service providers, holding companies of financial conglomerates, and any person licensed or required to be licensed under a financial sector law. The scope of financial products, services and activities is much broader than what financial institutions are accustomed to under the Financial Advisory and Intermediary Services Act, which will introduce a significant shift and enhanced regulatory reach and compliance requirements.



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KEY ACTIONS FOR INSTITUTIONS



Monitor and participate
in consultation
processes



Map activities
for activity-based
licensing



Develop activity-
based compliance
frameworks



Incorporate Retail
Distribution Review
(RDR) principles



Develop or revise
governance
structures



Ensure key persons
meet fit and proper
requirements



Strengthen customer
treatment practices
(TCF)



Review financial
resources and
operational capabilities



Update reporting
processes and
frameworks



Implement
transformation policies
and procedures



Review automated
systems and
technology for readiness

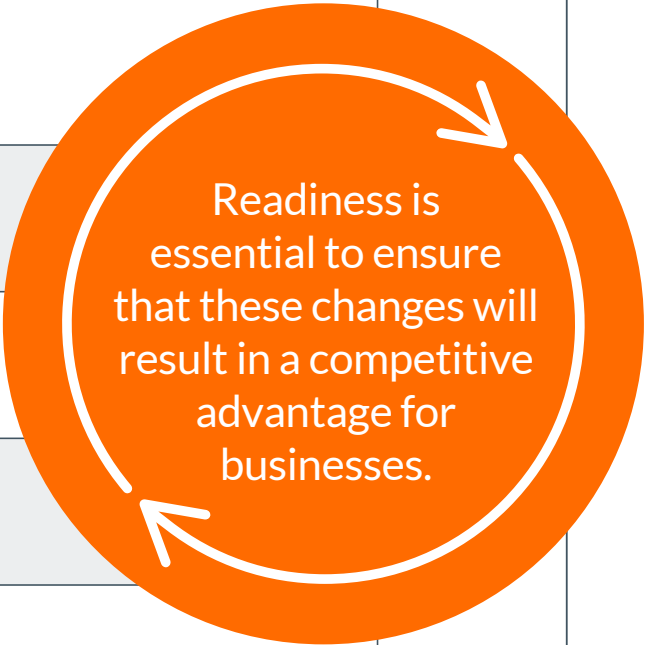
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HOW WEBBER WENTZEL CAN SUPPORT YOU

Our multidisciplinary team offers end-to-end COFI support, including:

	Assessing whether your business activities fall within COFI
	Training for boards, executives, legal and compliance teams
	Assistance with commenting on COFI and regulatory engagement
	Readiness assessments and gap analyses
	Design and rollout of COFI-aligned frameworks (eg conduct risk, product oversight, customer fairness, culture)
	Advice on licensing requirements and transitional arrangements
	Legal review and updates to client documents, contracts and policies
	Development or review of transformation plans
	Support with restructuring to align with COFI requirements
	Ongoing legal advice as COFI evolves
	Contingency planning for delays, licensing migration and phased implementation



We also use advanced AI tools to enhance document review, detect regulatory risks and deliver practical, data-driven solutions tailored to your business needs.

To begin your COFI compliance journey or arrange support for your business, contact a member of our financial regulatory team.



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