



## **ANNEXURE A**

### **EXPLANATION OF BUDGET, ESTIMATES OF EXPENDITURE AND LEVIES PROPOSAL**

## 1. INTRODUCTION

- 1.1 In terms of section 239(1) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSR Act), the Office of the Ombud for Financial Services Providers (FAIS Ombud) must prepare and adopt:
  - (a) a budget in accordance with section 248 that includes an estimate of its expenditure;
  - (b) a proposal for the levies that will be imposed by the financial sector body; and
  - (c) projected estimates of its expenditure for the next 2 financial years.
- 1.2 In terms of section 240 of the FSR Act, Part 1 of Chapter 7 of the FSR Act applies (with the necessary changes) to the adoption of the budget, estimates of expenditure, as well as the levy proposals as provided for in section 239.
- 1.3 As such, in adopting the budget and determining levies, the FAIS Ombud must publish the following documents for public comment:
  - (a) The budget, including estimates of expenditure;
  - (b) The levies proposal for the relevant financial year;
  - (c) an explanation of the budget, estimates of expenditure and levies proposals, and of the variation of the budget, estimates of expenditure and levies proposals against the budget, estimates of expenditure and levies proposals adopted for the previous financial year (section 240(2)(b) of the FSR Act).
- 1.3.1 The FAIS Ombud hereby provides the explanation referred to in paragraph 1.3(c) above.

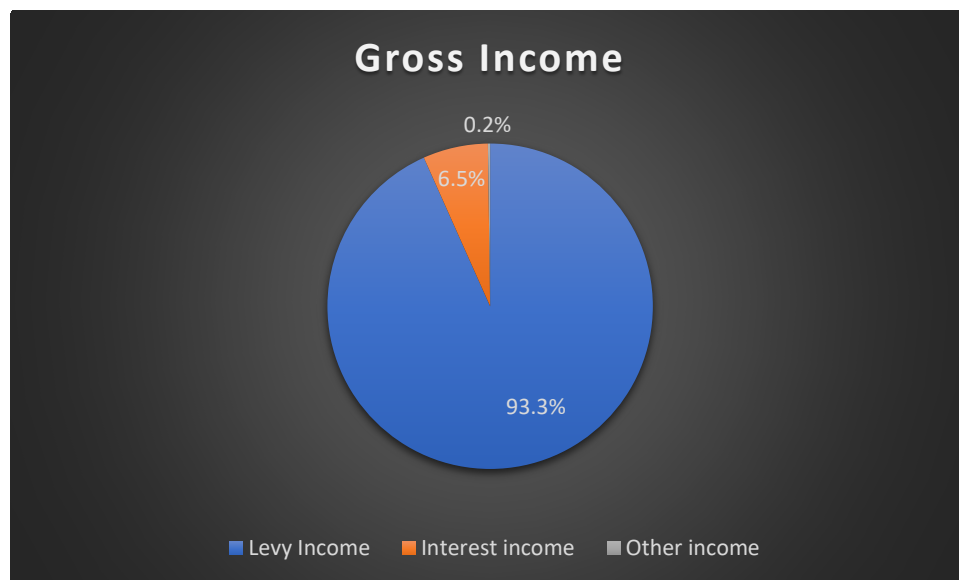
## 2. BACKGROUND

- 2.1 The Office of the FAIS Ombud (Office) was established to investigate and resolve complaints in terms of the FAIS Act and the Rules promulgated thereunder. In resolving complaints in terms of the FAIS Act and Rules, the Office acts independently and must be impartial. The Office resolves complaints through mediation or conciliation, and if these methods are not successful, then the Office will issue a determination. The determination is subject to reconsideration by the Financial Services Tribunal in terms of the FSR Act. A determination is binding and enforceable as though it were a judgment of the civil court.
- 2.2 The Office is funded through levies received from the Financial Services industry, through all the financial services providers and their key individuals registered with the Financial Sector Conduct Authority (FSCA). The Office reports to the Minister of Finance as a Schedule 3A public entity but does not receive any of its funding from the fiscus.
- 2.3 The Financial Sector and Deposit Insurance Levies Act, 2022 (Act No. 11 of 2022) (Levies Act) was assented to by the President on 6 December 2022 and commenced on 1 April 2023. The Levies Act provides for the imposition of financial sector levies on supervised entities for the funding of the FAIS Ombud. Schedule 5 to the Levies Act (Schedule 5) provides for the calculation of the financial sector levy in respect of the FAIS Ombud.

- 2.3 One of the fundamental principles set out in the National Treasury's document titled '*A Safer Financial Sector to Serve South Africa Better released by the National Treasury, 23 February 2011*', is that regulators of the financial sector should be appropriately and adequately funded to enable them to effectively execute their mandates. According to this policy document, the regulated entities should ideally fund the operational budgets of regulators in a way that eliminates conflict of interest.
- 2.4 Further, section 237(1)(b) of the FSR Act provides that –
- (b) Levies may be imposed in accordance with the FSR Act, read with the Levies Act, to fund the operations of the FAIS Ombud.
- 2.5 After the completion of the process prescribed in section 239 of the FSR Act, -
- (a) The FAIS Ombud must publish the levies that have been determined (Levy Determination) on its website in terms of section 237(2); and
- (b) The Minister of Finance (Minister)–
- (i) must amend the Schedules to give effect to the increase of the levies by the arithmetic mean of the Consumer Price Index as published by Statistics South Africa in the preceding calendar year as contemplated in section 10(4)(b) of the Levies Act; or
- (ii) may amend the Schedules to the Levies Act as contemplated in section 10(2)(a) of that Act to give effect to a proposal for levies made by the financial sector body in terms of section 239(7)(b) of the FSR Act).
- 2.7 The FAIS Ombud's budget, supported by levies, is therefore critical to ensure the FAIS Ombud is adequately funded to effectively execute its mandate.

### 3. FUNDING MODEL

- 3.1 The FAIS Ombud is funded by levies charged to the industry. The levies are a major contributor to the FAIS Ombud revenue, and as such, the costs associated with the ongoing oversight are funded primarily from the levy's income.
- 3.2 The FSCA invoices the financial services industry on behalf of the FAIS Ombud to raise sufficient levies to cover its operational requirements, and the FAIS Ombud does not, as a rule, budget for a surplus/deficit unless necessary. For the financial year 2026/27, the FAIS Ombud is budgeting for gross income of R99,072 million (Budget 2025/26: R 92,540million), operating expenditure of R95,119 million (Budget 2025/26: R90,570 million) and CAPEX of R3,953 million (Budget 2025/26: R1.970 million).
- 3.3 The gross levy budget of R92,456 million consists mainly of levies, accounting for 93% (Budget 2025/26: 94,4%) of the gross income. The levy income is charged to the financial services industry based on a levy formula (schedule 5) and invoiced by the FSCA on behalf of the FAIS Ombud annually.

**Figure: 1: Revenue budget composition**

- 3.4 The operations expenditure budget of R95,119 million (Budget 2025/26: R90,570 million) comprises staff expenditure of R58,782 million (Budget 2025/26: R55,399 million) and general expenditure of R36,337 million (Budget 2025/26: R35,171 million). Staff expenses represent approximately 62% of the total expenditure budget, which is attributable to the FAIS Ombud being a service-driven organisation with personnel costs being the main cost driver. Overall, expenditure increased by 5% on a year-on-year comparison.
- 3.5 The FAIS Ombud is proposing a **NIL (0%)** increase to the levy formula.
- (CPI – 3,5 % - July 2025 as per Stats SA)**
- 3.6 The estimated increase in the budgeted levy for the 2026/27 period is due to a prior formula adjustment and potentially an increase in the number of key individuals and their representatives registered with the FSCA compared to the 2025/26 budget. Since fees are applied on the user-pay principle, the budget is based on historical data as well as the anticipated levels of activity.
- 3.7 For detailed information on the budget and explanatory notes, refer to **Annexure B: FAIS Ombud Budget Template 2026/27**.

#### 4. LEVIES PROPOSAL

- 4.1 The levy payable by a supervised entity to the FAIS Ombud as contemplated in Part A of the Levies Act, read with Schedule 5 of that Act, in respect of the 2026/2027 levy year, is an amount equal to the sum of the amounts specified in or calculated in accordance with Table in Schedule 5, in relation to that key individual and their average number of total number of representatives and applying the formula in the corresponding line of the column "Formula" in the Table.
- 4.3 The FAIS Ombud levy proposal for the 2026/2027 financial year as per **Annexure C** illustrates the proposed **NIL** increase in the base amount for each supervised entity in the column "**Proposed Base Amount**", the proposed **NIL** change to the variable amount in the column "**Proposed Variable Amount**" and the proposed **NIL** increase in

the maximum amount applicable to each supervised as contemplated in section 4(2) and (3) of the Levies Act in the column “**Proposed Maximum**”.

- 4.4 Section 10(4)(b) of the Levies Act provides that the levies in the Schedules to that Act must be increased by the arithmetic mean of the Consumer Price Index (CPI) as published by Statistics South Africa in the preceding calendar year. Statistics South Africa and the South African Reserve Bank (SARB) published a CPI of **3,5%** for July 2025.
- 4.5 The levy variables for 2026/2027 should, therefore, in theory, automatically increase with the CPI by **3.5%**. However, based on point 4.3 above, no increases are being proposed. The Minister may, in terms of section 10(4)(b) of the Levies Act, by notice in the *Gazette*, determine that there must be no increase or an increase less than the reported CPI increase.
- 4.6 Section 10(4)(a) of the Levies Act provides that a Schedule may be amended by the Minister by notice in the *Gazette* to give effect to an increase referred to in paragraph 4.4, and does not require submission to Parliament for approval, but a copy of the notice must be tabled in Parliament for information purposes. An amended Schedule takes effect on the date of publication of the notice in the *Gazette*.

# ANNEXURE B

## FAIS OMBUD BUDGET FOR 2026/27 AND ESTIMATES OF EXPENDITURE FOR 2027/28 AND 2028/29

The FAIS Ombud, in terms of section 239(1)(a) and (c) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), hereby proposes its budget for 2026/27 and estimates of expenditure for 2027/28 and 2028/29.

### 1. INTRODUCTION

The main objective of the FAIS Ombud is to investigate and resolve complaints in terms of the FAIS Act and the Rules promulgated there under. A complaint could arise where, in the rendering of a financial service by a financial service provider or his representative, it is alleged that the financial service provider:

- has contravened the provisions of the FAIS Act and that the complainant has or is likely to suffer financial prejudice or damages.
- has acted wilfully and negligently in rendering the financial service and has caused or is likely to cause prejudice or damage to the complainant; and
- has treated the complainant unfairly.

The FAIS Ombud acts independently and must be impartial in resolving complaints in terms of the FAIS Act and Rules. The FAIS Ombud resolves complaints through mediation or conciliation, and if these methods are not successful, the FAIS Ombud will issue a determination. The determination is subject to reconsideration by the Financial Services Tribunal in terms of the FSR Act. A determination is binding and enforceable as though it were a judgment of the civil court.

Due to the dynamic environment that the FAIS Ombud operates within and the needs and requirements of the various stakeholders, more specific objectives have been highlighted.

- The need to ensure that cases are properly assessed and appropriately handled until finalisation;
- The need to inform stakeholders on the role and functions of the FAIS Ombud;
- The need to acquire appropriate skills to properly discharge the important mandate of the FAIS Ombud and to ensure that such skills are retained;
- The need to ensure that risk is adequately managed across the enterprise;
- The need to ensure proper financial functions; and
- The need to ensure that appeals/reviews of decisions of the FAIS Ombud are appropriately dealt with.

The FAIS Ombud Budget for the financial year 2026/27, as presented, was derived from the broader, longer-term Strategic Objectives of the office as set out in its Strategic Plan.

## 2 FUNDING MODEL

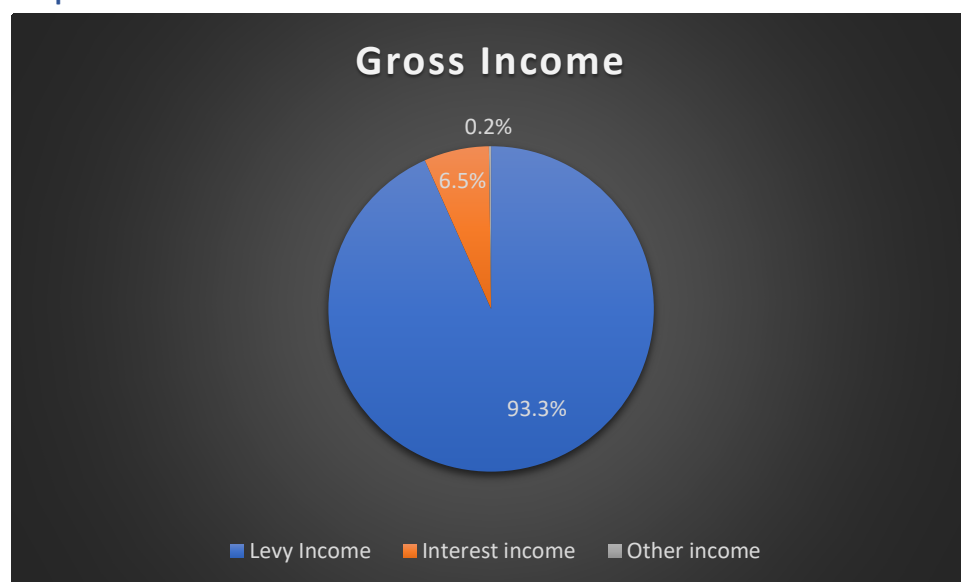
Since its inception, the Office of the FAIS Ombud (Office) has been funded by levies collected by the Financial Sector Conduct Authority (FSCA) (previously the Financial Services Board (FSB)) on behalf of the Office from the Financial Services industry. The levy applicable to the Office was previously calculated based on an approved formula per the FSB Act, which used the number of service providers and the key representatives employed by the service providers as a key indicator as the basis of the calculation. Any shortfalls in the Office's funding requirements have always been augmented by the FSCA with the approval of the then Accounting Authority.

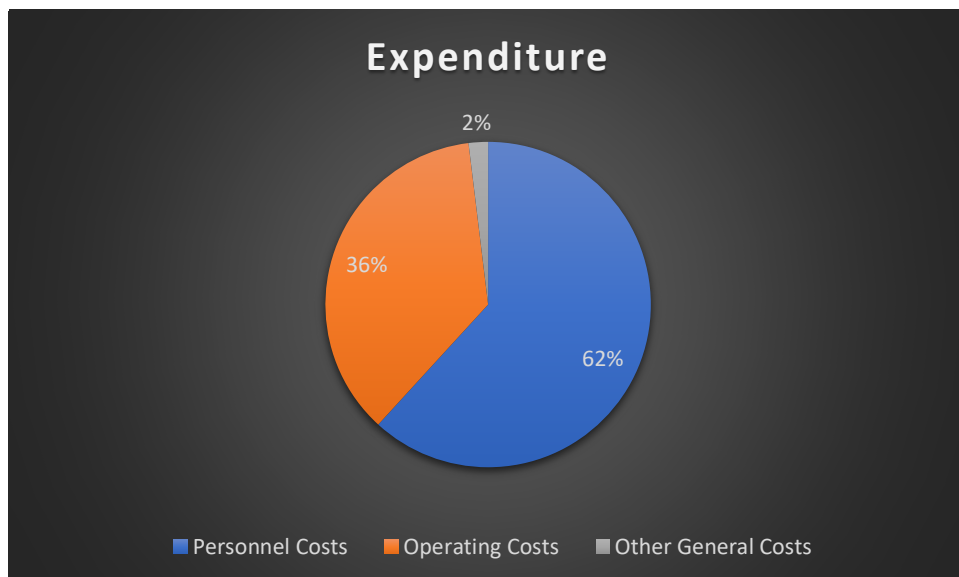
Effective 1 April 2023, the *Financial Sector and Deposit Insurance Levies Act, no.11 of 2022*(Act) *came into effect*, which results in the Office being financially independent from the FSCA. Accordingly, any shortfall in its funding requirements will no longer be bridged by the FSCA. The Office will be required to maintain its operational and capital requirements within the constraints of the levy received from industry and/or any reserves accumulated and retained from prior period operations.

For the first two years of the Act's implementation, the Office was entitled to a Special Levy equivalent to 7.5% of the estimated levy collectable in the 2023/24 and 2024/25 financial periods. However, this special levy has ended, and the Office will no longer be entitled to this additional income.

## 3 2026/27 BUDGET HIGHLIGHTS

Graph 1 – Gross Income



**Graph 2 – Expenditure Breakdown**

#### 4 2026/27 BUDGET ASSUMPTIONS

##### a. General budget assumptions applied– Economic Indicators

MTEF budgeting guidelines	Where practically possible, budgeting is aligned with MTEF guidelines in reducing costs overall.
CPI	Annual CPI inflation 3,5% (Effective July 2025 as per Stats SA and SARB).
Interest on investments	The current yield on Corporation of Public Deposits (CPD) is 7.0% (August 2025)

##### b. Staff Expenses

Cost to Employer (CTE)	Actual salaries, with a budgeted increase
Contractors	Actual cost adjusted line with contracts terms (where applicable).
Outsourcing	Specialist skills as required on ad-hoc basis by business units.
Staff Training	As budgeted by HR based on user department requirements.
UIF	Per the statutory requirement.
SETA levy	Per the statutory requirement.



**5 FAIS OMBUD BUDGET 2026/27**

Description	Notes	2027 Budget	2026 Budget	Variance	% Change
<b>Projected inflows</b>		<b>(99 072 724)</b>	<b>(92 540 090)</b>	<b>(6 532 634)</b>	<b>7%</b>
Levy Income	6.1	(92 456 724)	(87 310 110)	(5 146 614)	6%
Interest income	6.2	(6 400 000)	(5 199 980)	(1 200 020)	23%
Other income	6.3	(216 000)	(30 000)	(186 000)	620%
<b>Projected outflows</b>		<b>95 119 224</b>	<b>90 570 041</b>	<b>4 549 183</b>	<b>5%</b>
Personnel costs	7	58 782 417	55 399 428	3 382 990	6%
Committee members	8	1 012 460	783 840	228 620	29%
Communication costs	9	2 146 429	2 364 200	(217 771)	-9%
ICT Hosting, support services and maintenance	10	5 805 900	7 241 000	(1 435 100)	-20%
Operating lease - Equipment	11	101 753	110 400	(8 647)	-8%
Capacity building	12	2 947 823	1 979 355	968 468	49%
Consulting and professional fees	13	2 275 000	3 095 100	(820 100)	-26%
Subscription and membership	14	180 900	139 924	40 976	29%
Internal audit	15	850 000	885 500	(35 500)	-4%
External audit	15	2 500 000	2 340 250	159 750	7%
Depreciation and amortization	16	3 094 768	2 938 000	156 768	5%
Finance costs	17	172 800	153 600	19 200	13%
Operating costs - Office building	18	875 534	810 680	64 853	8%
Operating lease - office premises	18	5 245 510	4 856 944	388 566	8%
Rates and electricity	18	2 739 702	2 480 322	259 379	10%
Litigation	19	1 400 000	525 000	875 000	167%
Insurance	20	376 158	279 510	96 648	35%
Annual report and promotions	21	815 000	1 125 000	(310 000)	-28%
Provision for bad debt adjustment	22	1 000 000	250 000	750 000	300%
Recruitment costs	23	655 000	1 051 768	(396 768)	-38%

## BUDGET AND LEVIES PROPOSALS 2026/27

Travelling costs	24	480 500	820 000	(339 500)	-41%
Other general expenses	25	1 661 570	940 220	721 350	77%
<b>(Surplus) / Deficit CAPEX</b>		<b>(3 953 500)</b>	<b>(1 970 049)</b>	<b>(1 983 451)</b>	
<b>Less</b>					
Capital expenditure	26	3 953 500	1 970 049		
<b>(Surplus) / Deficit</b>		<b>(0)</b>	<b>(0)</b>		

## 6 REVENUE

### 6.1. Levy Income – R 92,456 million (2025/26 - R87,310 million)

Levy income is calculated based on the formula as outlined in Schedule 5, Table E of the Financial Sector Regulation Act, Act No.9 of 2017. The formula is based on the number of registered financial service providers and their key representatives. The FAIS Ombud has proposed a NIL percentage (0%) increase in the levy for the 2026/27 financial period. The increase reflected above is mainly attributable to the 4,6% increase in the 2025/26 budgeting period and potentially, the increase in the number of parties registered with the FSCA.

### 6.2. Interest Income – R6.4 million (2025/26 - R5,229 million)

Relates to the funds invested at the South African Reserve Bank as per the Treasury Instruction on surplus funds, as well as interest charged on outstanding levy debtors.

### 6.3. Other income – R0,216 million (2025/26 – R0,03 million)

Other income relates to the potential grants and other income receivable for the period under review

## 7 PERSONNEL COSTS`

Description	2027 Budget	2026 Budget	Budget Variance	% Change
Salaries and salary-related costs	58 000 243	54 678 530	3 321 713	6%
UIF	148 424	150 293	(1 869)	-1%
SETA levy	562 470	529 905	32 565	6%

## BUDGET AND LEVIES PROPOSALS 2026/27

Workmen's Compensation	71 280	40 700	30 580	75%
<b>Total</b>	<b>58 782 417</b>	<b>55 399 427</b>	<b>3 382 989</b>	<b>6%</b>

### *Salaries*

The high ratio of salaries to total expenditure is attributable to the FAIS Ombud being a service-oriented business, with personnel costs being the largest cost driver. The increase is attributable to the expected increase in salary and salary-related costs.

### *SETA Levy, UIF and Workmen's Compensation*

Statutory costs payable by the Office are aligned with its wage bill.

## 8 COMMITTEE MEMBERS

*Committee members – R1,012 million (2025/26 - R0,913 million)*

Costs related to payment of the committee members that have been appointed to the Audit and Risk Committee and Human Resources and Remuneration Committees to ensure effective good corporate governance by the Office.

## 9 COMMUNICATION COSTS

*Communication costs – R2,146 million (2025/26 - R 2,364 million)*

Relates to the costs, mainly contractual, that are ICT related associated with telephone, email, and internet, which is essential for the operations of the office to achieve its mandate.

## 10 ICT SOFTWARE, MAINTENANCE AND SUPPORT

*Computer maintenance and support – R5,804 million (2025/26 - R7,232 million)*

Consists of the costs associated with the services required to ensure that the ICT environment, including computer software and computer hardware, is maintained optimally to ensure no disruption in service delivery. The costs also include the costs of service providers providing ICT security needs, as well as the applicable licensing of the software utilised by the various departments within the Office.

## 11 OPERATING LEASES – PRINTERS

*Operating Leases - Printers – R0,101 million (2025/26 - R0,110 million)*

Contractual costs to be incurred for the lease of the Office printers.

## 12 CAPACITY BUILDING

*Capacity building – R2,776 million (2025/26 - R1,979 million)*

The Office encourages staff to keep abreast with developments within their fields of expertise and to address identified gaps in individual staff performance through relevant training. Departments are required to submit their training requirements in accordance with the personal development plans of employees. The training needs are aligned with the office's strategic objectives in achieving its mandate.

Also included are the costs of staff attendance at seminars and conferences aligned to the Office's requirements to ensure that the staff are up to date with the relevant changes to the industry and environment.

## 13 CONSULTING AND PROFESSIONAL FEES

*Consulting and professional fees – R 2,275 million (2025/ 26 - R3,189 million)*

The expenses to be incurred relate mainly to the services required for the support to the ICT department and include the following:

- Disaster Recovery
- ICT Advisory services

The remainder of the amount budgeted has been allocated amongst other services required by the various departments:

- Labour law updates
- Annual Fraud Perception surveys

- B-BBEE Verification services
- HR Advisory Support services
- Etc.

#### **14 SUBSCRIPTIONS AND MEMBERSHIPS**

*Subscriptions and Memberships – R0.180 million (2025/26 - R0,140 million)*

The Office pays the professional membership fees of employees belonging to recognised professional bodies that contribute to the Office's mandate.

#### **15 EXTERNAL AND INTERNAL AUDIT**

*External and Internal Audit – R3.350 million (2025 /26 - R3,225 million)*

Relate to the costs to be incurred for the mandatory external audit. It is envisaged that there will be an increase due to the additional ICT audit to be conducted. Similar with the internal audits, additional audits are envisaged to take place based on the three-year rolling plan.

#### **16 DEPRECIATION AND AMORTISATION**

*Depreciation and Amortisation – R3,094 million (2025/ 26 - R2,938 million)*

The depreciation budget includes the depreciation and amortisation charge for existing assets and the projected depreciation and amortisation charge for acquisition assets and intangible assets, as detailed in the capital expenditure budget on note 26 of this document.

#### **17 FINANCE COSTS**

*Finance Costs – R0,172 million (2025/ 26 - R0,154 million)*

Estimated Interest costs to be incurred on future and existing finance lease arrangements entered into by the Office.

#### **18 OPERATING LEASE (OFFICE PREMISES); ELECTRICITY AND RATES AND TAXES; OPERATING COSTS (OFFICE PREMISES)**

*Operating lease (Premises); Electricity and Rates and Taxes; Operating Costs (Office premises) – R8,859 million (2025/26 - R 8,147 million)*

The increase relates to the rental of the office premises, which incorporates the above costs. The budgeted costs of the rental have been aligned to the contractual obligations of the office, whilst the electricity costs have been budgeted for considering the effects of loadshedding and/or load reduction initiatives.

## **19 LITIGATION COSTS**

*Litigation Costs – R1,4 million (2025/26 - R0,525 million)*

The costs are attributable to the Office's decision not to pursue matters in the High Court of South Africa. The budgeted costs relate to the finalization of certain legal matters and/or any HR-related matters.

## **20 INSURANCE**

*Insurance – Short term – R0,280 million (2024/25 - R0,254 million)*

The costs relate to insurance for the Office's short-term needs and coverage for cybersecurity risks and attacks.

## **21 ANNUAL REPORT AND PROMOTIONS**

*Annual Report and Promotions– R0,815 million (2025/26 - R1,125 million)*

Costs to be incurred for the consumer awareness drives, which are planned to create awareness with respect to the Office in the various provinces, and to also attend the various consumer awareness drives that the Office has been invited to by other entities. Annual reports' costs relate to the expenditure to be incurred for the publication and distribution of the annual report to the relevant stakeholders.

## **22 PROVISION FOR DOUBTFUL DEBT**

*Irrecoverable debt R1 million (2025/26 - R0,250 million)*

Adjustment to the provision in relation to the collectability of the outstanding debt, which may eventually need to be written off.

## **23 RECRUITMENT AND ADVERTISING**

*Recruitment and Advertising– R0,655 million (2025/26 - R 1,051 million)*

The Office has undertaken to prioritise the recruitment of staff to fill vacancies to achieve its mandate and to improve on achieving its KPIs.

Further, the Office has embarked on an advertising drive to create awareness of the Office in provinces outside of Gauteng.

## 24 TRAVEL COSTS

*Travel (Local and Foreign) – R0,480 million (2025/26 - R0,820 million)*

The local travel budget includes cost estimations for local travel and accommodation for onsite visits and attendance of local seminars, conferences, training and meetings. Foreign travel relates to the attendance of the INFO conference and other Ombud conferences abroad by the Ombud.

## 25 OTHER GENERAL COSTS

Description	Notes	2027 Budget	2026 Budget	Budget Variance	% Change
Tender Costs	25.1	10 000	50 000	(40 000)	-80%
Postage and couriers	25.2	4 000	4 000	-	0%
Security Cost	25.3	14 400	23 100	(8 700)	-38%
Internal and external stakeholder costs	25.4	44 300	41 500	2 800	7%
Office Consumables	25.5	86 400	138 000	(51 600)	-37%
Bank charges	25.6	50 000	74 750	(24 750)	-33%
Library costs	25.7	50 000	-	50 000	100%
Strategic Planning & Workshops		-	120 000	(120 000)	-100%
Maintenance Office and consumables	25.8	454 000	165 000	289 000	175%
Stationery	25.9	72 000	89 700	(17 700)	-20%
Casual Workers	25.10	582 000	-	582 000	100%
Relief staff	25.11	100 000	100 000	-	0%
Offsite Storage	25.12	93 170	93 170	(0)	0%
Pool car maintenance and fuel	25.13	101 300	41 000	60 300	147%
		<b>1 661 570</b>	<b>940 220</b>	<b>721 350</b>	

25.1 *Tender costs – R0,01 million (2025/26 – R0,05 million)*

## BUDGET AND LEVIES PROPOSALS 2026/27

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Tender costs relate to the expected costs to be incurred for procurements through the tender process.

**25.2 Postage costs – R0,004 million (2025/26 - R0,004 million)**

Anticipated costs related to the mailing and distribution of official documentation.

**25.3 Security Costs – R0.014 million (2025/26 -R 0,023 million)**

Costs expected to be incurred for the security needs for the protection of the Office premises.

**25.4 Internal and external stakeholder costs – R0,044 million (2025/26 -R0,042 million)**

Costs associated with hosting meetings and costs related to the well-being of the staff.

**25.5 Consumables – R0,086 million (2025/26 - R 0,138 million)**

Relates to the costs associated with the daily operations of the Office and includes refreshments, cleaning, disinfection and beautification of the office premises.

**25.6 Bank charges – R0,05 million (2025/26- R0,074 million)**

The estimated costs of fees to be charged by the bank.

**25.7 Library cost – R0,050 million (2025/26 – RNIL)**

Costs associated with the subscriptions for knowledge and skills updates.

**25.8 Office maintenance – R0,454 million (2025/26R0,165 million)**

Contractual costs associated with the maintenance of the office.

**25.9 Stationery – R0,072 million (2025/26 - R0,09 million)**

Estimated costs for the stationery for the year.

**25.10 Casual Staff – R0,582 million (2025/26 - NIL)**



## BUDGET AND LEVIES PROPOSALS 2026/27

Cost estimates for the acquisition of a contract employee needed to assist in the Finance Department.

### 25.11 Relief Staff – R0,100 million (2025/26 – R0,100 million)

Relief staff are utilised in positions when the need for temporary resources arise.

### 25.12 Offsite storage– R0,093 million (2025/26 p- R0,093 million)

Offsite storage is utilised by the Office for the purposes of archiving purposes in terms of the respective legislative requirements

### 25.13 Pool car maintenance and fuel – R0,101 million (2025/26 – R0,041 million)

The cost estimates include maintaining the Office vehicle and fuel costs for attending various consumer awareness drives.

## 26 CAPITAL EXPENDITURE BUDGET (CAPEX)

	2026/27	2025/26
Computer software and hardware	2 940 000	700 000
Office equipment and furniture	13 500	35 000
Website	250 000	1 235 049
Leasehold improvements	750 000	-
<b>TOTAL</b>	<b>3 953 500</b>	<b>1 970 049</b>

It is anticipated that the office will incur the above investment in capital items for the financial period to ensure that up-to-date tools are available to the staff to carry out their functions efficiently and effectively.

**27 PROJECTED ESTIMATES OF EXPENDITURE FOR 2027/28 AND 2028/29**

	Projections 2027/28	Projections 2028/29
	R'000	R'000
<b>Revenue</b>		
Levy Income	94 889	99 150
Interest income	5 500	5 522
<b>Expenses</b>		
Staff costs	-60 234	-62 938
Depreciation, amortization, and impairments	-3 690	-3 691
General expenses	-36 312	-37 889
Finance costs	-154	-154
<b>Operating Budget Surplus / (Deficit)</b>	-	-

The above expenditure has been projected with respect to the future financial periods 2026/27 and 2027/28. The projections were aligned to the recommendations of National Treasury.

# ANNEXURE C

## LEVIES PROPOSAL IN TERMS OF SECTION 239(1)(b) OF THE FINANCIAL SECTOR REGULATION ACT

The Financial Sector Conduct Authority on behalf of the FAIS Ombud, in terms of section 239(1)(b) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017), hereby proposes levies as reflected below in the form of proposed amendments to Schedule 5 of the Financial Sector and Deposit Insurance Levies Act, 2022 (Act No. 11 of 2022).

### SCHEDULE 5

#### FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN RESPECT OF STATUTORY OMBUDS

(Section 4(1)(a))

#### Application

Table E must be applied to calculate the levy payable by a supervised entity that is—

- (a) pension fund; or
- (b) financial services provider.

**TABLE E**

#### Office of the Ombud for Financial Services Providers (FAIS Ombud)

Statutory Ombud Scheme	Type of supervised entity	Number of payments per levy year	Base Amount (Rands)	Proposed Base Amount (Rands)	% Change	Variable Amount(s) (Rands)	Proposed Variable Amount (s) (Rands)	% Change	Description of Variable	Formula	Maximum (Rands)	Propose Maximum (Rands)	% Change
Office of the Ombud for Financial Services Providers	Financial Services Provider	One	R1100	R1100	0%	AA x 722 AA = W - BB	AA x 722 AA = W - BB	0%	W = Average total number of key individuals plus average total number of representatives, calculated over the period 1 September of the pre- ceding levy year to 31 August of the levy year  BB = Average total number of key individuals that are also appointed as representatives, calculated over the period 1 September of the pre- ceding levy year to 31 August of the levy year	Levy = Base Amount + Variable Amount	R333 275	R333 275	0%

**Alleviation of double levy payment in respect of clearing house**

A clearing house that is approved in terms of section 110(6) of the Financial Markets Act to perform the functions of a central counterparty or a licensed independent clearing house that is also licensed as a central counterparty is liable to pay the levy applicable to a central counterparty but is not liable to pay the levy applicable to an associated clearing house or an independent clearing house.

**Levy payment in respect of reinsurer**

A reinsurer that is licensed under the Insurance Act to conduct both life insurance business and non-life insurance business must be levied separately for its life insurance business and non-life insurance business