



FAIS NOTICE 122 OF 2017

FINANCIAL SERVICES BOARD

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002
(ACT NO. 37 OF 2002)

**EXEMPTION OF PARTICULAR FSPs FROM SECTION 13
OF THE GENERAL CODE OF CONDUCT**

I, Caroline Dey da Silva, Deputy Registrar of Financial Services Providers, under section 44(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), hereby exempt particular FSPs from section 13 of the General Code of Conduct, to the extent and subject to the conditions set out in the Schedule.



CD da Silva,
Deputy Registrar of Financial Services Providers

SCHEDULE

**EXEMPTION OF PARTICULAR FSPs FROM SECTION 13
OF THE GENERAL CODE OF CONDUCT**

Definitions

1. In this Schedule, **“the Act”** means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), any word or expression to which a meaning is assigned in the Act shall have that meaning, and unless the context otherwise indicates -

“General Code of Conduct” means the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003;

“insurer” means a person registered as a short-term insurer as contemplated in the Short-term Insurance Act, 1998 (Act No. 53 of 1998), or a long-term insurer as contemplated in the Long-term Insurance Act, 1998 (Act No. 52 of 1998);

“particular FSP” means a Category I or Category IV authorised financial services provider that is also an underwriting manager and that only renders specific financial services;

“Regulations under the Long-term Insurance Act” means the Regulations under the Long-term Insurance Act, 1998 (Act No. 52 of 1998), published under Government Notice R1492 in Government Gazette No 19495 of 27 November 1998, as amended;

“Regulations under the Short-term Insurance Act” means the Regulations under the Short-term Insurance Act, 1998 (Act No. 53 of 1998), published under Government Notice R1493 in Government Gazette No 19495 of 27 November 1998, as amended;

“specific financial services” means the financial services contemplated in paragraphs (a) and (b) of the definition of ‘underwriting manager’ in regulation 6.1 of the Regulations under the Long-term Insurance Act or the Regulations under the Short-term Insurance Act, respectively;

“underwriting manager” has the meaning assigned to it in regulation 6.1 of the Regulations under the Long-term Insurance Act or regulation 6.1 of the Regulations under the Short-term Insurance Act.

Extent of exemption, duration and conditions

2. (1) A particular FSP is exempted from section 13 of the General Code of Conduct when rendering specific financial services only and subject to the conditions that it must –
 - (a) at all times have a written mandate from the relevant insurer to render the specific financial services on behalf of that insurer;
 - (b) annually obtain written confirmation from the insurers referred to in (a) that -
 - (aa) the insurers accept responsibility for the activities of the particular FSP; and
 - (bb) the mandate referred to in (ii) is in force and effect and the period for which it is and will remain in force and effect;
 - (c) annually submit the confirmation referred to in (b) to the Registrar simultaneously with its financial statements; and
 - (d) comply with sections 5(g) and 15(6) of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003, insofar it relates to the disclosure of the exemption referred to this paragraph.
- (2) Failure by a particular FSP to comply with any condition referred to in subparagraph (1) will result in the exemption not being applicable to that particular FSP.
- (3) The exemption expires on 31 December 2019.

Amendment and withdrawal of exemption and conditions

3. The exemption and conditions referred to in paragraph 2 are subject to-
 - (a) amendment thereof published by the Registrar by notice on the official web site of the Financial Services Board; and
 - (b) withdrawal in a like manner.

Short title and commencement

4. This Exemption is called the Exemption of Particular FSPs from section 13 of the General Code of Conduct, 2017, and comes into effect on 1 October 2017.

DATE OF NOTICE: 21 September 2017