



FSCA FAIS Notice 23 of 2024

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

EXEMPTION OF LIBERUM CAPITAL LIMITED IN RESPECT OF CERTAIN CLIENTS, 2024

The Financial Sector Conduct Authority, under section 44(4) of the Financial Advisory and Intermediary Services Act, 2002 (“the Act”), read with section 281(3)(b) of the Financial Sector Regulation Act, 2017, hereby exempts Liberum Capital Limited to the extent and subject to the conditions set out in the Schedule.

**HANNELIE HATTINGH
SENIOR MANAGER: REGULATORY FRAMEWORKS
FINANCIAL SECTOR CONDUCT AUTHORITY**

Date of publication: 19 March 2024

SCHEDULE

EXEMPTION OF LIBERUM CAPITAL LIMITED IN RESPECT OF CERTAIN CLIENTS, 2024

1. Definitions

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 –

“**bank**” means a ‘branch’, ‘branch of a bank’, ‘mutual bank’ or ‘representative office’ as defined in section 1(1) of the Banks Act, 1994 (Act No. 94 of 1994);

“**Category II, IIA, III and IV financial services**” has the meaning assigned to it in the Fit and Proper Requirements determined by the Authority under section 6A of the Act;

“**client**”, in relation to Liberum means -

- (a) a bank;
- (b) a financial services provider who is a -
 - (i) registered or licensed insurer as defined in the Long-term Insurance Act, 1998 (Act No. 52 of 1998); and/or
 - (ii) registered or licensed insurer as defined in the Short-term Insurance Act, 1998 (Act No. 53 of 1998);
- (c) a person outside the Republic of South Africa who -
 - (i) as a regular feature of the person’s business, renders a service similar to a ‘financial service’ as defined in section 1(1) of the Act; and
 - (ii) is registered, licensed, recognised, approved or otherwise authorised to conduct the business of a bank or the business of a long-term and/or short-term insurer, by a foreign regulator with functions similar to those of the Prudential Authority;
- (d) a central bank or other national monetary authority of any country, state or territory;
- (e) any person who is mandated to manage assets and who has confirmed to the satisfaction of Liberum that the market value of the assets managed by the person will exceed R1 billion at all times of the rendering of financial services to the person;
- (f) any other person included in the definition of ‘client’ in section 1(1) of the Act, who has confirmed to the satisfaction of Liberum that the person will have assets of which the net asset value will exceed R20 million at all times of the rendering of financial services to the person, and who is not -
 - (i) a natural person;
 - (ii) a pension fund organisation as defined in section 1(1) of the Pension Funds Act, 1956 (Act No. 24 of 1956);
 - (iii) a friendly society referred to in the Friendly Societies Act, 1956 (Act No. 25 of 1956); or
 - (iv) a medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (Act No. 131 of 1998);

“**Fit and Proper Requirements**” means the Determination of Fit and Proper Requirements for Financial Services Providers, 2017, published in Board Notice 194 of 2017 in Government Gazette No. 41321 on 15 December 2017; and

“**Liberum**” means Liberum Capital Limited, that renders a financial service, other than Category II, IIA, III or IV financial services, to a client as a regular feature of its business;

“**Prudential Authority**” means the Prudential Authority as defined in section 1(1) of the FSR Act.

2. Extent of exemption and conditions

- (1) Liberum is exempted from section 7(1) of the Act when rendering financial services to a client, subject to the conditions that it must -
 - (a) maintain suitable guarantees, professional indemnity or fidelity insurance cover and must semi-annually submit proof of such guarantees and/or insurance cover to the Authority; and
 - (b) prior to the rendering of any financial services to a client, inform the client that it is exempted from the Act.
- (2) The exemption automatically lapses upon Liberum’s failure to comply with any condition referred to in subparagraph (1).
- (3) This exemption shall, subject to paragraph 3, be valid until **30 June 2025**.

3. Amendment and withdrawal of exemption and conditions

The exemption and conditions referred to in paragraph 2 are subject to -

- (a) amendment thereof, published by the Authority by notice on its website; and
- (b) withdrawal in like manner.

4. Short title and commencement

This Exemption is called the Exemption of Liberum Capital Limited in respect of Certain Clients, 2024, and comes into effect on date of publication.