



## **FSCA FAIS Notice 24 of 2022**

### **FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002**

#### **EXEMPTION OF GL INSURANCE BROKERS CC, 2022**

The Financial Sector Conduct Authority hereby, 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, exempts GL Insurance Brokers CC to the extent and subject to the conditions set out in the Schedule.

**KS Dikokwe**  
**Divisional Executive: Conduct of Business Supervision**  
**Financial Sector Conduct Authority**

**Date of publication: 7 March 2022**

## SCHEDULE

### EXEMPTION OF GL INSURANCE BROKERS CC, 2022

#### 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-

“**Authority**” means the Financial Sector Conduct Authority as defined in section 1(1) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017);

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

“**GL Insurance**” means GL Insurance Brokers CC (FSP 16147);

“**insurer**” means a short-term insurer as defined in section 1 of the Short-term Insurance Act;

“**policyholder**” has the meaning ascribed to it in section 1 of the Short-term Insurance Act,

“**Short-term Insurance Act**” means the Short-term Insurance Act, 1998 (Act No. 53 of 1998);

“**short-term policy**” has the meaning ascribed to it in section 1 of the Short-term Insurance Act; and

“**specific financial service**” means any act other than the furnishing of advice, performed by a person for or on behalf of an insurer with a view to collect, account, receive or holding of premiums in respect of a long-term policy or short-term policy issued by that insurer.

#### 2. Extent, conditions and duration of exemption

- (1) GL Insurance is exempted from section 10(1)(d) of the General Code when rendering a specific financial service, subject to the conditions that -
  - (a) GL Insurance at all times have a written mandate from each insurer on whose behalf it is rendering a specific financial service;
  - (b) the written mandate referred to in item (a) provides, amongst other things, that –
    - (i) the insurer accepts responsibility for the activities of GL Insurance, insofar as it relates to the specific financial service rendered by GL Insurance on behalf of the insurer;
    - (ii) that any payment of a premium to GL Insurance shall be deemed to be payment to the insurer;

- (iii) any failure by GL Insurance to pay a premium on behalf of a policyholder to the insurer will promptly be communicated to the policyholder, and in terms of–
  - (aa) short-term policies, the policyholder will be provided with a reasonable opportunity to make arrangements to pay the outstanding premium before the short-term policy is terminated for non-payment of premium;
- (c) GL Insurance obtains, on an annual basis, written confirmation from each insurer referred to in item (a) that –
  - (i) the mandate referred to in item (a) is in force;
  - (ii) the insurer is satisfied and able to demonstrate that the delegation of the specific financial service to GL Insurance does not –
    - (aa) materially increase the risk to the insurer or policyholders of the insurer;
    - (bb) materially impair the quality of the governance framework of the insurer, including the insurer’s ability to manage its risks and meet its legal and regulatory obligations;
    - (cc) impair the ability of the relevant regulators to monitor the insurer’s compliance with the regulatory obligations; and
    - (dd) compromise the fair treatment of or continuous and satisfactory service to policyholders;
  - (iii) the insurer has monitored, managed and regularly reviewed the level and standard of the specific financial service rendered by GL Insurance on the insurer’s behalf, as well as GL Insurance’s performance under and compliance with the written mandate to render the specific financial service;
- (d) GL Insurance annually submit the written confirmation referred to in item (c) to the Authority simultaneously with its financial statements;
- (e) GL Insurance promptly advise the Authority of any change in circumstances that may have an impact on this exemption;
- (f) GL Insurance does not become the subject of a decision or order as contemplated in section 9 of the Act and section 167 of the FSR Act whereby-
  - (i) its license is suspended or withdrawn (either provisionally or finally); and/or
  - (ii) an administrative penalty is imposed on it;
- (g) GL Insurance comply with section 5(g) and, where applicable, section 15(6) of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003; and

(h) GL Insurance comply with section 4(4) of the Financial Institution (Protection of Funds) Act, 2001 (Act No 28 of 2001).

(2) The exemption automatically lapses upon GL Insurance's failure to comply with any condition referred to in subparagraph (1).

(3) This exemption shall, subject to paragraph 3, be valid until **31 July 2022**.

### **3. Amendment and withdrawal of exemption**

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

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

### **4. Short title and commencement**

This Exemption is called the Exemption of GL Insurance Brokers CC, 2022, and comes into operation on date of publication.