FSCA

Financial Sector
Conduct Authority

FSCA FAIS Notice 32 of 2018

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

COMPLIANCE REPORT FOR A CATEGORY I FINANCIAL SERVICES PROVIDER WITH A COMPLIANCE OFFICER, 2018

In terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 ("the Act"), I, Caroline Dey da Silva, for the Financial Sector Conduct Authority ("the Authority"), determine the manner in which the compliance report for a Category I Financial Services Provider with a compliance officer must be submitted, and the matters which the report must have regard to.

(a) A written report for the reporting period must be submitted to the Authority by **15 September 2018** by either completing the attached schedule, or by electronically completing the schedule on the web site of the Authority (www.fsca.co.za).

(b) No answers may be provided in columns that are shaded in grey in the schedule.

(c) In this Notice, unless the context indicates otherwise –

(i) any word or expression shall have the meaning that it was assigned in the Act;

(ii) **"Determination of Fit and Proper Requirements"** means the Determination of Fit and Proper Requirements for Financial Services Providers, 2017;

(iii) **"Forex Investment Business Code of Conduct"** means the Code of Conduct for Authorised Financial Services Providers, and their Representatives, involved in Forex Investment Business, 2004;

(iv) **"FSP", "financial services provider" or "provider"** means an authorised Category I FSP and includes, where applicable, any representative of such provider; excluding a category I FSP that renders financial services in respect of financial products belonging to long-term insurance sub-category A and/or friendly society benefits only;

(v) **"General Code of Conduct"** or **"General Code"** means the Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003;

(vi) **"key individual"** means a key individual as defined in section 1(1) of the Act, and a sole proprietor as defined in section 1 of the Fit and Proper Requirements, 2017;

(vii) **"Regulations"** means the Financial Advisory and Intermediary Services Regulations, 2003;

(viii) **"reporting date"** means 31 May 2018;

(ix) **"reporting period"** means the latest of-

(aa) the date of authorisation as financial services provider in terms of section 8 of the Act;

(bb) the first day of the month following the reporting period for the previous compliance report submitted; or

(cc) the date of appointment of the compliance officer of the FSP;

until the reporting date.

This Determination is called the Compliance Report for Category I FSPs with a Compliance Officer, 2018, and comes into operation on 2 July 2018.

CD DA SILVA
For the Financial Sector Conduct Authority

DATE OF NOTICE: 28 JUNE 2018

SCHEDULE

Compliance Report for Category I FSPs with a compliance officer for the reporting period ended 31 May 2018

Scope

In accordance with section 17(4) of the Act, I/we ……………………………………………………………… (the approved compliance officer(s) of the FSP hereby report as follows as regards compliance with the Act by………………………………………………… ………………. (full name of the FSP and the FSP Number) and any representatives of the FSP, for the reporting period ……………………… (date reporting period started) to 31 May 2018.

		Column			
Question		**1**	**2**	**3**	**4**
		Yes	**No**	**Not applicable**	**Note No. Comment/ Annexure**
	SECTION 1 – GENERAL				
1	**Conditions and restrictions by Registrar** *Sections 7 and 8(4)(a) of the Act*				
1.1	Does the FSP have procedures in place to ensure that it can comply with condition 1 of the licensing conditions requiring the FSP to update its business information as provided during the application stage within 15 days of any change occurring?				
1.2	Is the FSP regulated in terms of any other law (within or outside South Africa)? (Please note that this does not include membership of professional bodies.)				
1.3	*If the answer to Question 1.2 is YES -*				

		Column			
Question		**1**	**2**	**3**	**4**
		Yes	**No**	**Not applicable**	**Note No. Comment/ Annexure**
	Provide details of the Regulator (Name of Regulator and registration and licensing number/s with the Regulator, if applicable) in a separate annexure and indicate the annexure number in column 4.				
1.4	Does the FSP render any service for or on behalf of a client in respect of any investment in a product that is not defined as a financial product?				
1.4.1	***If the answer to Question 1.4 is YES – Questions 1.4.1.1 to 1.4.1.3 must be answered***				
1.4.1.1	Provide details of the services on any products concerned in a separate annexure and indicate the annexure number in column 4.				
1.4.1.2	Does the FSP disclose in writing to clients that these financial products are not regulated in terms of the FAIS Act?				
1.4.1.3	Does the FSP conduct due diligence on these products and on the product suppliers who offer or issue them before providing any service to clients?				
1.5	**Financial products in respect of which FSP renders financial services** *Authorisation in terms of licence of FSP*				
1.5.1	Does the FSP have procedures in place to ensure that the rendering of financial services is done within the limitation on categories and subcategories for which the licence was issued?				
1.5.2	Did any non-compliance occur in respect of the limitation on categories and subcategories during the reporting period?				
1.5.3	*If the answer to Question 1.5.2 is YES*, did you report the irregularity in terms of section 17(1)(c) of the Act?				
1.5.3.1	*If the answer to Question 1.5.3 is NO-* Provide full details of non-compliance as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure. Indicate the annexure number in column 4.				
1.6	***Does the FSP act in any of the following capacities:***				

		Column			
Question		1	2	3	4
		Yes	**No**	**Not applicable**	**Note No. Comment/ Annexure**
1.6.1	Short-term insurance underwriting manager				
1.6.2	Pension fund administrator in terms of section 13B of the Pension Funds Act, 1956?				
1.6.3	Asset consultant (advisor) to a pension fund				
1.6.4	Promoter of unlisted shares and debentures (property syndicator)				
1.6.5	Licensed credit provider in terms of the National Credit Act, 2005?				
1.6.6	Manage investment deposit accounts and / or interest bearing deposit accounts on behalf of clients' e.g. corporate saver accounts or cash management accounts?				
1.6.6.1	*If the answer to question 1.6.6 is YES –* Were all transactions concluded based upon instructions from clients in whose names accounts are held?				
1.6.7	Does the FSP render financial services to a private equity fund?				
1.6.8	Does the FSP have third party named portfolios (white label) agreements in place with managers of collective investment schemes?				
1.6.9	Corporate financier				
1.6.10	Authorised user as defined in the Financial Markets Act, No. 19 of 2012				
1.6.11	Bank as defined in the Banks Act, 1990				
1.6.12	Long-term insurer as defined in the Long-term Insurance Act, 1998				
1.6.13	Short-term insurer as defined in the Short-term Insurance Act, 1998				
1.6.14	Collective investment scheme manager as defined in the Collective Investment Schemes Control Act, 2002				
1.6.15	Motor dealership				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
1.6.16	Retail store				
1.6.17	Accounting or auditing services				
2	**Group structure**				
2.1	Does the FSP form part of a group of companies? If YES, provide full details in an organogram, which reflects the relationships, outsourcing/insourcing and delegation of authority between the entities. Indicate the annexure number in column 4.				
3	**Key individuals** *Sections 8(1)(1A) of the Act*				
3.1.1	Did the Key Individual comply with all the applicable requirements as contained in the Determination of Fit and Proper Requirements for Financial Services Providers, 2008 during the period **01 June 2017 to 31 March 2018?**				
3.1.2	*If the answer to Question 3.1.1 is NO -* Provide full details in a separate annexure and indicate the annexure number in column 4.				
3.2	Have all persons involved in a managing/overseeing function in relation to the rendering of financial services of the FSP, been approved as key individuals?				
3.3	In a separate annexure, provide information on the structure with regard to key individuals of the FSP (e.g. their position in the organisation, and where they are situated). Indicate the annexure number in column 4.				
3.4	Does the FSP have procedures in place to ensure that it complies with section 8(4)(b) of the Act in the case of replacement of key individuals?				
3.5	**Fit and Proper Requirements for key individuals** *Determination of Fit and Proper Requirements for the period **01 April 2018 to 31 May 2018***				
3.5.1	Did any changes occur in the personal circumstances of any key individual during the reporting period that adversely affected the fitness and propriety of the person, as set out				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	in Chapter 2 of the Determination of Fit and Proper Requirements?				
3.5.2	*If the answer to Question 3.5.1 is YES -* Provide full details in a separate annexure and indicate the annexure number in column 4.				
3.5.3	Does the key individual have the operational ability to fulfill the responsibilities imposed by the Act on FSPs, including (where applicable) oversight of the financial services rendered by the representative of the FSP?				
4	**Operational ability and financial soundness**				
4.1.1	Did the FSP comply with the operational ability and financial soundness requirements in Parts VIII and IX of the Determination of Fit and Proper Requirements, 2008 for the period **01 June 2017 to 31 March 2018**?				
4.1.2	*If the answer to Question 4.1.1 is NO -* Provide full details in a separate annexure and indicate the annexure number in column 4.				
4.2	**Operational ability and financial soundness** *Chapter 5 and 6 of Determination of Fit and Proper Requirements for the period **01 April 2018 to 31 May 2018 and section 19 of the Act***				
4.2.1	Did the FSP comply with the solvency requirements as required in terms of part Chapter 6 of the Determination of Fit and Proper Requirements at all times during the reporting period?				
4.2.2	Does the FSP maintain monthly accounting records in terms of section 19 of the Act?				
4.2.3	Does the FSP have internal controls and procedures in place to ensure that the operational ability requirements as described in section 36(1) of the Determination of Fit and Proper Requirements are complied with?				
4.3.1	*If the answer to question 4.3 is NO -* In a separate annexure, indicate the steps that will be taken to ensure that the relevant controls and procedures are implemented. Indicate the annexure number in column 4.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	SECTION 2 – GENERAL CODE OF CONDUCT				
5	**General Code of Conduct**				
5.1	**General provisions** *Sections 3 and 3A of General Code of Conduct*				
5.1.1	Has the FSP adopted, maintained and implemented a conflict of interest management policy as contemplated in section 3A(2)*(a)* of the General Code?				
5.1.2	Are the employees, representatives and, where appropriate, clients and associates aware of the conflict of interest management policy?				
5.1.3	Has appropriate training and educational material been provided to the employees, representatives and, where appropriate, associates?				
5.1.4	If applicable, did the FSP and any representative of the FSP disclose to clients in writing any conflict of interest in respect of the client?				
5.1.5	Does the FSP have procedures and internal controls in place to ensure that it does not disclose any confidential information acquired from clients without obtaining written consent from the clients, unless it is required in terms of any other legislation?				
6	**Insurance cover** *Sections 5(e) and 13 of General Code of Conduct and Board Notice 123 of 2009*				
6.1	Does the FSP have professional indemnity cover? If yes, the Statistical Information Sheet (Section 8) must be completed.				
6.1.1	*If the answer to Question 6.1 is YES –* Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
6.2	Does the FSP have fidelity insurance cover? If yes, the Statistical information Sheet (Section 8) must be completed.				
6.2.1	*If the answer to Question 6.2 is YES –* Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.				
6.3	Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct and section 3 of Board Notice 123 of 2009? If yes, the Statistical Information Sheet (Section 8) must be completed.				
6.3.1	*If the answer to Question 6.3 is YES –* Attach a copy of the guarantees in a separate annexure and indicate the annexure number in column 4.				
6.4	Does the FSP disclose to clients in terms of section 5(e) of the General Code of Conduct whether it holds guarantees or professional indemnity or fidelity insurance cover?				
6.5	Did the FSP have any claims against the FSP's professional indemnity cover, fidelity insurance cover or guarantees during the reporting period that were as a result of financial services rendered? If yes, the Statistical Information Sheet (Section 8) must be completed				
7	**Disclosure requirements** *Sections 4, 5 and 7 of General Code of Conduct*				
7.1	Does the FSP have procedures in place to ensure that the disclosure documentation complies with sections 4, 5 and 7 of the General Code of Conduct?				
8	**Direct marketing** *Section 15 of General Code of Conduct*				
8.1	Does the FSP act as a direct marketer as defined in Section 1 of the General Code of Conduct?				
8.2	***If the answer to Question 8.1 is YES* – questions 8.2.1 to 8.2.3 must be answered**				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
8.2.1	Does the FSP have recording systems in place to record all telephonic conversations with the clients in the course of direct marketing?				
8.2.2	Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?				
8.2.3	Does the FSP have procedures in place to ensure that the FSP complies with section 15 (read together with sections 4, 5 and 7) of the General Code of Conduct?				
8.2.3.1	*If the answer to Question 8.2.3 is NO –* In a separate annexure, provide details on how and when (provide a specific time frame) such procedures will be put in place. Indicate the annexure number in column 4.				
9	**Furnishing of advice and record of advice** *Sections 8 and 9 of General Code of Conduct*				
9.1	Did the FSP furnish advice as a regular feature of its business during the reporting period?				
9.2	***If the answer to question 9.1 is YES – questions 9.2.1 to 9.4 must be answered***				
9.2.1	Does the FSP have procedures in place to ensure that an analysis of the client's financial situation and objectives is performed before advice is furnished?				
9.2.2	*If the answer to Question 9.2.1 is NO –* In a separate annexure, provide details on how these procedures will be implemented. Indicate the annexure number in column 4.				
9.3	Does the FSP have procedures in place, to ensure compliance with section 8of the General Code of Conduct relating to replacement products?				
9.4	Does the FSP keep a record of advice and provide it to clients in accordance with section 9 of the General Code of Conduct? Provide details of all instances of non-compliance found as well as steps that will be taken to reasonably ensure that such non-compliance does not occur again in a separate annexure. Indicate the annexure number in column 4.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
10	**Custody of financial products and funds** *Section 10 of General Code of Conduct and FAIS Notice 82 of 2015*				
10.1	Does the FSP receive or hold financial products or funds of or on behalf of clients when rendering financial services?				
10.2	***If the answer to question 10.1 is YES - questions 10.2.1 to 10.2.4 must be answered***				
10.2.1	Does the FSP issue written confirmation of receipts to clients when funds and/or premiums are received from clients without the mediation of a bank?				
10.2.2	In a separate annexure, provide a list of the products (subcategories of licence) in respect of which you receive funds and/or premiums from clients. Indicate the annexure number in column 4.				
10.2.3	Does the FSP have procedures in place to ensure that clients' funds and/or premiums can be readily/clearly distinguished from private assets or funds of the FSP?				
10.2.4	Does the FSP collect short-term insurance premiums from clients on behalf of product suppliers, in accordance with section 45 of the Short-term Insurance Act, 1998?				
10.3	***If the answer to question 10.2.4 is YES – questions 10.3.1 and 10.3.2 must be answered***				
10.3.1	Does the FSP have an IGF Guarantee in terms of section 45 of the Short-term Insurance Act, 1998?				
10.3.2	*If the answer to Question 10.3.1 is YES-* Provide a copy of the IGF schedule as a separate annexure and indicate the annexure number in column 4.				
10.4	Do any representatives of the FSP collect premiums on behalf of the FSP in accordance with the provisions stipulated in section 45 of the Short-term Insurance Act, 1998?				
10.5	Do any representatives of the FSP receive or hold financial products or funds, belonging to clients, on behalf of the FSP?				

		Column			
Question		**1**	**2**	**3**	**4**
		Yes	**No**	**Not applicable**	**Note No. Comment/ Annexure**
11	**Risk management** *Sections 11 and 12 of General Code of Conduct*				
11.1	Does the FSP have and effectively employ risk management resources, procedures, systems and controls as described in sections 11 and 12 of the General Code of Conduct?				
12	**Advertising** *Section 14 of General Code of Conduct*				
12.1	Does the FSP advertise its financial services?				
12.2	***If the answer to Question 12.1 is YES – questions 12.2.1 and 12.2.2 must be answered***				
12.2.1	Does the FSP have procedures in place to ensure that all advertisements and advertising communications and material comply with section 14 of the General Code of Conduct?				
12.2.2	Was reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period?				
13	**Complaints** *Section 16 to 19 of General Code of Conduct*				
13.1	Does the FSP have a complaints policy and resolution system in place that complies with sections 16 to 19 of the General Code of Conduct?				
13.2	Were any complaints against the FSP referred to the FAIS Ombud during the reporting period?				
13.2.1	*If the answer to Question 13.2 is YES –* Provide the following details: number of complaints referred to the FAIS Ombud, type of complaint (what the complaint was about) as well as outcome of the complaint. Indicate the annexure number in column 4.				
14	**Maintenance of records**				

Question		Column			
		1	2	3	4
		Yes	**No**	**Not applicable**	**Note No. Comment/ Annexure**
	Section 18 of Act and General Code of Conduct *Section 22 of FICA*				
14.1	Does the FSP have appropriate procedures and systems in place to record the information contemplated in section 18 of the Act and section 3(2) of the General Code of Conduct?				
14.2	Can all documents be inspected by the Registrar within 7 days from the date of request?				
14.3	Are all records stored in a manner that reasonably ensures that it will be safe from destruction?				
14.4	Does the FSP have a process in place to ensure that records are kept for a period of five years after termination of the product concerned or, in any other case, after the rendering of the financial service concerned?				
14.5	Does the FSP have electronic back-ups of all electronic records?				
14.6	Does the FSP have disaster recovery procedures in place?				
15	**Termination of agreement or business** *Section 20 of General Code of Conduct*				
15.1	Does the FSP have procedures in place to ensure that it complies with section 20 of the General Code of Conduct?				
15.2	Does the FSP have a business continuity plan and procedures in place to ensure that their clients will be serviced if the business is terminated for any reason?				
15.2.1	*If the answer to Question 15.2 is NO –* In a separate annexure, provide an explanation as to what steps will be taken to put a plan in place (include time frame as well). Indicate the annexure number in column 4.				
16	**Waiver of rights** *Section 21 of General Code of Conduct*				
16.1	Does the FSP have procedures in place to ensure that the FSP does not request or				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	induce a client to waive any right or benefit conferred on the client under the General Code of Conduct? Provide full details of any non-compliance with section 21 as well as steps taken to reasonably ensure that such non-compliance does not occur again as a separate annexure. Indicate the annexure number in column 4.				
17.1	**SECTION 3 - REPRESENTATIVES**				
17.1.1	Did the representatives comply with all the applicable requirements as contained in the Determination of Fit and Proper Requirements for Financial Services Providers, 2008 during the period **01 June 2017 to 31 March 2018**?				
17.1.2	*If the answer to Question 17.1 is NO -* Provide full details in a separate annexure and indicate the annexure number in column 4.				
17.2	**Representatives** *Sections 13 and 14 of Act* and section 42(1) of the *Determination of Fit and Proper Requirements for the period* ***01 April 2018 to 31 May 2018.***				
17.17.2.1	Does the FSP have representatives?				
17.2.2	If the answer to Question 17.1 is YES, questions 17.1.1.1 to 17.1.1.2 must be answered				
17.2.2.1	Does the FSP have procedures in place (including documentation) to enable representatives to provide clients with confirmation, as certified by the provider, of their status as representatives as provided for in section 13(1)(b)(i) of the Act?				
17.2.2..2	Does the key individual/s have the operational ability to fulfill the responsibilities imposed by the Act on FSPs, including section 13(1)(c) oversight of the financial services provided by the representatives of the FSP?				
17.3	Does the FSP have any juristic representatives?				
17.3.1	If the answer to Question 17.3 is YES, questions 17.4 to 17.5 must be answered				
17.4.1	Are all employees of the juristic representative that are rendering financial services on behalf of the FSP appointed as representatives of the FSP in terms of section 13 of the				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	Act?				
17.4.2	Does the FSP have a written mandate with each juristic representative?				
17.5	Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to clients?				
17.6	**Competency of representatives** *Section 13(2)(a) of the Act, Chapter 3 of Fit and Proper Requirements and Board Notice 151 of 2008*				
17.6.1	Does the FSP have procedures in place to ensure that representatives comply with the personal character qualities of honesty and integrity and the competency requirements as set out in Chapter 2 of the Determination of Fit and Proper Requirements?				
17.6.2.	Does the FSP have adequate processes in place to monitor whether all representatives have passed the First Level Regulatory examination by the applicable date?				
17.7	**Representatives rendering services under supervision**				
17.7.1	Does the FSP have representatives who, on the reporting date, render financial services under supervision as contemplated in paragraph 3 of the Exemption in respect of Services under Supervision in terms of Requirements and Conditions, 2008 ?				
17.8	***If the answer to question 17.7.1 is YES – questions 17.8.1 to 17.8.5 must be answered***				
17.8.1	Confirm the number of representatives rendering financial services under supervision as well as the number of supervisors, as at the reporting date, on the Statistical Information Sheet (Section 8).				
17.8.2	Does the FSP have procedures in place to monitor the compliance of supervisors with paragraphs 4(7)(a) to (f) of the Exemption in respect of Services under Supervision ? If YES, attach a copy of the procedures as a separate annexure and indicate the annexure number in column 4.				
17.8.3	Does the FSP have procedures in place to ensure that there is a formal, documented				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	supervision plan in place for representatives that are rendering services under supervision?				
17.8.4	Does the FSP have procedures in place to ensure that the fact that a representative is rendering financial services under supervision is disclosed to clients?				
17.8.5	Was any non-compliance found in terms of representatives under supervision? If YES, submit full details of such non-compliance as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure. Indicate the annexure number in column 4.				
17.9	**Representatives' compliance with Codes of Conduct** *Section 13(2)(b) of Act, and General Code of Conduct*				
17.9.1	Does the FSP have procedures in place to determine whether representatives adhered to the requirements stipulated in the Codes of Conduct?				
17.9.2	**If the answer to Question 17.9.1 is YES – questions 17.9.2.1 to 17.9.2.3 must be answered**				
17.9.2.1	During the reporting period did any representatives of the FSP receive any financial interest for giving preference to the quantity of business secured for the provider to the exclusion of the quality of financial service rendered to clients as contemplated in section 3A(1)(b)(i) of the General Code of Conduct?				
17.9.2.2	During the reporting period did any representatives of the FSP receive any financial interest for giving preference to a specific product supplier, where the representative may have recommended more than one product supplier to a client as contemplated in section 3A(1)(b)(ii) of the General Code of Conduct?				
17.9.2.3	During the reporting period did any representatives of the FSP receive any financial interest for giving preference to a specific product of a product supplier, where the representative was able to recommend more than one product of that product supplier to the client as contemplated in section 3A(1)(b)(iii) of the General Code of Conduct?				
17.10	**Debarment of representatives**				

		Column			
Question		**1**	**2**	**3**	**4**
		Yes	**No**	**Not applicable**	**Note No. Comment/ Annexure**
	Section 14 of Act				
17.10.1	Does the FSP have procedures in place to debar a representative if the representative does not comply with the personal character qualities of honesty and integrity and the competency requirements as set out in Chapter 2 of the Determination of Fit and Proper Requirements?				
17.10.2	Has the FSP taken steps to debar representatives who have not complied with the qualification requirements in Part 3 in Chapter 3 of the Determination of Fit and Proper Requirements?				
17.10.2.1	*If the answer to question 17.10.2 is YES –* In a separate annexure, provide full details thereof. Indicate the annexure number in column 4.				
	SECTION 4 – COMPLIANCE FUNCTION				
18	**Compliance function** *Section 17 of Act, Chapter IV of Regulations and Board Notice 127 of 2010*				
18.1	Is the compliance function established as part of the risk management framework of the business of the FSP in compliance with section 17(3) of the Act and regulation 5 of the Regulations?				
18.2	Do you provide written reports on the compliance monitoring and recommendations relating to the FSP on a regular basis? If YES, the Statistical Information Sheet (Section 8) must be completed.				
19	**Monitoring**				
19.1	During the reporting period did you monitor whether the FSP or any of its employees received or offered any immaterial financial interest to or from a third party?				
19.1.1	*If the answer to question 20.1 is YES-* Were any instances of non-compliance identified i.e. where the monetary value of the				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	financial interest exceeded an aggregate of R1 000 during the calendar year?				
19.1.2	*If the answer to Question 20.1.1 is YES –* In a separate annexure, provide a detailed report of the non-compliance and steps taken to prevent recurrence of the non-compliance. Indicate the annexure number in column 4.				
19.2	Did you monitor whether the FSP complied with sections 4, 5 and 7 of the General Code of Conduct?				
19.3	Did you conduct monitoring in respect of the FSP's Risk Management Plan?				
19.3.1	*If the answer to Question 20.3 is YES –* In a separate annexure, provide details as to how the Risk Management Plan is monitored. Indicate the annexure number in column 4.				
19.4	**Indicate whether you monitored the following during the reporting period:**				
19.4.1	Financial products with regard to which the FSP renders financial services.				
19.4.2	Representatives under supervision.				
19.4.3	Juristic representatives				
19.4.4	Disclosure documents to verify compliance with sections 4, 5 and 7 of the General Code of Conduct				
19.4.5	Risk Management plan				
19.4.6	Furnishing of advice and record of advice				
19.4.7	Receipt of funds and/or collection of premiums				
19.4.8	Waiver of rights				
19.4.9	Money laundering control procedures				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
19.4.10	Exchange control regulations (in the case of a forex FSP)				
19.4.11	Policies and procedures				
19.4.12	Conflict of interest management policy				
19.4.13	Direct marketer's telesales script and/or telesales voice recordings to verify compliance with section 15 of the General Code of Conduct.				
19.4.14	Other. Please provide details on other monitoring done in a separate annexure and indicate the annexure number in column 4.				
19.5	In a separate annexure, provide an explanation as to how you did the monitoring (methodology). Please also include the extent of monitoring. Indicate the annexure number in column 4.				
19.6	Did you conduct sampling of the records of the FSP during the reporting period?				
	SECTION 5 – CATEGORY I FOREX FSPs ***The Forex Investment Business Code regulates forex investments which are investments in a financial product referred to in paragraph (e) of the definition of "financial product" in section 1(1) of the Act.***				
20	**Particular duties relating to Category I Forex FSPs**				
20.1	Is the FSP licensed as a Category I Forex services provider?				
20.2	**If the answer to question 20.1 is YES - Questions 20.3 to 20.20 must be answered.**				
20.3	In a separate annexure, provide details of the clearing firm that the FSP deals with as well as the name and contact details of the Regulator in whose jurisdiction the clearing firm is located. Indicate the annexure number in column 4.				
20.4	Did the FSP provide clients with the name and contact details of the clearing firm?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
20.5	Did the FSP provide clients with the name and contact details of the Regulator under whose jurisdiction the activity of the clearing firm falls?				
20.6	Does the FSP act as a forex investment advisor as defined in the Forex Investment Business Code of Conduct in respect of managed accounts and/or self-directed accounts?				
20.7	***If the answer to Question 20.6 is YES – questions 20.7.1 to 20.7.3 must be answered***				
20.7.1	In a separate annexure, provide a copy of a written application form utilised for clients' purposes that was approved by the Registrar. Indicate the annexure number in column 4.				
20.7.2	In the case of self-directed accounts provide full details in a separate annexure on how the FSP ensures that clients are sophisticated and have the necessary trading skills to start trading themselves. Indicate the annexure number in column 4.				
20.7.3	Does the FSP provide regular training sessions to educate and assist the clients' trading skills?				
20.8	Did the FSP make any material changes to this application form without the prior approval of the Registrar?				
20.9	Does the FSP take reasonable steps to ensure that the forex investment is suitable for the client?				
20.9.1	*If the answer to Question 20.9 is YES –* In a separate annexure, provide full details of the procedures that the FSP has in place to ensure that the client's objectives, risk appetite, financial situation and foreign investment experience are obtained in order to act in their interests at all times. Indicate the annexure number in column 4.				
20.10	In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure that risks associated with forex investment (including currency fluctuations), are disclosed to clients? Indicate the annexure number in column 4. If standard disclosure documents are used, please include a copy thereof as part of the annexure.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
20.11	Does the FSP have procedures in place to ensure that the forex investment intermediary to whom clients are referred is an authorised FSP?				
20.12	Does the FSP have an appropriate written agreement in place to govern the relationship with forex intermediaries to whom clients are referred?				
20.13	Does the FSP ensure that clients comply with exchange control and tax legislation when giving advice on forex investment business? If any instances of non-compliance were found, please provide full details thereof as well as steps taken to reasonably ensure that such non-compliance does not occur again as a separate annexure and indicate annexure number in column 4.				
20.14	Does the FSP advise clients to invest by means of margin trading?				
20.14.1	*If the answer to Question 20.14 is YES –* In a separate annexure, provide full details of the procedure that the FSP has put in place to ensure that the minimum leverage required does not exceed widely used industry norms. Indicate the annexure number in column 4.				
20.15	In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure all fees, charges, costs and commission payable to the different stakeholders involved in the investment process are fully and adequately disclosed. Indicate the annexure number in column 4.				
20.16	Does the FSP directly obtain reports and statements from the clearing firm or foreign forex services provider and make them available to clients in a hard copy format or by electronic means?				
20.17	If the reports and statements referred to in question 20.16 are generated by the clearing firm or foreign forex service provider, can the contents of the statements be altered by the FSP before being made available to clients or viewed online?				
20.18	In a separate annexure, provide a full explanation setting out how client funds held offshore will be treated if the FSP is wound up, liquidated or ceases to conduct business for any reason. Indicate the annexure in column 4.				

		Column			
Question		**1**	**2**	**3**	**4**
		Yes	**No**	**Not applicable**	**Note No. Comment/ Annexure**
20.19	Does the FSP ensure that a foreign forex service provider which holds investments on behalf of clients maintains insurance cover to guard against risk of loss due to fraud, dishonesty and negligence?				
20.20	Is the FSP a forex spot trader? Provide full details of the clearing firm as well as the Regulator? in a separate annexure and indicate the annexure number in column 4.				
	SECTION6 – HEALTH SERVICE BENEFITS				
21	**Accreditation under section 65(3) of Medical Schemes Act, 1998 and** *Section 8(7)(e) of the Act*				
21.1	Is the FSP licensed to render financial services relating to health service benefits?				
21.2	***If the answer to question 21.1 is YES – questions 21.2.1 to 21.2.3 must be answered***				
21.2.1	Was the accreditation of the FSP in terms of section 65(3) of the Medical Schemes Act, 1998, during the reporting period suspended or withdrawn, or did it lapse? If yes, Please provide details of any such suspensions, withdrawals or lapses as an annexure to the report and indicate the annexure number in column 4.				
21.2.1.1	*If the answer to Question 21.2.1 is YES –* Was a profile change request submitted to the Registrar in order for the health services subcategory to be removed from the FSPs licence?				
21.2.2	The details of the accreditation with the Council for Medical Schemes (ORG numbers for entities and BR numbers for key individuals) must be completed on the Statistical Information Sheet (Section 8).				
21.2.3	In a separate annexure, provide a list of product suppliers that the FSP utilises in respect of health services benefits. Indicate the annexure number in column 4.				

SECTION 7 – ATTACHMENTS		
Question number	**Comments**	**Additional Information attached Annexure reference no**

SECTION 8 – STATISTICAL INFORMATION SHEET

8.1 REPRESENTATIVES AT REPORTING DATE		
TYPE OF INFORMATION REQUIRED	**RELEVANT QUESTION NUMBER**	**NUMBER OF REPRESENTATIVES/KEY INDIVIDUALS**
Number of representatives rendering services under supervision as contemplated in Paragraph 3 of the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008	17.8.1	
Number of key individuals and representatives that acted as supervisors in respect of services under supervision	17.8.1	

8.2 TYPE OF INSURANCE COVER	RELEVANT QUESTION NUMBER	CURRENCY	EXTENT OF COVER (NUMERICAL AMOUNT)
Professional Indemnity Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	6.1		
Fidelity Insurance Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	6.2		
Guarantees in terms as contemplated in section 13 of the General Code of Conduct	6.3		

8.3 DETAIL OF CLAIMS RELEVANT QUESTION NUMBER: 6.5	NUMBER OF CLAIMS	RAND VALUE OF CLAIMS	REASON FOR CLAIM	OUTCOME

8.4 COMPLIANCE FUNCTION		
TYPE OF INFORMATION REQUIRED	**RELEVANT QUESTION NUMBER**	**DETAILS**
Number of reports issued to the FSP on the rendering of financial services.	19.2	

HEALTH SERVICE BENEFITS		
TYPE OF INFORMATION REQUIRED	**RELEVANT QUESTION NUMBER**	**DETAILS**
Key individual accreditation number with the Council for Medical Schemes [BR number]	21.2.2	
FSP accreditation number with the Council for Medical Schemes (ORG number)	21.2.2	

COMPLETED AND SIGNED BY COMPLIANCE OFFICER(S):

Name(s) of compliance officer(s) of FSP --

ID number(s) of compliance officer(s) --

Name(s) of the compliance practice(s) (if applicable) --

Reference number(s) of compliance officer(s)/practice(s) --

Signature(s) of compliance officer(s) --

Date --

Telephone number --

Fax number --

E-mail address --

COMPLETED AND SIGNED BY A KEY INDIVIDUAL OF THE FSP IN THE CASE OF A JURISTIC ENTITY, OR THE SOLE PROPRIETOR IN THE CASE OF A NATURAL PERSON TO ACKNOWLEDGE THAT THEY ARE AWARE THAT THE COMPLIANCE REPORT WILL BE FORWARDED TO THE AUTHORITY

Name of FSP --

FSP number --

Name of key individual/sole proprietor --

ID number of the key individual/sole proprietor --

Date appointed as key individual --

Signature --

Date --

DECLARATION COMPLETED AND SIGNED BY COMPLIANCE OFFICER(S) SUBMITTING COMPLIANCE REPORT

Name(s) of compliance officer(s): ____

Compliance report in terms of section 17(4) of the Act by compliance officer(s) for the reporting period____________________________ (insert date) until ______________________________ (insert reporting date).

I/we ____ hereby report as follows as regards compliance by ____ (insert full names of FSP and FSP number) and any representatives of the FSP with the Act, for the reporting period.

Having completed the attached annual compliance report for the abovementioned FSP, I/we hereby confirm that, to the best of my/our knowledge and ability all the information contained in the attached annual compliance report is true and correct.

I/we are aware that the information contained in the attached annual compliance report may be subject to verification by the Authority and should I/we knowingly submit false, incorrect or misleading information to the Authority , this may impact on my/our compliance with the fit and proper requirements with regard to personal character qualities of honesty and integrity as determined by section 17 (1)(bA) read with section 8A of the Act.

Signed on ______(day) ____________ (month)______________(year).

Signature(s): ___________________________________