

FAIS NEWSLETTER



Volume 10

September 2011

IN THIS ISSUE

TOPIC	PAGES
Background	2
The FAIS Online Reporting system functionality	3
Common queries on the FAIS Online Reporting system	4—5
Types of Compliance Reports to be submitted by Category I FSPs for 2011	6—7
FAIS Contact Details	8
Important Information—Outstanding Compliance Reports and Financial Statements	9
Quick Tips	10
Comments & Suggestions	11

Disclaimer

The FAIS Newsletter must not be construed as a substitution of the FAIS Act and subordinate legislation. The newsletter is aimed at addressing specified areas and provides a quick reference to the reader. It does not take away the obligations that are imposed on FSPs, key individuals, representatives, compliance officers or any person involved in the rendering of financial services to acquaint himself or herself with the provisions of the FAIS Act.

Background

This quarter`s edition of the FAIS Newsletter focuses on the FAIS Online Reporting submission system. This entails submission of compliance reports and financial statements electronically. The Online Reporting submission system is one of the three ways in which compliance reports, financial statements and other submissions such as financial statements extension requests, update on basic contact details etc can be made by the financial services providers (“FSPs”). The two other ways include submission *via* post and hand delivery to our Offices.

The FAIS Online submission system is a more convenient, preferable and encouraged manner of submission since it reduces loss of documentation and assists in safe storage of the submitted documents which can be accessed again at a later stage if and when necessary. Persons wishing to submit the compliance reports and financial statements must go through an online registration process first (go to www.fsb.co.za/ click on FAIS/ scroll down to Supervision Department/ then click on Online submissions compliance reports and financial statements) . In other words, they must be registered users. There are user friendly Online submissions guides on our website (go to www.fsb.co.za/ click on FAIS/ scroll down to FAIS Compliance online user guide for Compliance Reports or Financial Statement online user guide for financial statements online submissions). Both these guides will take you through the online submission registration process and other important processes such as logging into the online program, attaching documents, validating reports, changing passwords amongst others and applying for an extension on the financial statements.

The FAIS online reporting system has come a long way in the past few years and there has been a significant increase in the number of FSPs who are using the system for submitting their financial statements and compliance reports.

The FAIS Online reporting system functionality

Due to the developments and enhancements done to the FAIS Online Reporting system over a period of time, its overall functionality has been improved. Various other submissions have been made possible by the Online Reporting system. The FAIS online reporting system can currently be used to:

1. Submit annual compliance reports
2. Submit annual financial statements
3. Submit extension requests
4. Update the contact details for a FSP
5. Obtain copies of previous years' compliance reports
6. Track profile changes submitted
7. Verify certain details that the FSB has on record for a FSP e.g. approved auditor, financial year end, contact person etc.

It is anticipated that the automation of the processes referred to above will enhance and ensure speedy, timely and secure submission of information to the FSB.

Some of the common queries on the FAIS Online Reporting system

As with any electronic system, queries by the registered users in respect of the FAIS Online Reporting system have come to the fore. Immediately below are some of the most common queries received by this Office. We have furthermore attempted to provide some troubleshooting to those common queries.

Q: I am trying to register but the password is being sent to an outdated e-mail address?

A: When all FSPs applied for their license they completed Form FSP 1 which contained the details of the contact person for the FSP and they would also have completed a Form FSP 4 for the approval of their key individual(s). In most cases the FSPs notify the FSB of the change in details of their contact person (FSP 1) but hardly ever notify us of the contact details of the Key Individual have also changed (FSP 4). As the online system is based upon the details of the key individual if we haven't been notified of any changes in the contact details of the key individual then the password is sent to the e-mail address for the key individual which we have never been requested to update.

Q: How do I download a copy of my compliance report that I just submitted?

A: Log onto the online system and select "query FSP detail" and click on submit. At the bottom of the page that comes up click on the "compliance reports" button. Download a copy of the report you require. This function allows you to download copies of all reports submitted over the years and not just the most recent report

Q: I've submitted my financial statements but I didn't receive confirmation that they have been received?

A: With the financial statements the administrative staff will first verify that the correct supporting documents have been received e.g. that both the income statement and balance sheet were attached and where applicable that the Section 19(2) and 19(3) reports were attached before the acknowledgment of receipt letter is done. Normally the turn-around time would be 2 working days but in high volume times the average turnaround time would be 5 working days for the financials to be acknowledged.

Some of the common queries on the FAIS Online Reporting system (cont...)

Q: I'm trying to register but the system doesn't recognise my ID number?

A: Only approved key individuals, sole proprietors and compliance officers can register to use the online programme. In other words people such as your accountant or personal assistant will not be able to register. This has been done for confidentiality reasons as some of the information contained on the online system is sensitive in nature.

Q: I'm trying to apply for an extension for the submission of my financial statements but a message pops up saying I have outstanding returns?

A: One of the criteria taken into account when assessing an extension request is whether the FSP is up to date on all of their compliance reports and financial statements. If there are outstanding financial statements or compliance reports on a FSP then an extension request will not be granted as your FSP is seen to be non-compliant and to pose a higher regulatory risk. The online system has been programmed to register whether there are outstanding financial statements or compliance reports for a FSP and block such a FSP for applying for an extension. Where the outstanding information is submitted then an extension request will be considered.

Q: I've completed the report and done my attachments but the FSB hasn't received my report

A: Once you have completed the report you must ensure that you validate the report and where necessary correct any validation errors. Once all validation errors have been corrected the system will give you the option to "commit" the report. Only once the report has been committed will it reflect on the FSBs records.

Please note that there is a step by step user guide available on the FSB's website for submitting both compliance reports and financial statements. Reference has been made to these guides. The user guides provide a step by step guide with actual screen prints which allows absolutely anyone to be able to use the system irrespective of their technical ability.

Types of Compliance Reports to be submitted for Category I FSPs for the 2011 period (cont...)

It is important to note on the aforementioned diagram that a FSP whose compliance officer resigns after 31 May and where a new compliance officer is not appointed would be required to submit a total of three reports for that year (two annual and one handover report).

In the past if the compliance officer of a Category I FSP resigned after having submitted the annual “with compliance officer” report for the FSP then the only other compliance report that was requested was the handover report (in other words the FSP was not requested to also submit the category I without compliance officer report for the 31 December reporting date as well). It has however been noted that this posed a regulatory risk as in some cases there would be anything up to an 18 month gap between annual compliance reports for a FSP. A decision was therefore taken that in this scenario that the FSP would be required to also submit the Category I without Compliance Officer report after 31 December. This decision is effective for all compliance reports from 2011 onwards.

FAIS Department Contact details

A: The following contact details are very important for any queries they you may wish to address to the FAIS Department:

	E-mail address
Fit and Proper related queries	Fitandproper@fsb.co.za
Applications for recognition of qualifications	Fitandproper@fsb.co.za
Profile changes	Faispfc@fsb.co.za
Requests to lapse licenses	Faispfc@fsb.co.za
Requests for financial statements extensions	Faisfins2@fsb.co.za
Financial statements queries for Category I FSPs	Faisfins1@fsb.co.za
Financial statements queries for Category II FSPs	Faisfins2@fsb.co.za
Financial statements queries for Category IIA FSPs	Faisfins3@fsb.co.za
Financial statements queries for Category III & IV FSPs	Faisfins4@fsb.co.za
Compliance report queries for Category I FSPs	Faiscomp1@fsb.co.za
Compliance report queries for Category II FSPs	Faiscomp2@fsb.co.za
Compliance report queries for Category IIA FSPs	Faiscomp3@fsb.co.za
Compliance report queries for Category III & IV FSPs	Faiscomp4@fsb.co.za

IMPORTANT INFORMATION

All registered users of the online reporting system (compliance officers and / or key individuals) can use the online system to determine whether there are any financial statements or compliance reports outstanding for the FSP.

To see what returns the Registrar has on record for a FSP:

COMPLIANCE REPORTS:

Log onto the online system

Select "Query FSP Detail"

Click on the "compliance reports" button

A list of all compliance reports that have been received for the FSP will be shown and the user can see if there is a report on record for each of the relevant reporting periods

FINANCIAL STATEMENTS:

Log onto the online system

Select "Query FSP Detail"

Click on the "Statutory Returns" button

You will see all the years financial statements on record for a FSP

If there is no documents specified for a year it means it has not yet been submitted

Please note that if the date is indicated as 00/00/0000 it means that it has not been received e.g. if financial statements were submitted but they were not signed then the year will show together with the income statement and balance sheet but the year will be indicated as 00/00/0000

It is recommended that all authorised FSPs log onto the online system to verify what returns are on record for their FSP and where it is found that a compliance report and / or financial statements are outstanding that these be submitted urgently. The FAIS department is currently going through a process to ensure that all outstanding compliance reports and financial statements are being submitted.

Quick Tips

- **Previous FAIS Newsletters**

On FAIS website — scroll down to FAIS Communication.

All the previous published Newsletters can be accessed on our website .

- **FAIS Circulars**

On the FAIS website — scroll down to FAIS Communication.

The various circulars published by the FAIS Department can be accessed on our website

- Circular on First Level Regulatory Examinations.

- Update regarding Regulatory Examinations 2010.

- **Financial Intelligence Centre Act (“FIC Act”)**

-The Financial Intelligence Notice which is also available on our website is meant for all Accountable Institutions and to remind them of their obligation to register with the FIC. The registration period ended on the 1 March 2011. There are penalties and fines attached to non-compliance with this requirement.

There is also information on the requirement for sole proprietorships to register with the Financial Intelligence Centre (“FIC”).

- **Regulatory Exams for Compliance Officers**

- The South African Institute of Financial Markets (“SAIFM”) has been delegated the function of development and delivery of the compliance officer regulatory examinations. Watch out for developments in this space in the next edition.

-

CONTACT INFORMATION

Physical address:

Riverwalk Office Park
Block B
41 Matroosberg Road
Ashlea Gardens Ext 6
0081

Postal address:

P O Box 35655
Menlopark, South Africa
0102

0102

Telephone : (012) 428 8145

Facsimile : (012) 422 2973

Website :

COMMENTS & SUGGESTIONS

We invite comments on this Newsletter and suggestions as to which topics you wish us to address in the coming publications. Any person who wishes to be included in the FAIS Newsletter circulation must forward an e-mail to faiscomment@fsb.co.za. The FAIS Newsletter is for free.

FSB Call Centre: Are you aware that the Financial Services Board has a Call Centre / Contact Centre that is dedicated to resolving all your queries? The following toll free numbers may be used to contact the FSB Call Centre:

0800110443 or 0800202087

Per email: info@fsb.co.za

Website : All the important information applicable to financial services business is posted on our website. You are encouraged to frequently visit our website for latest information and updates. Our website address is www.fsb.co.za. On the homepage click on the word "FAIS".

ERROR: syntaxerror
OFFENDING COMMAND: --nostringval--

STACK:

/Title
()
/Subject
(D:20111012151723+02'00')
/ModDate
()
/Keywords
(PDFCreator Version 0.9.5)
/Creator
(D:20111012151723+02'00')
/CreationDate
(thabile)
/Author
-mark-