

Electronic submission of Handover Compliance Reports

The Handover Compliance Report was introduced in 2009 when it was published for the very first time.

The Handover Compliance Report needs to be submitted where:

- a compliance officer is appointed by a Financial Services Provider (FSP) who did not previously have an approved compliance officer (commonly referred to as the KI Handover Report); or
- a compliance officer resigns as the approved compliance for an FSP (commonly referred to as the CO Handover Report)

We wish to advise that these Handover Reports can now be submitted electronically by way of the FAIS online reporting system.

- Compliance Reports
- Conduct of business Reports
- Query FSP Detail
- Financial Statements
- Extension Request for Financial statements
- Update Contact Details
- Profile Changes
- Handover Report
- Debarment
- Request Representative Register
- Assets under Management (As at 30 June)
- Maintain Representative Register

[Submit](#) [Change Password](#) [Logout](#)

Any queries relating to the electronic submission of the Handover Compliance Report can be submitted to Faiscomp1@fsb.co.za

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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.



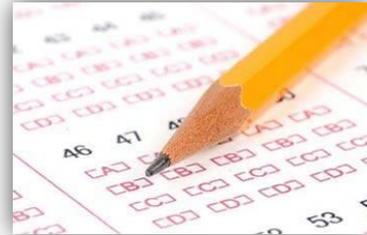
..... about registering for the regulatory examinations

The level 1 regulatory examinations are an important part of the competency requirements for Financial Services Providers (FSPs), its key individuals and its representatives. As a result, it is important to register for the level 1 examinations in good time to ensure compliance with this requirement by the applicable deadline. FSPs and key individuals must have successfully completed the relevant level 1 regulatory examination(s) by the time they apply for authorisation or approval¹. Representatives have 2 years¹ from the date of first appointment to successfully complete the RE5.

For various reasons some persons would register to write the same examination more than once. Duplicate registrations where a candidate registers for the same examination more than once, have various consequences. Below are two examples that explain the consequences of duplicate registrations:

Example 1:

Some candidates register for the same examination more than once on different dates to ensure that they have more than one opportunity to write the examination / successfully completes the examination prior to his/her deadline:



Candidate	Exam	Exam Body	Registration 1	Registration 2	Consequences
Joe Soap	RE5	Moonstone	1 August 2016	8 August 2016	<ul style="list-style-type: none"> 2nd exam session cannot be cancelled within 10 days – exam fee forfeited;
Joe Soap	RE5	Moonstone	1 August 2016	8 August 2016	<ul style="list-style-type: none"> “Absent” result recorded for the 2nd exam; Another candidate may not be able to register for the exam session.

¹ Please refer to *The Fit and Proper Requirements for Financial Services Providers, 2008* as published in Board Notice 106 of 2008 – Part 3(2) – 3(6).

¹ Please refer to the *Amendment of Fit and Proper Requirements and Accompanying Measures, 2013* as published in Board Notice 260 of 2013 – Government Gazette No. 37164 dated 19 December 2013. for this particular period applicable to representatives only.

Based on the example above, the following consequences will apply:

- **“Absent” status** - Moonstone would have a RE5 examination paper prepared for Joe Soap on 8 August 2016. Since Joe Soap will in all likelihood not attend the examination session because he had passed the RE5 on 1 August 2016 already, Moonstone would mark Joe Soap as “absent” from the examination session, and would record the result of Joe Soap for this examination as “absent” as well.
- **Candidates who may need to write will not have an opportunity** - In the event that the examination session of 8 August 2016 was fully booked, then another candidate may not have been able to register for this examination session. This means that Joe Soap’s duplicate registration for the examination session of 8 August have effectively taken the opportunity away from another candidate who may have wanted to register for this have wanted to register session but couldn’t since it was fully booked.
- **Cancellation policy** - The cancellation policy for examinations stipulates that a cancellation must be made at least 10 days prior to the examination date. This notification period is required in order to allow the examination body to accommodate another candidate who wishes to write the examination, as well as make the necessary changes to the preparation processes for that examination session.



Some of the changes that are required include *inter alia* the removal of the examination paper of Joe Soap from the distribution channel, amending the attendance register to remove the details of Joe Soap, record the cancellation on the electronic examination

In this case, because Joe Soap would have been unable to cancel his examination of 8 August 2016 within the stipulated cancellation period of 10 days, he would forfeit the examination fee for the RE5 which he had paid at the time of registering for the examination session of 8 August 2016. It would also not be possible for another candidate to register for the examination session on 8 August since there isn’t sufficient time to prepare an examination paper for another candidate

Example 2:

Some candidates register for the same examination more than once on the **same date** to ensure that they have more than one opportunity to write the examination / successfully completes the relevant regulatory examination prior to his/her deadline:

Candidate	Exam	Exam Body	Registration 1	Registration 2	Consequences
Joe Soap	RE5	Moonstone	1 August 2016 (Morning session)	-	<ul style="list-style-type: none">• Rejection of the exam result• Delay in issuing of exam results
	RE 5	FPI	-	1 August 2016 (Afternoon session)	

The consequences for this duplicate registration are as follows:

- **Breach of examination policy** – The examination policy prohibits a candidate from writing the same examination twice on the same day. This policy was instituted to:
 - Prevent duplication of records and processes: if a candidate successfully completes more than one examination with more than one examination body then the candidate is issued with more than one examination result and certificate for the same examination on the same date. This kind of duplication creates unnecessary confusion.
 - Protect the interest of the candidates: statistics have shown that candidates who write the same examination twice on one day does not have a better success rate than those candidates who have written the examination only once on a particular day. Therefore, writing the same examination twice on one day does not have any particular benefit for the candidate.
- **Rejection of the duplicate result** – Only one examination result can be recorded for a particular examination per candidate per date. This means that, in accordance to Example 2 above, only one RE5 result can be recorded for Joe Soap on 1 August 2016. A second examination result will be rejected and the examination body will be unable to process this examination result.
- **Delay in the issuing of the exam result** – Examination results may only be issued to the candidate if the examination result was successfully processed and formally recorded. If the examination result rejected, then an investigation must be conducted to identify the cause of the problem, and this usually results in a significant delay in issuing of the examination result.



It is therefore requested that duplicate registrations must be avoided. If you do want to book for more than one session for the **same examination**, then please ensure that the dates of the examination sessions is more than 10 days apart. This will ensure that:

- You have sufficient time to cancel the second exam if you were successful with your first attempt;
- That you do not forfeit your examination fee for the second examination because you are able to cancel the second examination within the stipulated 10 day cancellation period;
- If you were unsuccessful with your first attempt, then you would have sufficient time to do revision and additional preparation before writing a second time, thereby increasing your chances to successfully complete the examination on your second attempt.

BREAKING NEWS! Competency Framework

The competency framework review was discussed in the previous FAIS Newsletter Volume 20 dated 18/05/2016, and it was explained that wider industry consultation will take place as soon as the FSB has developed a draft for further discussion.

This draft is expected to be published for public consultation by September 2016!

It will form part of the amended draft Fit and Proper requirements that was originally published in December 2015 for comment, and will be accompanied by a detailed explanatory note which will address the rationale that was applied and the thinking behind the amended competency requirements. The deadline for the submission of comments will be communicated when the draft document is published.

We look forward to receiving your comments, feedback and suggestions in this regard!



The “what goes where” of the FAIS dedicated E-mail inboxes

The FAIS Division currently has 21 active, dedicated e-mail inboxes which external stakeholders may make use of. Each of these inboxes has been established for a specific purpose and to ensure that all queries / submissions are dealt with by the **correct people and as quickly as possible**.

We do however find that external stakeholders do not always make use of the correct e-mail inboxes which results in a delay in responding to their enquiry / request.

A list of all the active e-mail inboxes and the purpose for which is should be used is always included under the “Contact Details” section found at the end of each volume of the FAIS newsletter.

A list of all the active inboxes can also be found on the FAIS Homepage on the FSB website under the contact us icon:



Financial Services Board > Departments > Financial Advisory and Intermediary Services

Financial Advisory and Intermediary Services

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About Us

Who we are

We are a division within the FSB that is set up to administer the Financial Advisory and Intermediary Services Act, 37 of 2002 whose aim is to protect the investors and to professionalise the financial services industry.

What we do

We register financial services providers after being satisfied that they meet the fit and proper requirements, supervise such providers on an on-going basis to ensure that they comply with the duties imposed by the Act at all times and take the necessary regulatory action against those who do not comply, which include unregistered entities or persons.

Registration is responsible for:

- new licence applications
- profile changes (amendments to licenses)
- updating the central representative register
- approval of mandates and application forms for discretionary FSPs and Administrative FSPs
- liaison with the FSB's Finance Department relating to collection of levies

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We also occasionally find that our external stakeholders send e-mails through to e-mail inboxes which have been **decommissioned / closed** e.g. Faispen@fsb.co.za; Faisfins@fsb.co.za, Faiscomp2@fsb.co.za, Faiscomp3@fsb.co.za, Faiscomp4@fsb.co.za. These 5 inboxes were closed are no longer in operation.

We also request that our external stakeholders submit their requests to the correct dedicated inbox and not to the staff's personal inboxes. Where a request is submitted to a staff member's inbox there is always the risk that the staff member may be out of the office (on leave, booked off sick etc.) which then results in a delay in responding to an e-mail.

“FAIS Credits” – What does it mean?

The FAIS Division often receives questions regarding “FAIS credits”:

- ***How many FAIS credits can I get for my experience / the training I attended / a particular certificate which I have completed?***
- ***How many FAIS credits do I need?***
- ***How many FAIS credits do I have with the FSB?***
- ***How do I increase the level of my credits?***



There is no such thing as “FAIS credits”

The terms “FAIS credits” is an informal term that was created in the financial services industry that refers to the qualification requirement that affected persons¹, appointed in the industry for the first time prior to 2009, had to meet. Affected persons appointed from 2010 onward were required to obtain full qualifications that are recognised by the Registrar as appropriate / relevant to the financial services industry¹.

In order to fully understand this requirement, it is important to understand the following:

Who allocates the level and credits for qualifications?

Qualifications are developed by various role players which could include but is not limited to learning institutions, standard generating bodies, professional bodies, Sector Education and Training Authorities (SETAs), etc.

¹ Affected persons refer to authorised Financial Services Providers (FSPs), approved key individuals and appointed representatives that are required to meet the qualification requirements as stipulated in the Determination of Fit and Proper Requirements for Financial Services Providers, 2008 (Board Notice 106 of 2008).

¹ The qualifications are formally recognised through a formal application process and if the recognition is approved by the Registrar then the qualification is included on the list of recognised qualifications.

The National Qualification Framework (NQF) is a framework with ten different levels and qualifications are registered on this framework by the South African Qualifications Authority (SAQA). You will find the “level descriptors” on the SAQA website³, and these descriptions explain the differences between the various NQF levels.

When a qualification is developed, then SAQA will register the qualification on a specific level of the NQF. SAQA will also allocate a specific number of credits to the qualification – these credits are calculated as follows:

Levels	Band	Qualification type	School	ABET	NCV	NATED	OC	Providers	Q-type	
10	HET	Doctoral degree (professional)						University	Degrees	
9		Masters degree (professional)								
8		Bachelor honours degree					OC 8			Diplomas
		Postgraduate diploma								
7		Bachelor's degree					OC 7			Diplomas
		Advanced diploma								
6		Diploma advanced certificate					OC 6			Diplomas
5		Higher certificate				N4-N6	OC 5			
4	FET	National certificate	Grade 12 / NSC		NCV 4	N3	OC 4	TVET	Certificates	
3			Grade 11		NCV 3	N2	OC 2			
2			Grade 10		NCV 2	N1	OC 1			
1	GET	General certificate	Grade 9	Level 4				ABET centres	Certificates	
			Grade 7	Level 3						
			Grade 5	Level 2						
			Grade 3	Level 1						

Notes:
 GET – General Educational and Training
 ABET – Adult Basic Education and Training
 NCV – National Certificate Vocational
 FET – Further Educational and Training
 TVET – Technical and Vocational Education and Training
 NATED – Nationally Accredited Technical Education Diploma
 HET – Higher Education and Training
 NSC – National Senior Certificate
 OC – Occupational Certificate

1 credit = 10 hours of notional learning

This means that the credits refer to the approximate time that it would take an average learner to complete the qualification.

Therefore, SAQA allocates the NQF level and the credits to qualifications, and they oversee the quality assurance and all qualification related processes.

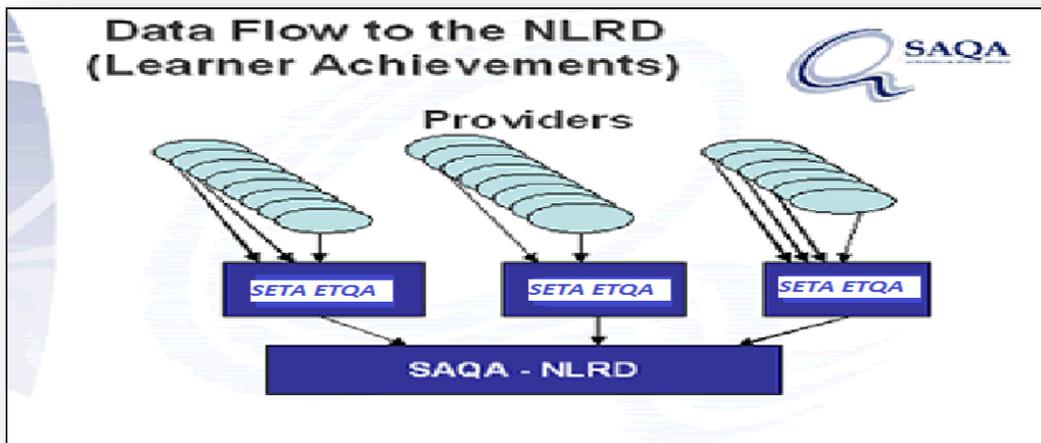
³ www.saqa.org.za

How does the NQF level and credits of a qualification relate to the "FAIS" credits?

The FAIS fit and proper requirements provide a definition of what is regarded as a "qualification". It is therefore important to ensure that this definition is kept in mind when looking at any qualification requirement.

In most instances people were required to obtain either 30 or 60 credits on a specific NQF level depending on the type of product sub-categories he/she rendered financial services for. The more complex product sub-categories required more credits on a higher NQF level. In most instances the affected persons would complete a registered skills programme.

This means that the relevant SETA education and training quality assurance division took a full qualification, and divided the full qualification into separate stand-alone sections – also referred to as skills programmes. These skills programmes were then registered in their own right as part-qualifications towards the original full qualification.



This means that a learner may complete either the registered skills programme (or part-qualification) and obtain a certificate on completion, or alternatively complete all the registered skills programmes towards a particular qualification, and on completion of all the skills programme the learner would then have completed the full qualification.



Therefore, to come back to the questions received by the FSB...

How many FAIS credits can I get for my experience / the training I attended / a particular programme which I have completed?

The FSB does not issue “FAIS credits”. Credits cannot be awarded for industry experience – credits refer specifically to the credits allocated to registered skills programmes and/or full qualifications. The FSB does not award these credits. The credits are allocated by the relevant role players who developed the qualification and SAQA approved the credits before registering the qualification on the NQF.

If you completed a learning programme where the outcome of this learning programme is the achievement / completion of a specific number of credits, then evidence of credits being awarded to you must be submitted to the FAIS Division: FAIS.Qualifications@fsb.co.za. You will then be provided with guidance regarding the recognition of these credits.

How many FAIS credits do I have?

This depends on whether you have completed any registered skills programmes. If you have completed any registered skills programmes, then the accredited provider through which you have completed this programme is required to record these credits on the SETA Management System which means that if you register on the relevant SETA⁴ website you will be given a password to log onto your learner record, and there you will see how many credits you have obtained through the completion of registered skills programmes / qualifications.

How many FAIS credits do I have with the FSB?

The FSB only keeps record of qualification for authorised FSPs who are sole proprietors, and approved key individuals. The FSB does not keep a record of the credits obtained by the various representatives. It is the responsibility of the FSP to ensure that all its appointed representatives meet the qualification requirements in order to render financial services. To see how many credits a representative has obtained it is advisable to register on the SETA website and access the learner record of the representative.

How do I increase the level of my credits?

Please refer to explanation above where the NQF level and the credits are explained – the level of the credits cannot be increased unless new credits on a different NQF level are completed.

⁴ The two SETAs that have the most registered skills programmes and industry specific qualifications are the BANKSETA www.bankseta.org.za and INSETA www.inseta.org.za.

Feedback on the submission of online profile changes

In volume 19 of the FAIS Newsletter we included an article on the additional services offered on the FAIS online reporting system. The two additional services mentioned in the newsletter were:

- Changes to the representative register of FSPs; and
- Submission of requests to amend a license (“profile changes”)

The response from industry to these two additional services can best be demonstrated by providing feedback on the number of requests received to date:

Changes to the representative register of FSPs:

From the period 1 December 2015 to 23 August 2016 there has been:

- 3 146 representatives added to FSP licenses by way of the online submission;
- 3 445 representatives removed from FSP licenses by way of the online submission; and
- 1 773 requests to update details relating to representatives employed by an FSP.

These changes /updates to the central representative register are fully automated i.e. the changes are processed by the system. Once the system has processed the changes a confirmation letter is e-mailed to the user who logged on as well as the contact person for the FSP.

Submission of requests to amend a license (“profile changes”)

From the period 1 December 2015 to 23 August 2016 the following number of profile changes have been received by way of the online submission:

- 2 671 updates in the contact details of FSPs (fully automated);
- 42 name change requests;
- 79 requests for approval in additional financial products;
- 27 applications for the approval of new auditors;
- 9 auditor resignations;
- 201 applications for approval of new compliance officers;
- 26 compliance officer resignations;
- 8 applications for an additional approval as a Category II FSP;
- 3 applications for an additional approval as a Category IV FSP; and
- 76 requests to update the management of the FSPs.

CONTACT DETAILS

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
- 0800202087

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 FSB homepage select "FAIS" from the drop down list of departments.

E-MAIL INBOX	PURPOSE
Faisinfo@fsb.co.za	General FAIS related enquiries.
Faispfc@fsb.co.za	Submission of profile change requests specifically relating to FSPs.
Reps@fsb.co.za	Submission of the excel rep import spread sheet. This e-mail address should only be used where the person submitting the excel spreadsheet is registered to submit on behalf of the FSP. Where the person is not registered to submit an excel spreadsheet on behalf of the FSP then the request should be sent to the faispfc@fsb.co.za inbox.
Fais.Lapse@fsb.co.za	Submission of any requests to lapse licenses and enquiries relating to lapse requests that have been submitted.
Fais.Licensecopies@fsb.co.za	Requests for duplicate copies of FAIS licenses and annexures. Please ensure that proof of payment accompanies the request for a duplicate license copy.
Fais.Newlicense@fsb.co.za	E-mail submissions of new license applications for FSPs.
Fais.COapprovals@fsb.co.za	E-mail submissions for application for phase 1 approval of compliance officers.
Fais.Mandates@fsb.co.za	Submission of specimen mandates for approval.

E-MAIL INBOX	PURPOSE
Fais.Exams@fsb.co.za	All queries relating to the regulatory examinations e.g. queries related to duplicate certificates, how to register for exams, authentication etc.
Fais.Qualifications@fsb.co.za	Queries relating to qualifications e.g. credits, recognition of qualifications.
Fitandproper@fsb.co.za	Queries relating to the Fit and Proper Requirements e.g. new entrants wanting to know what competency requirements they have to meet.
Fais.Compliance@fsb.co.za	Submission of documents and queries in response to an intention to suspend or suspension letter sent to an FSP.
Faisfins2@fsb.co.za	Extension requests for the submission of annual financial statements.
Faisfins3@fsb.co.za	Extension requests for the submission of annual financial statements.
Faiscomp1@fsb.co.za	Queries on compliance reports and queries related to the FAIS online reporting system.
FaisComplaints@fsb.co.za	Submission of FAIS related complaints against key individuals, representatives and FSPs.
Debarment@fsb.co.za	Submission of debarment notifications relating to representatives.
Fais.Exemptions@fsb.co.za	Submission of exemption applications for exemptions specific to a person or FSP.
Fais.Examexemptions@fsb.co.za	Submission of excel spread sheets to register for the regulatory examination exemptions that published under Board Notice 102 of 2012.
Fais.conditions@fsb.co.za	Submission of proof that conditions associated with exemptions that were granted have been complied with.
Fais.Dofa@fsb.co.za	Submission of DOFA related enquiries and requests for DOFA reports.