

BOARD NOTICE 86 OF 2011**FINANCIAL SERVICES BOARD****FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002****COMPLIANCE REPORT FOR CATEGORY II AND IIA FSPs, 2011**

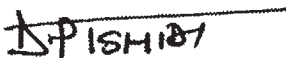
In terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 ("the Act"), I, Dube Phineas Tshidi, the Registrar of Financial Services Providers, determine the manner in which the compliance report for Categories II and IIA FSPs must be submitted, and the matters which it must have regard to. This determination was made after consultation with the Advisory Committee on Financial Services Providers.

- (a) Written reports for the reporting periods, by completing the schedule attached hereto, or by completing electronically, online the schedule on the web site of the Financial Services Board (www.fsb.co.za), must be submitted one month after the reporting date.
- (b) Answers should not 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) "Code of Conduct" means any Code published under section 15 of the Act;
 - (iii) "Determination of Fit and Proper Requirements" means the Determination of Fit and Proper Requirements for Financial Services Providers, 2008;
 - (iv) "developmental area" means any control, process or compliance issue that has been identified during the monitoring of compliance as an area in respect of which the need for improvement of such control, process or compliance issue has been identified by the provider, and plans are in place to effect such improvements within a reasonable time;
 - (v) "FICA" means the Financial Intelligence Centre Act, 2001;
 - (vi) "Forex Investment Business Code of Conduct" means the Code of Conduct for Authorised Financial Service Providers, and their Representatives, involved in Forex Investment Business, 2004;
 - (vii) "FSP", "financial services provider" or "provider" means an authorised

financial services provider, and includes, where applicable, any representative of the provider;

- (viii) "General Code of Conduct" or "General Code" means the Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003;
- (ix) "Regulations" means the Financial Advisory and Intermediary Services Regulations, 2003;
- (x) "reporting date" means 31 May 2011;
- (xi) "reporting period" means the period from the latter 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 last compliance report.; 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 Categories II and IIA FSPs, 2011, and comes into operation on the date of publication thereof.



D P TSHIDI,
Registrar of Financial Services Providers

SCHEDULE

Compliance Report for Category II and IIA FSPs for the reporting period ended 31 August 2011

Scope

In accordance with section 17(4) of the Act, I/we (the approved Compliance Officer(s) of the Financial Services Provider hereby report as follows as regards compliance with the Act by (the and any representatives of the FSP, for the reporting period (full name of the FSP and the FSP Number) (date reporting period started) to 31 May 2011.

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Annexure number
1					
1.1					
1.2					
1.3					
1.4					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
1.5	Financial products in respect of which FSP renders financial services Condition 5 imposed by Registrar in terms of section 8(4) of Act				
1.5.1	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.)				
1.5.2	<i>If the answer to Question 1.5.1 is YES -</i> Provide details of the Regulator (Name of Regulator and registration and/or licensing number/s with the Regulator, if applicable) in a separate annexure and indicate the annexure number in column 5.				
1.5.3	Does the FSP render financial services on any financial product that is not specifically defined in the Act or regulated in terms of any other legislation (i.e. hedge fund, depending on the structure)?				
1.5.4	<i>If the answer to Question 1.5.3 is YES -</i> Provide details of the financial products concerned in a separate annexure and indicate the annexure number in column 5.				
1.6	Financial products in respect of which FSP renders financial services Authorisation in terms of licence				
1.6.1	Does the FSP have procedures in place to ensure that the rendering of financial services is done within the limitation on Categories and sub-categories for which the licence is issued?				
1.6.2	Did any non-compliance occur in respect of the limitation on Categories and sub-categories during the reporting period?				
1.6.3	<i>If the answer to Question 1.6.2 is YES -</i> Provide 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 and indicate the annexure number in column 5.				
1.7	Functions performed by FSP				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
1.7.1					
1.7.2					
1.7.3					
2					
2.1					
3					
3.1					
3.2					
3.3					
3.4					
3.4.1					
3.4.2					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
3.4.3					
4					
4.1					
4.2					
4.3					
4.4					
4.4.1					
4.4.2					
4.4.3					
4.5					
4.6					
4.6.1					

Is the key individual able to maintain 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?

Representatives
Sections 13 and 14 of Act and section 8(b) of Determination of Fit and Proper Requirements for Financial Services Providers

Does the FSP have representatives? If YES, the Statistical Information Sheet (Section 7) must be completed.

If the answer to question 4.1 is YES, questions 4.3 to 4.9 must be answered

Does the FSP have any juristic representatives?

If the answer to Question 4.3 is YES – questions 4.4.1 to 4.4.3 must be answered

Does the FSP have an agreement with each juristic representative? If YES attach a copy of an agreement as a separate annexure and indicate the annexure number in column 5.

Are all employees of the juristic representative who renders financial services on behalf of the provider, appointed as representatives of the provider in terms of section 13 of the Act?

Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to clients?

Does the FSP have procedures in place (including documentation) to enable representatives to provide clients with confirmation, certified by the provider, of their status as representatives as provided for in section 13(1) (b) (i) of the Act?

Competency of representatives
Section 13(2)(a) of Act, Parts II, III and VI of Determination of Fit and Proper Requirements and Board Notice 151 of 2008

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

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Annexure number
4.6.2					
4.6.3					
4.7					
4.7.1					
4.7.2					
4.7.3					
4.7.4					
4.7.5					
4.8					
4.8.1					
4.8.2					

out in Parts II and III of the Determination of Fit and Proper Requirements?

4.6.2 Have any representatives FSP passed the First Level Regulatory Exam (RE1)? If YES, the Statistical Information Sheet (Section 7) must be completed.

4.6.3 Does the FSP have representatives who, on the reporting date, render financial services under supervision as contemplated in paragraph 3 of the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008?

4.7 *If the answer to question 4.6.3 is YES –questions 4.7.1 to 4.7.5 must be answered*

4.7.1 Confirm the number of representatives working under supervision as well as the number of supervisors, as at the reporting date, on the Statistical Information Sheet (Section 7).

4.7.2 Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 4(7) (a) to (f) of the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008? If YES, attach a copy of the procedures as a separate annexure and indicate the annexure number in column 5.

4.7.3 Does the FSP have procedures in place to ensure that there is a formal, documented supervision plan in place for representatives that are rendering services under supervision?

4.7.4 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?

4.7.5 If any non-compliance was found in terms of representatives under supervision, submit full details of such non-compliance 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 5.

4.8 **Representatives' compliance with Code of Conduct**
Section 13(2)(b) of Act, Board Notice 58 of 2010 and section 5(f) of General Code of Conduct

4.8.1 Does the FSP have procedures in place to determine whether representatives adhered to the requirements stipulated in the Codes of Conduct applicable to the FSP?

4.8.2 *If the answer to Question 4.8.1 is YES– questions 4.8.2.1 to 4.8.2.4 must be answered*

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Annexure number
4.8.2.1					
4.8.2.2					
4.8.2.3					
4.8.2.4					
4.9					
4.9.1					
4.9.2					
4.9.2.1					
5					
5.1					
5.2					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
5.3					
5.4					
5.5					
5.6					
6					
6.1					
6.2					
6.3					
6.4					
6.5					
6.6					

If yes, the Statistical Information Sheet (Section 7) must be completed.

Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct?

If yes, the Statistical Information Sheet (Section 7) must be completed.

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?

If the FSP holds guarantees or professional indemnity or fidelity insurance cover, attach the latest copy/copies of the insurance schedule/s in a separate annexure and indicate the annexure number in column 5.

Did the FSP have any claims against their professional indemnity cover, fidelity insurance cover or guarantees during the reporting period?

Compliance function
Section 17 of Act and Chapter IV of Regulations and Board Notice 127 of 2010

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?

Was any aspect in this report as a "Developmental Area" (Column 4) that was also indicated as a developmental area in the compliance report for the previous reporting period?

If the answer to question 6.2 is YES – In a separate annexure, provide details thereof, the reasons for continued non-compliance, and corrective actions to be taken. Indicate the annexure number in column 5.

Has the FSP appointed a compliance officer in terms of section 17 of the Act?

If the answer to question 6.4 is YES – questions 6.6 to 6.13 must be answered

Are you appointed as an external compliance officer of the FSP?

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
6.7					
6.8					
6.9					
6.10					
6.11					
6.12					
6.13					
7					
7.1					
7.2					
7.3					
7.4					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
of five years, after termination of the product concerned or, in any other case, after the rendering of the financial service concerned?					
7.5 Does the FSP have electronic back-ups for all electronic records?					
7.5.1 <i>If the answer to question 7.5 is YES –</i> Does the FSP have procedures (e.g. disaster recovery procedures) in place to ensure that back-ups are tested on a sample basis in order to reasonably ensure that records can be retrieved in a proper manner?					
7.5.1.1 <i>If the answer to question 7.5.1 is YES –</i> In a separate annexure, indicate the last time such back-ups were tested and the result of the test. Indicate the annexure number in column 5.					
8 General Code of Conduct					
8.1 General provisions <i>Section 3 of General Code of Conduct and Board Notice 56 of 2010</i>					
8.1.1 Has the FSP adopted, maintained and implemented a conflict of interest management policy? If the answer is YES a copy of the policy must be attached and indicate the annexure number under column 5.					
8.1.2 Are the employees, representatives and, where appropriate, associates aware of the conflict of interest management policy?					
8.1.3 Has appropriate training and educational material been provided to the employees, representatives and where appropriate, associates?					
8.1.4 Has the conflict of interest management policy been published in appropriate media and is the policy easily accessible for public inspection at all reasonable times?					
8.1.5 During the reporting period did the FSP or any of its employees receive any immaterial financial interests from a product supplier which exceeded an aggregate of R1 000 during? If the answer is YES – the Statistical Information Sheet (Section 7) must be completed.					
8.1.6 If applicable, did the FSP and / or their representative(s) disclose to clients in writing any					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Annexure number
8.1.7					
8.2					
8.2.1					
8.2.2					
8.2.2.1					
8.2.2.2					
8.2.3					
8.2.3.1					
8.2.3.2					
8.2.3.3					
8.2.3.4					
8.3					
8.3.1					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
8.3.2					
8.3.2	Does the FSP act as a direct marketer as defined in the General Code of Conduct?				
8.3.3	If the answer to Question 8.3.2 is YES – questions 8.3.3.1 to 8.3.3.4 must be answered				
8.3.3.1					
8.3.3.1	Does the FSP have recording systems in place to record all telephonic conversations with clients in the course of direct marketing?				
8.3.3.2					
8.3.3.2	Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?				
8.3.3.3					
8.3.3.3	Does the FSP have procedures in place to ensure that it complies with section 15 (read with sections 4, 5 and 7) of the General Code of Conduct?				
8.3.3.4					
8.3.3.4	<i>If the answer to Question 8.3.3.3 is NO - In a separate annexure, provide details on how and when (provide specific time frame) such procedures will be put in place. Indicate the annexure number in column 5.</i>				
8.4					
8.4	Furnishing of advice and record of advice Sections 8 and 9 of General Code of Conduct				
8.4.1					
8.4.1	Is the FSP licensed to furnish advice?				
8.4.2					
8.4.2	Did the FSP render advice as a regular feature of its business during the reporting period?				
8.4.3					
8.4.3	If the answer to question 8.4.2 is YES – questions 8.4.3.1 to 8.4.3.5 must be answered				
8.4.3.1					
8.4.3.1	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?				
8.4.3.2					
8.4.3.2	<i>If the answer to Question 8.4.3.1 is NO - In a separate annexure, provide details on how these procedures will be put in place. Indicate the annexure number in column 5.</i>				
8.4.3.3					
8.4.3.3	Does the FSP have procedures in place to ensure compliance with section 8(1)(d) of the General Code of Conduct relating to replacement products ?				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
8.4.3.4					
8.4.3.5					
8.5					
8.5.1					
8.5.2					
8.5.2.1					
8.5.2.2					
8.5.2.3					
8.5.2.4					
8.5.2.5					
8.5.2.6					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
8.5.3					
Does the FSP collect short term insurance premiums from clients on behalf of product suppliers?					
8.5.4					
<i>If the answer to question 8.5.3 is YES – questions 8.5.4.1 and 8.5.4.2 must be answered</i>					
8.5.4.1					
Does the FSP collect premiums in accordance with section 45 of the Short -term Insurance Act, 1998?					
8.5.4.2					
Does the FSP have IGF Guarantee in terms of section 45 of the Short-term Insurance Act, 1998?					
8.5.4.3					
<i>If the answer to Question 8.5.4.2 is YES- Provide a copy of the IGF schedule as a separate annexure and indicate the annexure number in column 5.</i>					
8.5.5					
Does the FSP have procedures in place to ensure that the client's financial products can be readily/clearly distinguished from private assets of the FSP?					
8.6					
Risk management <i>Sections 11 and 12 of General Code of Conduct</i>					
8.6.1					
Does the FSP have and employ appropriate risk management resources, procedures, systems and controls as described in sections 11 and 12 of the General Code of Conduct?					
8.6.2					
Does the FSP have a documented Risk Management Plan?					
8.6.3					
In a separate annexure, provide details as to how the Risk Management Plan is monitored. Indicate the annexure number in column 5.					
8.7					
Advertising <i>Section 14 of General Code of Conduct</i>					
8.7.1					
Does the FSP advertise its financial services?					
8.7.2					
<i>If the answer to Question 8.7.1 is YES- questions 8.7.2.1 to 8.7.2.3 must be answered</i>					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Annexure number
8.7.2.1					
8.7.2.2					
8.7.2.3					
8.8					
8.8.1					
8.8.2					
8.9					
8.9.1					
8.9.2					
8.9.3					
8.10					
8.10.1					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
any right or benefit conferred on the client by the General Code of Conduct? Provide details of any instances of non-compliance found as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure and indicate the annexure number in column 5.					
8.10.2 Does the FSP have procedures in place to ensure compliance with section 21 of the General Code of Conduct?					
9 Money laundering control procedures					
9.1 Is the FSP an accountable institution in terms of Schedule 1 of FICA?					
9.2 <i>If the answer to question 9.1 is YES, Questions 9.3 to 9.16 must be answered—</i>					
9.3 Has the FSP registered with the Financial Intelligence Centre in terms of Section 43B of FICA?					
9.4 Does the FSP have in place all the necessary policies, procedures and systems to ensure full compliance with FICA and other applicable anti-money laundering or terrorist financing legislation as required in terms of paragraph 8(1) e of the Determination of Fit and Proper Requirements?					
9.5 Was this reporting period the FSP's first year of business?					
9.5.1 <i>If the answer to question 9.5 is YES –</i> Provide a copy of the internal rules used by the FSP as a separate annexure and indicate the annexure number in column 5.					
9.6 <i>If this reporting period wasn't the FSP's first year of business, did the FSP amend/revise the internal rules during the reporting period?</i>					
9.6.1 <i>If the answer to question 9.6 is YES –</i> Provide a copy of the amended rules in a separate annexure and indicate the annexure number in column 5.					
9.7 Does the FSP make use of a standard internal rules document supplied by a third party?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
9.7.1					
9.8					
9.8.1					
9.9					
9.9.1					
9.10					
9.11					
9.12					
9.13					
9.14					
9.15					
9.16					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
9.17					
9.17.1					
9.17.1.1					
9.17.2					
9.17.3					
9.17.4					
10					
10.1					
10.2					
10.3					
10.4					
10.5					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
FSPs type of business entity?					
10.6 Did you (compliance officer) have unrestricted access to view the accounting records of the FSP at all times during the reporting period?					
10.6.1 <i>If the answer to question 10.6 is NO - In a separate annexure, give an explanation as to the reasons for the FSP denying access to the accounting records. Indicate the annexure number in column 5.</i>					
10.7 Does the FSP have internal procedures and controls in place to ensure that the requirements as described in section 8(3) of the Determination of Fit and Proper Requirements are complied with?					
10.7.1 <i>If the answer to question 10.7 is NO - In a separate annexure, indicate the steps that will be taken to ensure that the relevant controls and procedures are put in place. Indicate the annexure number in column 5.</i>					
11 Monitoring <i>Board Notice 58 of 2010</i>					
11.1 Does the FSP have an approved Compliance Officer? If yes, please indicate the type of monitoring that the compliance officer performed:					
11.1.1 Financial products in which the FSP renders financial services.					
11.1.2 Representatives under supervision.					
11.1.3 Juristic representatives					
11.1.4 Disclosure documents to check compliance with sections 4 and 5 of the General Code of Conduct.					
11.1.5 Disclosure documents to check compliance with section 7 of the General Code of Conduct.					
11.1.6 Furnishing of advice and record of advice.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
11.1.7					
11.1.8					
11.1.9					
11.1.10					
11.1.11					
11.1.12					
11.1.13					
11.1.14					
11.1.15					
11..2					
SECTION 2 – DISCRETIONARY FSPs					
12					
12.1					
12.1.1					
12.1.1.1					

Receipt of funds and/or collection of premiums.

Waiver of rights.

Money laundering control procedures.

Exchange control regulations (in case of a forex FSP).

Policies and procedures.

Mandates and application forms.

Conflict of interest management policy

Direct marketer's telesales script and/or telesales voice recordings to check compliance with section 15 of the General Code of Conduct.

Other. Please provide details of other type of monitoring in a separate annexure and indicate the annexure number in column 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 5.

SECTION 2 – DISCRETIONARY FSPs

Particular duties/obligations relating to discretionary FSPs

Prohibitions and duties of discretionary FSP
Section 3 of Code of Conduct for Discretionary FSPs, 2003

Does the FSP have procedures in place to ensure that it does not:

sell or provide a third party with clients' detail, unless obliged by, or in terms of, any law to do so?

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
12.1.1.2					
12.1.1.3					
12.1.2					
12.2					
12.2.1					
12.2.2					
12.2.3					
12.2.4					
12.2.5					
12.2.6					
12.2.7					
12.3					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
12.3.1					
12.3.2					
12.3.3					
12.4					
12.4.1					
12.4.2					
12.4.2.1					
12.4.2.2					
12.4.3					
12.4.4					
12.4.5					
12.4.6					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Annexure number
12.5					
Assets under management					
12.5.1					
Did the FSP have assets under management as at the reporting date? If the answer is YES, the Statistical Information Sheet (Section 7) must be completed.					
12.6					
Nominee companies Section 8 of General Code of Conduct for Discretionary FSPs, 2003					
12.6.1					
Does the FSP hold client investments?					
12.6.2					
If the answer to Question 12.6.1 is YES – questions 12.6.2.1 to 12.6.2.3 must be answered					
12.6.2.1					
Does the FSP hold client investments in its own nominee company approved by the Registrar as required in terms of regulation 6 of the Regulations?					
12.6.2.2					
Does the FSP make use of another approved Nominee company to hold client assets?					
12.6.2.3					
As a separate annexure, attach a list of nominee companies that the FSP make use of to hold client assets. Also indicate whether the nominee company holds assets on behalf of pension funds, long-term insurers or short-term insurers. Indicate the annexure number in column 5.					
12.7					
General functions					
12.7.1					
Does the FSP manage clients' funds in wrap funds or structured funds on an administrative FSP's platform?					
12.7.2					
If the answer to question 12.7.1 is YES – In a separate annexure, provide details of the funds and underlying assets in the wrap funds or structured funds. Provide the annexure number in column 5.					
12.7.3					
Is the FSP authorised to render financial service in respect of long-term insurance products?					
12.7.3.1					
If the answer to Question 12.7.3 is YES – In a separate annexure, list the names of product suppliers that the FSP utilises. Indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
SECTION 3 – FOREX FSPs <i>The Forex Investment Business Code of Conduct covers 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.</i>					
13 Particular duties relating to forex FSPs					
13.1 <i>If the FSP is licensed for subcategory 1.15 Question 13.2 must be answered (and where applicable, questions 13.3.1 to 13.3.19 should also be answered)</i>					
13.2 Is the FSP licensed to give advice as a forex service provider?					
13.3 If the answer to question 13.2 is YES - Questions 13.3.1 to 13.3.18 must be answered.					
13.3.1 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. Indicate the annexure in column 5.					
13.3.2 Did the FSP provide clients with the name and contact details of the clearing firm?					
13.3.3 Did the FSP provide clients with the name and contact details of the Regulator under whose jurisdiction the activity of the clearing firm falls?					
13.3.3.1 <i>If the answer to Question 13.3.3 is YES – 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 5.</i>					
13.3.3.2 In respect 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 5.					
13.3.3.3 Does the FSP provide regular training sessions to educate and assist the clients to optimise their trading skills?					
13.3.4 Did the FSP make any substantial /material changes to this application form without prior					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
approval of the Registrar?					
13.3.5 Does the FSP take reasonable steps to ensure that the forex investment to be advised on is suitable for the client?					
13.3.6 <i>If the answer to Question 13.3.5 is YES –</i> In a separate annexure, provide details of the procedures that the FSP has put in place to ensure that the client's objectives, risk appetite, financial situation and foreign investment product experience are obtained in order to act in their interests at all times. Indicate the annexure number in column 5.					
13.3.7 In a separate annexure, provide full details of the procedures that the FSP have put in place to ensure that risks associated with forex investments (including currency fluctuations), are disclosed to clients? Indicate the annexure number in column 5. If a standard disclosure document is used, please include a copy thereof as part of the annexure.					
13.3.8 In a separate annexure, provide full details of the procedures that the FSP have put in place to ensure that risks associated with forex investments (including currency fluctuations), are disclosed to clients? Indicate the annexure number in column 5. If a standard disclosure document is used, please include a copy thereof as part of the annexure.					
13.3.9 Does the FSP have procedures in place to ensure that the forex investment intermediary, to whom clients are referred to, is an authorised FSP?					
13.3.10 Does the FSP have an appropriate written agreement in place to govern the relationship with forex intermediaries to whom clients are referred?					
13.3.11 Does the FSP ensure that clients comply with exchange control legislation (including 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 in a separate annexure and indicate annexure number in column 5.					
13.3.12 Does the FSP advise clients to invest by means of margin trading?					
13.3.13 <i>If the answer to Question 13.3.12 is YES –</i> In a separate annexure, provide details of the procedure that the FSP has put in place to					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
ensure that the minimum leverage required does not exceed widely used industry norms. Indicate the annexure number in column 5.					
13.3.14 In a separate annexure, provide details of the procedure/s that the FSP has put in place to ensure all fees, charges, costs and commission payable to the different stakeholders involved in the forex investment process are fully and adequately disclosed.					
13.3.15 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?					
13.3.16 If the reports and statements referred to in 13.3.15 are generated by the clearing firm or foreign forex services provider, can the contents of the statements be altered by the FSP before being made available to clients or viewed online?					
13.3.17 In a separate annexure, provide a full explanation setting out how clients' funds which are held offshore will be treated if the FSP is wound up, liquidated or ceases to conduct business for any reason. Indicate the annexure number in column 5.					
13.3.18 Does the FSP ensure that a foreign forex services provider which holds investments on behalf of clients maintains insurance cover to guard against risk of loss due to fraud, dishonesty and negligence?					
13.4 Special prohibitions applying to forex investment intermediaries Section 5 of <i>Forex Investment Business Code of Conduct</i>					
13.4.1 Is the FSP licensed for subcategory 2.13?					
13.4.2 If the answer to question 13.4.1 is YES – questions 13.4.2.1 to 13.4.2.29 must be answered					
13.4.2.1 Does the FSP render forex investment intermediary services as a regular feature of business?					
13.4.2.2 Provide full details of the clearing firms the FSP deals with as well as the name and contact details of the Regulator in a separate annexure and indicate annexure number in column 5.					
13.4.2.3 In a separate annexure, provide a list of the product suppliers and the countries they are					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
	domiciled in as a separate annexure and indicate annexure number in column 5.				
13.4.2.4					
	Does the FSP deal on behalf of clients by means of margin trading?				
13.4.2.5					
	<i>If the answer to Question 13.4.2.4 is YES –</i> In a separate annexure, provide full details of the procedures 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 5.				
13.4.2.6					
	Did the FSP amend the specimen mandate/s substantially during the reporting period without prior written approval of the Registrar?				
13.4.2.7					
	If the FSP amended any specimen mandates during the reporting period, did the Registrar approve such substantial amendments?				
13.4.2.8					
	Does the FSP have procedures in place to ensure that it only deals with clients in respect of whom mandates, which comply with section 5 of the said Code, have been obtained?				
13.4.2.9					
	In a separate annexure, provide full details of the trading system or platform that the FSP utilises, and indicate the annexure number in column 5.				
13.4.2.10					
	Does the FSP have procedures in place to ensure that client accounts are not churned?				
13.4.2.11					
	Does the FSP have clients in respect of managed accounts? If the answer is YES, the Statistical Information Sheet (Section 7) must be completed.				
13.4.2.12					
	Does the FSP take reasonable steps to ensure that the forex investment product to be intermediated on is suitable for clients?				
13.4.2.13					
	<i>If the answer to Question 13.4.2.12 is YES-</i> In a separate annexure, provide details of the procedures that the FSP has put in place to ensure that the client's financial situation, financial product experience and objectives are obtained. Indicate the annexure number in column 5.				
13.4.2.14					
	In a separate annexure, provide details of the procedures that the FSP has put in place to ensure that clients are provided, in a comprehensible and timely manner, with information regarding investments made, market practices and the inherent risks of forex investment				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
13.4.2.15					
13.4.2.16					
13.4.2.17					
13.4.2.18					
13.4.2.19					
13.4.2.20					
13.4.2.21					
13.4.2.22					
13.4.2.23					
13.4.2.24					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
13.4.2.25					
13.4.2.26					
13.4.2.27					
13.4.2.28					
13.4.2.29					
SECTION 4 – HEALTH SERVICES BENEFITS					
14					
14.1					
14.2					
14.2.1					
14.2.1.1					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
14.2.2					
14.2.3					
SECTION 5 – HEDGE FUND FINANCIAL SERVICES PROVIDERS					
15					
16					
17					
17.1					
17.2					
17.2.1					
18					
18.1					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
18.2					
19					
19.1					
19.2					
19.3					
20					
20.1					
20.1.1					
20.2					
20.2.1					

Does the FSP have procedures in place to ensure that representatives and key individuals of representatives are competent to render financial services to hedge fund portfolios, taking into account the requirements of the Determination of Fit and Proper Requirements?

Code of Conduct for Discretionary FSPs, 2003 and Notice on Hedge Fund FSP Disclosures, 2008

Did you (compliance officer) perform monitoring procedures to ensure that the hedge fund FSP complied with paragraph 8A (1) to (4) of the Code of Conduct for Discretionary FSPs, 2003 for the reporting period?

If the answer to question 19.1 was YES –

If non-compliance with paragraph 8A(1) to 8A(4) was identified during monitoring procedures please provide the details of such non-compliance as well as the steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure. Indicate the annexure number in column 5.

Did you (compliance officer) perform monitoring procedures to ensure that the risk disclosure document as stipulated in paragraph 8A.(2)(b) of the Code of Conduct for Discretionary FSPs, 2003 and Notice on Hedge Fund FSP Disclosures, 2008 has been included in the mandate?

Financial products and underlying assets

Did any change occur during the reporting period in respect of the financial products that comprise the hedge fund portfolios of the FSP?

If the answer to question 20.1 is YES -

In a separate annexure, list all financial products that comprise the hedge fund portfolios of the FSP. Indicate the changes that were made to the hedge portfolios. Indicate the annexure number in column 5.

Are there any over the counter products in the hedge fund portfolios of the FSP?

If the answer to question 20.2 is YES –

Provide a list of the over the counter products in a separate annexure. Indicate the annexure number in Column 5.

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Annexure number
21 Structure of Hedge Fund FSP					
21.1 Did any change occur on the structures that are used to contain or house the hedge fund portfolios since the last reporting period?					
21.1.1 <i>If the answer to question 21.1 is YES - In a separate annexure, provide details on the change of structure. Indicate the annexure number in column 5.</i>					
21.2 In a separate annexure, outline the process followed in respect of flow of funds from the time when the client makes a deposit to when the funds are utilised by the portfolio manager. Indicate the annexure number in column 5.					
22 Risk management <i>Part IX of General Code of Conduct</i>					
22.1 Does the Hedge Fund FSP have a risk management plan in place in accordance with Part IX of the General Code of Conduct describing the risk management process in respect of the hedge fund management business?					
22.1.1 <i>If the answer to Question 22.1 is NO - In a separate annexure, indicate the steps that the FSP has taken to put the risk management plan in place. Indicate the annexure number in column 5.</i>					
22.2 Did the FSP disclose the risks as published in the <i>Notice on Hedge Fund FSP Disclosures, 2008</i> in respect of hedge funds to its investors in the hedge fund portfolios at all times during the reporting period?					
22.3 Did the person(s) responsible for risk management of hedge fund portfolios change during the reporting period?					
22.3.1 <i>If the answer to question 22.3 is YES - In a separate annexure, provide details (Names, ID numbers, qualifications and experience) of the person(s) responsible for risk management of hedge fund portfolios. If the function is outsourced, provide full details of the entity to which it is outsourced as well as the details of the responsible persons within the outsourced company. Indicate the annexure number in column 5.</i>					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
23					
General					
23.1					
23.1.1					
23.2					
23.2.1					
23.3					
23.4					
23.5					
23.6					
23.7					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
23.8					
23.9					
23.10					
23.10.1					
23.11					

SECTION 7 – STATISTICAL INFORMATION SHEET

7.1 REPRESENTATIVES AT REPORTING DATE		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	NUMBER OF REPRESENTATIVES/KEY INDIVIDUALS
Number of representatives	4.1	
Number of representatives who have enrolled for and passed the First Level Regulatory Exam (RE 1)	4.6.2	
Number of representatives rendering services under supervision as contemplated in paragraph 3 of the Exemption of Financial Services Providers as regards the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008	4.7.1	
Number of key individuals and representatives that acted as supervisors in respect of services under supervision	4.7.1	

7.2 INSURANCE COVER	RELEVANT QUESTION NUMBER	CURRENCY	EXTENT OF COVER (NUMERIC AMOUNT)
Professional Indemnity Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	5.1		
Fidelity Insurance Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	5.2		
Guarantees as contemplated in section 13 of the General Code of Conduct	5.3		

7.3 COMPLIANCE FUNCTION		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	DETAILS
Number of reports issued to the FSP on the rendering of financial services	6.9	
Number of visits to the business premises, business units and / or branches of the FSP during the reporting period in order to perform monitoring procedures	6.10	
Number of visits to the business premises, business units and / or branches of the FSP's representatives during the reporting period in order to perform monitoring procedures	6.11	
Name of compliance officer appointed in terms of Section 43(b) of FICA.	6.12	
Identity Number of compliance officer appointed in terms of Section 43(b) of FICA.	6.12	

7.4 CONFLICT OF INTEREST		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	NAME(S) OF PRODUCT SUPPLIER(S)
Name of the product supplier(s) from which an immaterial interest exceeding an aggregate of R1 000 was received	8.1.5	

7.5 GENERAL CODE OF CONDUCT		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	PERCENTAGE
Provide the percentage (%) of new financial transactions done as a single needs analysis.	8.4.3.5	

7.6 ASSETS UNDER MANAGEMENT (DISCRETIONARY FSP)				
Total market value of assets under management for the following type of clients:	Relevant question number	Local (Rand amount)	Foreign (Rand amount)	Total (Rand amount)
Private clients (individuals or entities not listed below)	12.5.1			
Retirement funds	12.5.1			
Collective Investment Schemes	12.5.1			
Long-term Insurers	12.5.1			
Short Term Insurers	12.5.1			
Hedge fund clients (breakdown to be provided in Section 7.9 of this sheet)	12.5.1			
Other (Please specify)	12.5.1			

7.7 FOREX AUTHORISED FSPs		
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO	DETAILS
Number of clients at reporting date in respect of managed accounts	13.4.2.11	

7.8. HEALTH SERVICES BENEFITS		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	DETAILS
Key individual(s) accreditation number(s) with the Council for Medical Schemes [BR number(s)]	14.2.2	
FSP accreditation number with the Council for Medical Schemes (ORG number)	14.2.2	
Percentage of client base that are corporate clients	14.2.3	

7.9 HEDGE FUND FSPs

TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	NUMERIC AMOUNT
Number of times that the FSP breached their mandate during the reporting period.	23.11	

COMPULSORY TABLE FOR COMPLETION:

Total market value of assets under management at reporting date for each of the following type of hedge fund clients:	Local (Rand amount)	Foreign (Rand Amount)	Total (Rand Amount)
Trusts			
Partnerships			
Companies			
Other			
TOTAL			

COMPULSORY TABLE FOR COMPLETION:

Total market value of assets under management at reporting date for the following type of hedge fund clients:	Local (Rand amount)	Foreign (Rand amount)	Total (Rand amount)
Private clients (Individuals or entities not listed below)			
Retirement funds			
Collective Investment Schemes			
Long-term Insurers			
Short-term Insurers			
Fund of hedge funds			
Other (Please specify)			
TOTAL			

COMPULSORY TABLE FOR COMPLETION:			
Total market value of assets under management at reporting date for each of the following type of hedge fund legal structures:	Local (Rand amount)	Foreign (Rand amount)	Total (Rand amount)
Trusts			
Partnerships			
Debenture			
Other (Please specify)			
TOTAL			

COMPLIANCE REPORT COMPLETED AND SIGNED BY FSP

Name of FSP _____
FSP number _____
Name of key individual _____
ID number of key individual _____
Date appointed as key individual _____
Signature _____
Date _____

COMPLIANCE REPORT COMPLETED AND SIGNED BY COMPLIANCE OFFICER(S)

Name(s) of compliance officer(s) of FSP _____
ID number(s) of the 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 _____

Please note that all unsigned reports will be regarded as "Not Submitted".

DECLARATION SIGNED BY COMPLIANCE OFFICER(S) SUBMITTING COMPLIANCE REPORT

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 _____ compliance officer(s)) hereby report as follows as regards compliance by
_____ (insert full name of FSP and FSP number) and any
representative of the FSP with the Act, for the reporting period.

Having completed the attached annual compliance report for the 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 Registrar of Financial Services Providers, and should I/we knowingly submit false, incorrect or misleading information
to the Registrar, 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 8(1) of the Act.

Signed on _____ (day) of _____ (month) _____ (year).

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

Signature(s): _____