

BOARD NOTICE 88 OF 2011
FINANCIAL SERVICES BOARD
FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

COMPLIANCE REPORT FOR CATEGORY II 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 Category II 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) A written report for the reporting period, 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 by 31 October 2011.
- (b) Answers should not be provided in columns that are shaded in grey in the schedule.
- (c) In this Notice and the schedule, 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 August 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 2010 compliance report; or
 - (cc) the date of appointment of the compliance officer,until the reporting date.

This Determination is called the Compliance Report for Category II 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 FSPs for reporting period ended 31 August 2011

Scope

In accordance with section 17(4) of the Act, I/we (the approved compliance officer(s), if appointed) 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 (reporting date).

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
	SECTION 1 – GENERAL				
1	Conditions and restrictions by Registrar Sections 7, 8(4) (a) and (5)(b) of Act				
1.1	Does the FSP have procedures in place to ensure that the FSP can comply with condition 1 of the licensing conditions requiring the FSP to update business information provided during the application stage within 15 days of any change occurring?				
1.2	Did the FSP change legal status (e.g. from CC to (Pty) Ltd) as an entity since obtaining licence?				
1.3	<i>If the answer to Question 1.2 is YES –</i> Did the FSP obtain a new licence as contemplated in section 8 of the Act?				
1.4	Does the FSP verify in all instances that any other FSP that it gives an instruction to, or receives an instruction from, is authorised to render specific financial services without any licence restrictions on its licence in relation to a specific financial product?				
1.5	Financial products in respect of which FSP renders financial services <i>Condition 5 imposed by Registrar in terms of section 8(4) of Act</i>				

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Annexure number
1.5.1					
1.5.2					
1.5.3					
1.5.4					
1.6					
1.6.1					
1.6.2					
1.6.3					
1.7					
1.7.1					
1.7.2					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
1.7.3	Did the FSP act as a promoter of unlisted shares and debentures (property syndicator) during the reporting period?				
1.7.4	Is the FSP also a licensed credit provider in terms of the National Credit Act, 2005?				
2	Group structure				
2.1	Does the FSP form part of a group of companies and/or have service level agreements in place with other financial services providers within the group? If yes, provide full details of the group (including an organogram or diagram as well as such FSP's relation to the group of companies in a separate annexure and provide the annexure number in column 5.				
3	Key individuals <i>Section 8(1) and (4)(b) of Act and Determination of Fit and Proper Requirements</i>				
3.1	Are all people involved in the managing/overseeing function in relation to the rendering of financial services appointed as key individuals?				
3.2	In a separate annexure, provide information on the structure with regards to key individuals (what is their position in the organisation, where are they situated). Indicate the annexure number in column 5.				
3.3	Does the FSP have procedures in place to ensure compliance with section 8(4)(b) of the Act in the case of replacement of key individuals?				
3.4	Fit and proper requirements for key individuals <i>Determination of Fit and Proper Requirements</i>				
3.4.1	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 it relates to Part II of the Determination of Fit and Proper Requirements?				
3.4.2	<i>If the answer to Question 3.4.1 is YES -</i> Provide full details thereof in a separate annexure and indicate the annexure number in column 5.				
3.4.3	Are the key individuals/s able to maintain the operational ability to fulfill the responsibilities imposed by the Act on FSPs, including (where applicable) oversight of the financial services				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
rendered by the representative of the FSP?					
4 Representatives <i>Sections 13 and 14 of Act and section 8(8) of Determination of Fit and Proper Requirements</i>					
4.1 Does the FSP have representatives? If YES, the Statistical Information Sheet (Section 6) must be completed.					
4.2 If the answer to Question 4.1 is YES, questions 4.3 to 4.9 must be answered					
4.3 Does the FSP have any juristic representatives?					
4.4 If the answer to Question 4.3 is YES -- questions 4.4.1 to 4.4.3 must be answered					
4.4.1 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.					
4.4.2 Are all employees of the juristic representative rendering financial services on behalf of the provider appointed as representatives of the provider in terms of section 13 of the Act?					
4.4.3 Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to clients?					
4.5 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 representative as provided for in section 13(1)(b)(i) of the Act?					
4.6 Competency of representatives <i>Section 13(2)(a) of Act, Parts II, III and VI of Determination of Fit and Proper Requirements and Board Notice 151 of 2008</i>					
4.6.1 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 Parts II and III of the Determination of the Fit and Proper Requirements?					
4.6.2 Have any representatives of the FSP passed the First Level Regulatory Exam (RE1)? If YES, the Statistical Information Sheet (Section 6) must be completed.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
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					
4.8.2.1					

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?

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

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 6).

Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 4(7)(a) to (f) of the Exemption of Financial Services Providers as regards representatives, BN 104 of 2008? If YES, attach a copy of the procedures as a separate annexure and indicate the annexure number in column 5.

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

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?

If any non-compliance was found in terms of representatives under supervision, 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 5.

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

Does the FSP have procedures in place to determine whether representatives adhere to the Codes of Conduct?

If the answer to Question 4.5.1 is YES – questions 4.8.2.1 to 4.8.2.4 must be answered

In a separate annexure, describe the procedures that the FSP have in place to determine whether the representatives adhere to the said requirements. Indicate the annexure number in column 5.

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
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					
5.3					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
	If yes, the Statistical Information Sheet (Section 6) must be completed.				
5.4					
	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?				
5.5					
	If the FSP holds guarantees or professional indemnity or fidelity insurance cover, attach a copy of the latest insurance schedule/s in a separate annexure and indicate the annexure number in column 5.				
5.6					
	Did the FSP have any claims against their professional indemnity cover, fidelity insurance cover or guarantees during the reporting period that were as a result of financial services rendered?				
6					
	Compliance function <i>Section 17 of Act, Chapter IV of Regulations and Board Notice 127 of 2010</i>				
6.1					
	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?				
6.2					
	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?				
6.3					
	<i>If the answer to question 6.2 is YES –</i> 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.				
6.4					
	Has the FSP appointed a compliance officer?				
6.5					
	<i>If the answer to question 6.4 is YES – questions 6.6 to 6.13 must be answered</i>				
6.6					
	Are you appointed as an external compliance officer of the FSP?				
6.7					
	Are you appointed as an internal compliance officer of the FSP?				
6.8					
	<i>If the answer to question 6.7 was YES-</i> Are you also the appointed internal compliance officer for any other FSPs? If YES In a separate annexure, provide the details of the FSPs. Indicate the annexure number in column				

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Annexure number
5.					
6.9					
6.10					
6.11					
6.12					
6.13					
7					
7.1					
7.2					
7.3					
7.4					
7.5					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
7.5.1	If the answer to Question 7.5 is YES – questions 7.5.1.1 and 7.5.1.2 must be answered				
7.5.1.1	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?				
7.5.1.2	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 58 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	Have 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 you (compliance officer) conduct monitoring to ascertain whether the FSP or any employees receives or offers any immaterial financial interests which exceeded an aggregate of R1 000 during the calendar year?				
8.1.5.1	If the answer to question 8.1.5 was YES- According to your knowledge, did the FSP or any representative offer or accept an immaterial financial interest exceeding R1 000, during the 2010 calendar year, to or from a third party?				
8.1.6	If applicable, did the FSP and representatives disclose to clients in writing any conflict of interest in respect of the clients?				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Annexure number
8.1.7					
8.1.7.1					
8.1.8					
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					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
8.3	Direct marketing <i>Section 15 of General Code of Conduct</i>				
8.3.1	Is the FSP authorised for Category I? If the answer is YES , Question 8.3.2 must be answered.				
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	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	Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?				
8.3.3.3	Does the FSP have procedures in place to ensure compliance with section 15 (read with sections 4, 5 and 7) of the General Code of Conduct?				
8.3.3.4	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.				
8.4	Furnishing of advice and record of advice <i>Sections 8 and 9 of General Code of Conduct</i>				
8.4.1	Is the FSP licensed to furnish advice?				
8.4.2	Did the FSP render advice as a regular feature of business during the reporting period?				
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	Does the FSP have procedures in place to ensure that an analysis of the client's financial situation and objectives are performed before advice is furnished?				
8.4.3.2	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.				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
8.4.3.3					
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					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
8.5.2.6					
8.5.3					
8.5.4					
8.5.4.1					
8.5.4.2					
8.5.4.3					
8.5.5					
8.6					
8.6.1					
8.6.2					
8.6.3					
8.7					
8.7.1					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
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>				
8.7.2.1	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?				
8.7.2.2	If the FSP advertised any financial services by telephone during the reporting period, did the FSP maintain an electronic, voice logged record of all communications?				
8.7.2.3	Was reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period?				
8.8	Complaints <i>Sections 16 to 19 of General Code of Conduct</i>				
8.8.1	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?				
8.8.2	Provide the following details on complaints referred to the FAIS Ombud during the reporting period: number of complaints referred to the FAIS Ombud, type of complaint (what the complaint was about) as well as the outcome of the complaint. Indicate the annexure number in column 5.				
8.9	Termination of agreement or business <i>Section 20 of General Code of Conduct</i>				
8.9.1	Does the FSP have procedures in place to ensure compliance with section 20 of the General Code of Conduct?				
8.9.2	Does the FSP have a business continuity plan and procedures in place to ensure that clients will be serviced if the business is terminated for any reason?				
8.9.3	<i>If the answer to question 8.9.2 is NO –</i> In a separate annexure, provide an explanation as to what steps will be taken to put a plan in place. Indicate the annexure number in column 5.				
8.10	Waiver of rights <i>Section 21 of General Code of Conduct</i>				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Annexure number
8.10.1					
8.10.2					
9					
9.1					
9.2					
9.3					
9.4					
9.5					
9.5.1					
9.6					
9.6.1					
9.7					

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					
	<i>If the answer to question 9.1 is NO – questions 9.17.1 to 9.17.4 must be answered</i>				
9.17.1					
	Is the FSP a reporting institution in terms of Schedule 3 of FICA?				
9.17.1.1					
	<i>If the answer to question 9.16.1 was YES-</i> Has the FSP registered with the Financial Intelligence Centre in terms of section 43B of FICA?				
9.17.2					
	Does the FSP have procedures in place to ensure that the staff is able to identify suspicious transactions and report it accordingly?				
9.17.3					
	Does the FSP have procedures in place to ensure remaining up to date with the requirements of the Financial Intelligence Centre in respect of identifying and reporting suspicious and unusual transactions?				
9.17.4					
	Does the FSP have procedures in place to ensure submission of cash threshold reports in terms of section 28 of FICA?				
10					
	Operational ability and financial soundness Parts VIII and IX of Determination of Fit and Proper Requirements and section 19 of Act				
10.1					
	During the reporting period did the assets of the FSP (excluding goodwill, other intangible assets and investments in related parties) at all times exceed the FSP's liabilities (excluding loans validly subordinated in favour of all other creditors)?				
10.2					
	During the reporting period did the FSP at all times maintain current assets which were sufficient to at least meet its current liabilities?				
10.3					
	During the reporting period did the FSP at all times maintain liquid assets equal to or greater than 8/52 weeks of annual expenditure?				
10.4					
	Does the FSP prepare monthly accounting records in terms of section 19 of the Act?				
10.5					
	Does the FSP prepare audited financial statements on an annual basis, irrespective of the FSP's type of business entity?				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Annexure number
10.6					
10.6					
10.6.1					
10.7					
10.7.1					
11					
11					
11.1					
11.1.1					
11.1.2					
11.1.3					
11.1.4					
11.1.5					
11.1.6					
11.1.7					
11.1.8					
11.1.9					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Developmental area	5 Annexure number
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					
12.1.1.2					
12.1.1.3					
12.1.2					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Annexure number
12.2 Mandate <i>Section 5 of Code of Conduct for Discretionary FSPs, 2003</i>					
12.2.1 Did the Registrar approve all specimen mandates used by the FSP?					
12.2.2 Does the FSP have procedures in place to ensure that the FSP only deals with clients in respect of whom mandates, which comply with paragraph 5 of the said Code, have been obtained?					
12.2.3 Does the FSP have procedures in place to ensure that all cash, assets and documents of title are returned to the clients on termination of the mandate?					
12.2.4 Does the FSP have procedures in place to ensure that the clients are issued with final statement accounts?					
12.2.5 Does the FSP have procedures in place to ensure that the client's investments are managed in terms of the mandates?					
12.2.6 Did the FSP invest any funds of clients in terms of the mandate into companies and/or structures in which the FSP or any associated group or entity have an interest in?					
12.2.7 <i>If the answer to Question 12.2.6 is YES -</i> Provide full details of such instances in a separate annexure and indicate the annexure number in column 5.					
12.3 Reporting to clients <i>Section 6 of Code of Conduct for Discretionary FSPs, 2003</i>					
12.3.1 Does the FSP have procedures in place to ensure that reports are sent to clients within the periods as required by the said section 6?					
12.3.2 Did the FSP comply with the requirements of the said section 6 in all instances?					
12.3.3 <i>If the answer to Question 12.3.2 is NO -</i> 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. Indicate the annexure number in column 5.					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Annexure number
12.4	Administration				
12.4.1	Did the FSP hold and/or manage funds on behalf of clients during the reporting period?				
12.4.2	<i>If the answer to Question 12.4.1 is YES, questions 12.4.2.1 to 12.4.6 must be answered.</i>				
12.4.2.1	As a separate annexure, submit an organogram of the FSP and details of the FSP's administrative system that is utilised for managing client assets. Indicate the annexure number in column 5.				
12.4.2.2	As a separate annexure, submit details of the computer software packages and/or programmes that the FSP utilises in the administration process. Indicate the annexure number in column 5.				
12.4.3	Does the FSP outsource any of its functions? Provide details of the outsourced functions (type of functions as well as whom it has been outsourced to) in a separate annexure. Indicate the annexure number in column 5.				
12.4.4	Does the FSP manage assets on behalf of retirement funds and/or insurance companies?				
12.4.5	<i>If the answer to Question 12.4.4 is YES –</i> Does the FSP have procedures in place to establish whether the assets are held in the name of the client or in the name of an approved nominee company?				
12.4.6	Does the FSP hold separate accounts in the name of the clients?				
12.5	Assets under management				
12.5.1	Did the FSP have assets under management as at the reporting date? If answer is YES, the Statistical Information Sheet (Section 6) must be completed.				
12.6	Nominee companies <i>Section 8 of General Code of Conduct for Discretionary FSPs, 2003</i>				
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				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
12.6.2.1					
12.6.2.2					
12.6.2.3					
12.7					
12.7.1					
12.7.2					
12.7.3					
12.7.3.1					
12.7.4					
12.7.5					
12.7.6					
12.7.7					
SECTION 3 – FOREX FSPs					
<i>The Forex code covers forex investments which are investments in a financial product referred to in paragraph (e) of the definition of "financial product" in section 1(f) of the</i>					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Annexure number
<i>Act</i>					
Particular duties/obligations relating to forex FSPs					
13.1 <i>If the FSP is licensed for subcategory 1.15 Question 13.2 must be answered (where relevant, 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 <i>If the answer to question 13.2 is YES - Questions 13.3.1 to 13.3.19 must be answered.</i>					
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 -</i> 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.					
13.3.3.2 In respect of self-directed accounts provide 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 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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
13.3.6					
13.3.7					
13.3.8					
13.3.9					
13.3.10					
13.3.11					
13.3.12					
13.3.13					
13.3.14					

If the answer to Question 13.3.5 is YES –
In a separate annexure, provide full 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.

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.

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.

Does the FSP have procedures in place to ensure that the forex investment intermediary, to whom clients are referred to, is an authorised FSP?

Does the FSP have an appropriate written agreement in place to govern the relationship with forex intermediaries to whom clients are referred?

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.

Does the FSP advise clients to invest by means of margin trading?

If the answer to Question 13.3.12 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 5.

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 forex investment process are fully and adequately disclosed.

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Annexure number
13.3.15					
13.3.16					
13.3.17					
13.3.18					
13.3.19					
13.4					
13.4.1					
13.4.2					
13.4.2.1					
13.4.2.2					
13.4.2.3					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Annexure - number
13.4.2.4					
13.4.2.5					
13.4.2.6					
13.4.2.7					
13.4.2.8					
13.4.2.9					
13.4.2.10					
13.4.2.11					
13.4.2.12					
13.4.2.13					
13.4.2.14					
13.4.2.15					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Annexure number
ensure all fees, charges, costs and commission payable to the different stakeholders involved in the investment/trading process are fully and adequately disclosed. Indicate the annexure number in column 5.					
13.4.2.16 Did the FSP comply with exchange control legislation (including tax legislation) when dealing with forex investment business?					
13.4.2.17 <i>If the answer to Question 13.4.2.16 is NO –</i> Provide full 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. Indicate the annexure number in column 5.					
13.4.2.18 Is the FSP licensed to render financial services relating to investments in foreign products issued by foreign product suppliers and held foreign currency?					
13.4.2.19 Did the FSP provide clients with the name and contact details of the clearing firm?					
13.4.2.20 Did the FSP provide clients with name and contact details of the Regulator under whose jurisdiction the trading activity of the clearing firm or foreign forex services provider takes place?					
13.4.2.21 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.					
13.4.2.22 Does the FSP directly obtain reports and statements from the clearing firm and make them available to clients in hard copy or by electronic means?					
13.4.2.23 If the statements referred to above are generated by clearing firm, can the contents thereof be altered by the FSP before being made available to clients or viewed online?					
13.4.2.24 In a separate annexure, provide an explanation setting out how clients' funds held offshore will be treated if the FSP is wound up, liquidated or ceases to conduct business. Indicate the annexure number in column 5.					
13.4.2.25 Did the FSP, through a power of attorney or discretionary dealing authority, receive or handle clients' funds on behalf of a clearing firm during the reporting period?					
13.4.2.26 <i>If the answer to Question 13.4.2.25 is YES –</i>					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Annexure number
Were clients' funds held separately from own funds and were they easily identifiable at all times during the reporting period?					
13.4.2.27 Does the FSP have a full discretion to trade or intermediate client's trading accounts?					
13.4.2.28 <i>If the answer to Question 13.4.2.27 is YES – In a separate annexure, provide a copy of the written specimen mandate utilised by the FSP. Indicate annexure number in column 5.</i>					
13.4.2.29 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?					
SECTION 4 – HEALTH SERVICES BENEFITS					
14 Accreditation under section 65(3) of Medical Schemes Act, 1998 Section 8(7)(e) of Act					
14.1 Is the FSP licensed to render financial services relating to health services benefits?					
14.2 <i>If the answer to Question 14.1 is YES – questions 14.2.1 to 14.2.4 must be answered</i>					
14.2.1 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? Provide details of any such suspensions, withdrawals or lapses as a separate annexure to the report and indicate the annexure number in column 5.					
14.2.1.1 <i>If the answer to Question 14.2.1 is YES – Was a profile change request submitted to the Registrar in order for the health services subcategory to be removed from the FSP's licence?</i>					
14.2.2 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 6).					
14.2.3 Does the FSP have any corporate clients? If the answer is YES, the Statistical Information Sheet (Section 6) must be completed.					

SECTION 6 – STATISTICAL INFORMATION SHEET

6.1 REPRESENTATIVES AT REPORTING DATE		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	NUMERIC AMOUNT
Number of representatives	4.1	
Number of representatives who have passed the First Level Regulatory Exam (RE 1)	4.6.2	
Number of representatives rendering services under supervision as contemplated in paragraph 3 of of 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	

6.2 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		

6.3 COMPLIANCE FUNCTION		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	NUMERIC AMOUNT/INFORMATION
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	

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

6.5 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	

6.6 ASSETS UNDER MANAGEMENT – DISCRETIONARY FSPs			
Total Market Value of assets under management at the reporting date for the following type of clients:	Local (Rand amount)	Foreign (Rand amount)	Total (Rand amount)
Private clients (individuals not listed below)			
Retirement funds			
Collective investment schemes			
Long-term insurers			
Short-term insurers			
Hedge fund clients			
Other (please specify)			

6.7 FOREX AUTHORISED FSPs		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	NUMBER
Number of clients in respect of managed accounts at reporting date	13.4.2.11	

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

COMPLIANCE REPORT 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 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

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

DECLARATIONSIGNED BY 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 _____ (compliance officer(s)) hereby report as follows as regards compliance by
_____ (insert full names of FSP and FSP number) and any
representative 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) _____ (month) _____ (year).

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

Signature(s): _____