

BOARD NOTICE 94 OF 2012**FINANCIAL SERVICES BOARD****FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002****COMPLIANCE REPORT FOR A FSP SUBSTITUTING ITS COMPLIANCE OFFICER
DURING THE REPORTING PERIOD, 2012**

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 an FSP substituting its compliance officer during the reporting period must be submitted, and the matters which the report must have regard to. This determination was made after consultation with the Advisory Committee on Financial Services Providers.

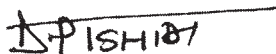
- (a) A written report for the reporting period prior to the resignation of a compliance officer, by completing the attached schedule, or by electronically completing the schedule on the web site of the Financial Services Board (www.fsb.co.za), must be submitted by the key individual or resigning compliance officer within one month after the resignation of, or the termination of the services of the compliance officer.
- (b) No answers may be provided in columns that are shaded in grey in the schedule.
- (c) The FSP does not have to submit a report if-
 - (ii) its compliance officer died during the reporting period, provided that the FSP informs the Registrar in writing;
 - (iii) the compliance officer is substituted by a compliance officer employed by the same compliance practice; or
 - (iv) the FSP has more than one compliance officer.
- (d) 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 Services 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) **"key individual"** means a key individual as defined in the Act including sole proprietors as defined in the Fit and Proper Requirements, 2008;
- (x) **"previous reporting period"** means the reporting period of the last annual compliance report submitted;
- (ix) **"Regulations"** means the Financial Advisory and Intermediary Services Regulations, 2003;
- (x) **"reporting date"** means date on which the compliance officer resigns;
- (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; or
 - (bb) the first day of the month following the previous reporting period,

until the reporting date.

This Determination is called the Compliance Report for an FSP substituting its Compliance Officer during reporting period, 2012, and comes into operation on the date of publication thereof.



D P TSHIDI,
Registrar of Financial Services Providers

SCHEDULE

Compliance report for an FSP substituting its compliance officer during reporting period

Scope

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

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/Annexure
1					
1.1					
1.2					
1.2.1					
1.2.2					

SECTION 1 – GENERAL

Conditions and restrictions by Registrar
Sections 7 and 8(4)(a) and (5)(b) of Act

1.1 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 the specific financial services without any licence restriction in relation to a specific financial product?

1.2 **Financial products in respect of which FSP renders financial services**
Condition 5 imposed by Registrar in terms of section 8(4) of Act

1.2.1 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 (e.g. hedge funds, depending of the structure)?

1.2.2 *If the answer to Question 1.2.1 is YES –*
Provide details of the financial product concerned in a separate annexure and indicate the annexure number in column 5.

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
1.3	Financial products in respect of which FSP renders financial services <i>Authorisation in terms of licence</i>				
1.3.1	During the reporting period did any non-compliance occur in respect of the limitation on Categories and subcategories for which the licence is issued?				
1.3.2	<i>If the answer to Question 1.3.1 is YES -</i> Provide details of such non-compliance as well as steps taken to reasonably ensure that such non-compliance will not occur again in a separate annexure and indicate the annexure number in column 5.				
2.	Key individuals Section 8(1) and (4)(b) of Act and <i>Determination of Fit and Proper Requirements</i>				
2.1	Are all people involved in the managing/overseeing function in relation to the rendering of financial services, appointed as key individuals?				
2.2	Fit and Proper Requirements for key individuals <i>Determination of Fit and Proper Requirements</i>				
2.2.1	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?				
2.2.2	<i>If the answer to Question 2.2.1 is YES -</i> Provide full details thereof in a separate annexure and indicate the annexure number in column 5.				
2.2.3	Have all approved key individuals enrolled for or passed the first level regulatory examination?				
2.2.4	A list of all approved key individuals must be provided as a separate annexure and it must be indicated whether the key individual has passed, failed, enrolled for or not yet enrolled for the first level regulatory examination.				

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
3					
Representatives Sections 13 and 14 of the Act					
3.1					
Was the representative register updated during the reporting period in terms of the licensing conditions?					
3.2					
Debarment of representatives Section 14 of the Act					
3.2.1					
Did the FSP debar any of its representatives during the reporting period without informing the Registrar accordingly?					
4					
Financial soundness					
4.1					
Did the FSP comply with the financial soundness requirements as required in terms of paragraph 9 of the Determination of Fit and Proper Requirements at all times during the reporting period?					
4.2					
Does the FSP prepare monthly accounting records in terms of section 19 of the Act?					
SECTION 2 – GENERAL CODE OF CONDUCT					
5					
General Code of Conduct					
5.1					
General provisions Sections 3 and 3A of General Code of Conduct					
5.1.1					
Has the FSP adopted, maintained and implemented a conflict of interest management policy? If the answer is YES a copy of the policy must be attached and indicate the annexure number under column 5.					
5.1.2					
Are the employees and, where appropriate, associates aware of the conflict of interest management policy?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
5.1.3					
5.1.4					
5.2					
5.2.1					
5.2.2					
5.2.2.1					
5.3					
5.3.1					
5.3.2					
5.4					
5.4.1					
5.4.2					
5.5					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
5.5.1					
5.5.2					
<p>Does the FSP advertise financial services?</p> <p><i>If the answer to Question 5.5.1 is YES- Was a reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period?</i></p>					
<p>SECTION 3 – MONEY LAUNDERING CONTROL PROCEDURES</p>					
6					
<p>Money laundering control procedures</p>					
6.1					
<p>Is the FSP an accountable institution in terms of Schedule 1 of FICA?</p>					
6.2					
<p><i>If the answer to Question 6.1 is YES – Are you also appointed as the Money Laundering Control Officer of the FSP?</i></p>					
<p>SECTION 4 – COMPLIANCE FUNCTION</p>					
7					
<p>Compliance function <i>Section 17 of Act, Chapter IV of Regulations and Board Notice 127 of 2010</i></p>					
7.1					
<p>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?</p>					
7.2					
<p>Did you provide written reports on the compliance monitoring and recommendations relating to the FSP on a regular basis in terms of Board Notice 127 of 2010? If YES, the Statistical Information Sheet (Section 11) must be completed.</p>					
7.3					
<p>Are there any matters not referred to in this report that you want to bring to the attention of the Registrar? If YES, attach a written copy of your comments as a separate annexure and indicate the annexure number in column 5.</p>					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
7.4					
7.5					
7.6					
7.7					
7.8					
8					
8.1					
8.1.1					
8.1.2					
8.1.3					
8.1.4					
8.1.5					
8.1.6					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
8.1.7					
8.1.8					
8.1.9					
8.1.10					
8.1.11					
8.1.12					
8.1.13					
8.1.14					
8.1.15					
8.1.16					
8.1.17					
8.2					
SECTION 5 – ADMINISTRATIVE FSPs					
9					

Record keeping
Section 7 of the Code of Conduct for Administrative FSPs, 2003

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
9.1					
9.2 Independent Nominee <i>Section 9 of the Code of Conduct for Administrative FSPs, 2003</i>					
9.2.1					
9.2.2					
SECTION 6 – DISCRETIONARY FSPs					
10 Particular duties/obligations relating to discretionary FSPs					
10.1 Nominee companies <i>Section 8 of General Code of Conduct for Discretionary FSPs, 2003</i>					
10.1.1					
10.1.2					
10.1.2.1					
10.1.2.2					
SECTION 7 – FOREX FSPs <i>The Forex Investment Business Code regulates forex investments which are</i>					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
11					
11.1					
11.1.1					
11.1.2					
11.2					
11.2.1					
11.2.1.1					
11.2.1.2					
11.2.1.3					
SECTION 8 – HEALTH SERVICES BENEFITS					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
12					
Health Services Benefits					
12.1					
	Is the FSP licensed to render financial services relating to health services benefits?				
12.2					
	<i>If the answer to Question 12.1 is YES –</i> 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? Please provide details of any suspensions, withdrawals or lapses as an Annexure to the report and indicate the annexure number in column 5.				
SECTION 9 – HEDGE FUND FINANCIAL SERVICES PROVIDERS					
13					
	Does the FSP manage assets of a hedge fund? If the answer is YES, Questions 14 to 16 must be answered.				
14					
	Code of Conduct for Discretionary FSPs, 2003 <i>and Notice on Hedge Fund FSP Disclosures, 2008</i>				
14.1					
	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?				
14.2					
	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?				
15					
	Risk Management Part IX of the General Code of Conduct				
15.1					
	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?				

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Note No. Comment/ Annexure
15.2					
16					
16.1					
16.2					
16.3					
16.4					
16.5					
16.6					

SECTION 11 – STATISTICAL INFORMATION SHEET

11.1 COMPLIANCE FUNCTION		
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO	NUMERIC AMOUNT
Number of reports issued to the FSP on compliance monitoring	7.2	

11.2 HEDGE FUNDS: GENERAL		
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO	NUMERIC AMOUNT
Number of times that the FSP breached their mandate during the reporting period.	16.5	
How often compliance officer received mandate breach reports during the reporting period.	16.6	

COMPLETED AND SIGNED BY FSP

Name of the FSP

FSP Number

Name of key individual

ID number of the key individual

Date appointed as key individual

Signature

Date

COMPLETED AND SIGNED BY COMPLIANCE OFFICER

Name of compliance officer of FSP

ID number of the compliance officer

Name of the compliance practice (if applicable)

Reference number of compliance officer/practice

Signature of the compliance officer

Date

Telephone number

Fax number

E-mail address

DECLARATION TO BE COMPLETED AND SIGNED BY THE COMPLIANCE OFFICER SUBMITTING THE REPORT

Name of compliance officer: _____

Compliance report in terms of section 17(4) of the Financial Advisory and Intermediary Act, 2002 (Act No. 37 of 2002) by compliance officers for the period between _____ (insert date) and _____ (insert date).

In accordance with section 17(4) of the Act, I/we _____ (being the approved compliance officer(s) of the financial services provider hereby report as follows as regards compliance by _____ (insert full names of FSP and FSP number) and any representatives and/or Key Individuals of the FSP with the Act, for the period _____ (insert period).

Having completed the attached hand-over compliance report for the abovementioned FSP, I/we hereby confirm without any reservations that, to the best of my/our knowledge and ability all the information contained in the attached annual compliance report is both true and correct in all respects/aspects.

I/we are aware that the information contained in the attached hand-over compliance report may be subject to verification by the Registrar of Financial Services Providers at any time, and should I/we in my/our capacity as compliance officer knowingly submit false, incorrect or misleading or in any manner not to be to the satisfaction of 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 this the _____ day of _____ (month) _____ (year).

Signature: _____