

FAIS NOTICE 30 OF 2014

FINANCIAL SERVICES BOARD

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

BI-ANNUAL COMPLIANCE REPORT FOR CATEGORY III FINANCIAL SERVICES PROVIDERS, 2014

In terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (“the Act”), I, Caroline Dey da Silva, the Deputy Registrar of Financial Services Providers, hereby determine the manner in which compliance reports for Categories III Financial Services Providers must be submitted, and the matters which the reports must have regard to.

- (a) Written reports for the reporting periods, 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 one month after the reporting date.
- (b) Answers must 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 for Administrative FSPs**” means the Code of Conduct for Administrative FSPs, 2003;
 - (iii) “**Determination of Fit and Proper Requirements**” means the Determination of Fit and Proper Requirements for Financial Services Providers, 2008;
 - (iv) “**FICA**” means the Financial Intelligence Centre Act, 2001;
 - (v) “**FSP**”, “**financial services provider**” or “**provider**” means an authorised financial services provider, and includes, where applicable, any representative of the provider;
 - (vi) “**General Code of Conduct**” or “**General Code**” means the Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003;
 - (vii) “**key individual**” means a key individual as defined in section 1(1) of the Act, and a sole proprietor as defined in section 1(1) of the Fit and Proper Requirements, 2008;
 - (viii) “**Regulations**” means the Financial Advisory and Intermediary Services Regulations, 2003;

- (ix) **“reporting date”** means 30 June 2014 and 31 December 2014;
- (x) **“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 previous compliance report submitted; or
 - (cc) where a compliance officer is appointed, the date of appointment of the compliance officer of the FSP,

until the reporting date.

This Determination is called the Bi-Annual Compliance Report for Categories III FSPs, 2014, and comes into operation on 1 June 2014.



CD DA SILVA
Deputy Registrar of Financial Services Providers

DATE OF NOTICE: 29 MAY 2014

SCHEDULE

Bi-Annual Compliance Report for Category III FSPs for the reporting periods ended 30 June 2014 and 31 December 2014

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(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 |
| | | Yes | No | Not applicable | Annexure number |
| | SECTION 1 – GENERAL | | | | |
| 1 | Conditions and restrictions by Registrar <i>Sections 7 and 8(4)(a) and (5)(b) of Act</i> | | | | |
| 1.1 | Does the FSP have procedures in place to ensure that it is able to comply with condition 1 of the licensing conditions requiring the FSP to update its business information within 15 days of any change/s occurring? | | | | |
| 1.2 | Did the FSP change legal status as an entity (e.g. from CC to (Pty) Ltd) since obtaining a 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 after the change? | | | | |
| 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 the relevant financial services without any restrictions in the licence in relation to a specific financial product? | | | | |
| 1.5 | Financial products in respect of which FSP renders financial services | | | | |

| | | Column | | | |
|----------|---|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | <i>Condition 5 imposed by Registrar in terms of section 8(4) of Act</i> | | | | |
| 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 4. | | | | |
| 1.5.3 | Does the FSP render financial services on any 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 – Questions 1.5.4.1 to 1.5.4.4 must be answered</i> | | | | |
| 1.5.4.1 | Provide details of the financial products concerned in a separate annexure and indicate the annexure number in column 4. | | | | |
| 1.5.4.2 | Does the FSP disclose in writing, to clients that these financial products are not regulated in terms of the FAIS Act? | | | | |
| 1.5.4.3 | Does the FSP conduct due diligence on these financial products and on the product suppliers who offer or issue them? | | | | |
| 1.5.4.4 | Does the FSP provide clients with details of the unregulated financial products? | | | | |
| 1.6 | Financial products in respect of which FSP renders financial services <i>Authorisation in terms of licence</i> | | | | |
| 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 it is licensed? | | | | |
| 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 | | | | |

| Question | | Column | | | |
|----------|---|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | number in column 4. | | | | |
| 1.7 | Functions performed by FSP | | | | |
| 1.7.1 | During the reporting period did the FSP render services as a pension fund administrator in terms of section 13B of the Pension Funds Act, 1956? | | | | |
| 2 | Group structure | | | | |
| 2.1 | Does the FSP form part of a group of companies? If YES, provide full details of the group (including an organogram or diagram as well as the FSP's relation to the group of companies) in a separate annexure and indicate the annexure number in column 4. | | | | |
| 2.2 | <i>If the answer to question 2.1 is YES –</i> Does the FSP have service level agreements in place with other FSPs within the group? | | | | |
| 3 | Key individuals <i>Section 8(1) and (4)(b) of Act and Determination of Fit and Proper Requirements</i> | | | | |
| 3.1 | Are all persons involved in the managing/overseeing function in relation to the rendering of financial service, 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 4. | | | | |
| 3.3 | Does the FSP have procedures in place to ensure that it complies 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, with reference 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 | | | | |

| Question | | Column | | | |
|----------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | column 4. | | | | |
| 3.4.3 | 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? | | | | |
| 4 | Operational ability and financial soundness Parts VIII and IX of the Determination of Fit and Proper Requirements and section 19 of the Act | | | | |
| 4.1 | 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) by at least R3 million? | | | | |
| 4.2 | Did the FSP at all times maintain current assets which were at least sufficient to meet the current liabilities of the FSP? | | | | |
| 4.3 | Did the FSP at all times maintain liquid assets equal to or greater than 13/52 weeks of annual expenditure? | | | | |
| 4.4 | Does the FSP prepare monthly accounting records as contemplated in section 19 of the Act? | | | | |
| 4.5 | Does the FSP prepare audited financial statements on an annual basis, irrespective of the FSP's legal status? | | | | |
| 4.6 | Has the FSP notified the Registrar of the details of the approved auditor in terms of section 19 of the Act? | | | | |
| 4.7 | Has the FSP changed auditors during the reporting period? | | | | |
| 4.8 | <i>If the answer to Question 4.7 is YES -</i> Did the FSP submit a profile change request to the Registrar in respect of the change of auditors? | | | | |
| 4.9 | Did you (compliance officer) have unrestricted access to view the accounting records of the FSP at all times during the reporting period? | | | | |

| Question | | Column | | | |
|--|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 4.9.1 | <i>If the answer to question 4.9 is NO -</i> In a separate annexure, give an explanation as to the reasons provided by the FSP for denying access to the accounting records. Indicate the annexure number in column 4. | | | | |
| 4.10 | 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? | | | | |
| 4.10.1 | <i>If the answer to question 4.10 is NO –</i> 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 4. | | | | |
| SECTION 2 – GENERAL CODE OF CONDUCT | | | | | |
| 5 | General Code of Conduct | | | | |
| 5.1 | General provisions <i>Sections 3 and 3A of General Code of Conduct</i> | | | | |
| 5.1.1 | Has the FSP adopted, maintained and implemented a conflict of interest management policy as contemplated in section 3A(2)(a) of the General Code? | | | | |
| 5.1.2 | Was this reporting period the FSP's first year of business? | | | | |
| 5.1.2.1 | <i>If the answer to question 5.1.2 is YES –</i> Provide a copy of the conflict of interest management policy of the FSP as a separate annexure. Indicate the annexure number in column 4. | | | | |
| 5.1.3 | If this reporting period was not the FSP's first year of business, did the FSP amend/revise the conflict of interest management policy during the reporting period? | | | | |
| 5.1.3.1 | <i>If the answer to question 5.1.3 is YES –</i> Provide a copy of the amended conflict of interest management policy as a separate annexure. Indicate the annexure number in column 4. | | | | |

| | | Column | | | |
|-----------|---|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 5.1.4 | Are the employees, representatives and, where appropriate, associates aware of the conflict of interest management policy? | | | | |
| 5.1.5 | Has appropriate training and educational material been provided to the employees, representatives and where appropriate, associates of the FSP? | | | | |
| 5.1.6 | 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? | | | | |
| 5.1.7 | If applicable, did the FSP and / or its representative(s) disclose to clients in writing any conflict of interest in respect of the client? | | | | |
| 5.1.8 | Does the FSP have procedures and internal controls in place to ensure that it does not, without obtaining written consent from the client, disclose any confidential information acquired from a client, unless it is required in terms of any other legislation? | | | | |
| 6. | Insurance cover <i>Sections 5(e) and 13 of the General Code of Conduct and Board Notice 123 of 2009</i> | | | | |
| 6.1 | Does the FSP have professional indemnity cover? If yes, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 6.1.1 | <i>If the answer to Question 6.1 is YES –</i> Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4. | | | | |
| 6.2 | Does the FSP have fidelity insurance cover? If yes, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 6.2.1 | <i>If the answer to Question 6.2 is YES –</i> Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4. | | | | |
| 6.3 | 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 10) must be completed. | | | | |

| Question | | Column | | | |
|----------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 6.3.1 | <i>If the answer to Question 6.3 is YES – Attach a copy of the latest guarantee in a separate annexure and indicate the annexure number in column 4.</i> | | | | |
| 6.4 | 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? | | | | |
| 6.5 | Did the FSP have any claims against their professional indemnity cover, fidelity insurance cover or guarantees during the reporting period? If yes, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 7 | Disclosure requirements <i>Sections 4, 5 and 7 of General Code of Conduct</i> | | | | |
| 7.1 | Is the FSP authorised as a Category I FSP? | | | | |
| 7.2 | <i>If the answer to question 7.1 is YES - questions 7.2.1 to 7.2.3.4 must be answered.</i> | | | | |
| 7.2.1 | Does the FSP have procedures in place to ensure that the disclosure documentation complies with sections 4 and 5 of the General Code of Conduct? | | | | |
| 7.2.2 | Does the FSP have procedures in place to ensure that the disclosure documentation complies with section 7 of the General Code of Conduct? | | | | |
| 7.2.3 | Does the FSP disclose the following information in terms of section 7(1)(c) of the General Code of Conduct to clients in writing: | | | | |
| 7.2.3.1 | The name, class or type of financial product concerned; | | | | |
| 7.2.3.2 | The nature, extent and frequency of any incentive, remuneration, consideration, commission, fee or brokerage which will or may become payable to the provider, directly or indirectly, by any product supplier or any other person as a result of the financial service concerned; | | | | |

| Question | | Column | | | |
|----------|---|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 7.2.3.3 | Any material risk and where applicable investment risk associated with the product concerned; | | | | |
| 7.2.3.4 | Extent of monetary obligations assumed by the client, the frequency thereof and consequences of non-compliance concerned. | | | | |
| 8 | Direct marketing <i>Section 15 of General Code of Conduct</i> | | | | |
| 8.1 | Is the FSP authorised as a Category I FSP? If the answer is YES , Question 8.2 must be answered. | | | | |
| 8.2 | Does the FSP act as a direct marketer as defined in the General Code of Conduct? | | | | |
| 8.3 | <i>If the answer to Question 8.2 is YES – questions 8.3.1 to 8.3.3 must be answered</i> | | | | |
| 8.3.1 | Does the FSP have recording systems in place to record all telephonic conversations with clients in the course of direct marketing? | | | | |
| 8.3.2 | Does the FSP have appropriate procedures and systems in place to store and retrieve recordings? | | | | |
| 8.3.3 | 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? | | | | |
| 8.3.3.1 | <i>If the answer to Question 8.3.3 is NO -</i> 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 4. | | | | |
| 9 | Furnishing of advice and record of advice <i>Sections 8 and 9 of General Code of Conduct</i> | | | | |
| 9.1 | Did the FSP furnish advice as a regular feature of its business during the reporting period? | | | | |
| 9.2 | <i>If the answer to question 9.1 is YES – questions 9.2.1 to 9.2.5 must be answered</i> | | | | |
| 9.2.1 | Does the FSP have procedures in place to ensure that an analysis of the client's financial | | | | |

| | | Column | | | |
|-----------|--|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | situation and objectives is performed before advice is furnished? | | | | |
| 9.2.2 | <i>If the answer to Question 9.2.1 is NO -</i> In a separate annexure, provide details on how these procedures will be implemented. Indicate the annexure number in column 4. | | | | |
| 9.2.3 | 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 ? | | | | |
| 9.2.4 | Does the FSP keep a record of advice and provide it to its clients in accordance with section 9 of the General Code of Conduct? In a separate annexure provide details of instances of non-compliance found as well as steps taken to reasonably ensure that such non-compliance does not occur again. Indicate the annexure number in column 4. | | | | |
| 9.2.5 | Did the FSP conclude any transactions in terms of section 8(4)(a) of the General Code of Conduct during the reporting period? If the answer is YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 10 | Custody of financial products and funds <i>Section 10 of General Code of Conduct</i> | | | | |
| 10.1 | Does the FSP receive or hold funds on behalf of clients in accounts other than separate bank accounts in the name of clients; or receive or hold financial products other than financial products held in safe custody by a custodian appointed by the client? | | | | |
| 10.2 | <i>If the answer to question 10.1 is YES – questions 10.2.1 to 10.2.4 must be answered</i> | | | | |
| 10.2.1 | Does the FSP issue written confirmation of receipts to clients when funds and/or premiums are received from clients without the mediation of a bank? | | | | |
| 10.2.2 | In a separate annexure, provide a list of products (sub-categories of licence) in respect of which the FSP receives funds and/or premiums. Indicate the annexure number in column 4. | | | | |
| 10.2.3 | Does the FSP have procedures in place to ensure that the client funds and/or premiums can be readily/clearly distinguished from private assets or funds of the FSP? | | | | |

| | | Column | | | |
|----------|--|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 10.2.4 | Does the FSP collect short term insurance premiums from clients on behalf of product suppliers? | | | | |
| 10.2.5 | <i>If the answer to question 10.2.4 is YES – questions 10.2.5.1 and 10.2.5.2 must be answered</i> | | | | |
| 10.2.5.1 | Does the FSP collect premiums in accordance with section 45 of the Short-term Insurance Act, 1998? | | | | |
| 10.2.5.2 | Does the FSP have an IGF Guarantee in terms of section 45 of the Short-term Insurance Act, 1998? If YES, provide a copy of the IGF schedule as a separate annexure and indicate the annexure number in column 4. | | | | |
| 10.2.6 | Does the FSP have procedures in place to ensure that client's financial products can be readily/clearly distinguished from private assets of the FSP? | | | | |
| 11 | Risk management <i>Sections 11 and 12 of General Code of Conduct</i> | | | | |
| 11.1 | 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? | | | | |
| 11.2 | Does the FSP have a documented Risk Management Plan? | | | | |
| 12 | Advertising <i>Section 14 of General Code of Conduct</i> | | | | |
| 12.1 | Does the FSP advertise its financial services? | | | | |
| 12.2 | <i>If the answer to Question 12.1 is YES - questions 12.2.1 to 12.2.3 must be answered</i> | | | | |
| 12.2.1 | Does the FSP have procedures in place to ensure that advertisements and advertising communications and material comply with section 14 of the General Code of Conduct? | | | | |
| 12.2.2 | If the FSP advertise any financial services by telephone during the reporting period, did the | | | | |

| Question | | Column | | | |
|-----------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | FSP maintain an electronic, voice logged record of all communications? | | | | |
| 12.2.3 | Was reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period? | | | | |
| 13 | Complaints <i>Sections 16 to 19 of General Code of Conduct</i> | | | | |
| 13.1 | Does the FSP have a complaint policy and resolution system in place that complies with sections 16 to 19 of the General Code of Conduct? | | | | |
| 13.2 | Were any complaints against the FSP referred to the FAIS Ombud during the reporting period? | | | | |
| 13.2.1 | <i>If the answer to Question 13.2 is YES – Provide the following details: number of complaints referred to the FAIS Ombud, type of complaint (what the complaint was about) as well as outcome of the complaint. Indicate the annexure number in column 4.</i> | | | | |
| 14 | Maintenance of records <i>Section 18 of the Act and General Code of Conduct</i> Section 22 of FICA | | | | |
| 14.1 | Does the FSP have appropriate procedures and systems in place to record the information contemplated in section 18 of the Act and section 3(2) of the General Code of Conduct? | | | | |
| 14.2 | Can all documents be inspected by the Registrar within 7 days from the date of request? | | | | |
| 14.3 | Are all records stored in a manner that ensures that it will be safe from destruction? | | | | |
| 14.4 | Does the FSP have a process in place to reasonably ensure that records are kept for a period of five years, after termination of the product concerned or, in any other case, after the rendering of the financial service concerned? | | | | |
| 14.5 | Does the FSP have electronic back-ups for all electronic records? | | | | |
| 14.6 | <i>If the answer to Question 14.5 is YES – questions 14.6.1 and 14.6.2 must be answered</i> | | | | |

| Question | | Column | | | |
|------------------------------------|---|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 14.6.1 | 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? | | | | |
| 14.6.2 | 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 4. | | | | |
| 15 | Termination of agreement or business <i>Section 20 of General Code of Conduct</i> | | | | |
| 15.1 | Does the FSP have procedures in place to ensure compliance with section 20 of the General Code of Conduct? | | | | |
| 15.2 | Does the FSP have a business continuity plan and procedures in place to ensure that the clients will be serviced if the business is terminated for any reason? | | | | |
| 15.3 | <i>If the answer to question 15.2 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 4. | | | | |
| 16 | Waiver of rights <i>Section 21 of the General Code of Conduct</i> | | | | |
| 16.1 | Does the FSP have procedures in place to ensure that clients are not requested or induced to waive 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 4. | | | | |
| SECTION 3 - REPRESENTATIVES | | | | | |
| 17 | Representatives <i>Sections 13 and 14 of the Act and section 8(8) of Determination of Fit and Proper Requirements</i> | | | | |
| 17.1 | Does the FSP have representatives? If YES, the Statistical Information Sheet (Section 10) | | | | |

| Question | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | must be completed. | | | | |
| 17.2 | <i>If the answer to question 17.1 is YES, questions 17.3 to 17.10 must be answered</i> | | | | |
| 17.3 | Does the FSP have any juristic representatives? If YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 17.4 | <i>If the answer to Question 17.3 is YES – questions 17.4.1 to 17.4.3 must be answered</i> | | | | |
| 17.4.1 | Does the FSP have an agreement with each juristic representative? If YES attach a copy of the agreement as a separate annexure and indicate the annexure number in column 4. | | | | |
| 17.4.2 | 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? | | | | |
| 17.4.3 | Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to clients? | | | | |
| 17.5 | 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? | | | | |
| 17.6 | Does the key individual/s have the operational ability to fulfill the responsibilities imposed by the Act on FSPs, including oversight of the financial services provided by the representatives of the FSP? | | | | |
| 17.7 | 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> | | | | |
| 17.7.1 | 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 Fit and Proper Requirements? | | | | |
| 17.7.2. | <i>If the answer to Question 17.7.1 is YES-</i> Does the FSP have adequate processes in place to monitor whether all representatives have passed the First Level Regulatory examination by the applicable date? | | | | |

| | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 17.8 | Representatives rendering services under supervision <i>Board Notice 104 of 2008</i> | | | | |
| 17.8.1 | Does the FSP have representatives who, on the reporting date, render financial services under supervision as contemplated in paragraph 3 of the Exemption in respect of Services under Supervision? | | | | |
| 17.8.2 | <i>If the answer to question 17.8.1 is YES –questions 17.8.2.1 to 17.8.2.5 must be answered</i> | | | | |
| 17.8.2.1 | Confirm the number of representatives rendering services under supervision as well as the number of supervisors, as at the reporting date, on the Statistical Information Sheet (Section 10). | | | | |
| 17.8.2.2 | Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 4(7)(a) to (f) of the Exemption in respect of Services under Supervision? If YES, attach a copy of the procedures as a separate annexure and indicate the annexure number in column 4. | | | | |
| 17.8.2.3 | 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? | | | | |
| 17.8.2.4 | 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? | | | | |
| 17.8.2.5 | Was any non-compliance found in terms of representatives under supervision? If YES, 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 4. | | | | |
| 17.9 | Representatives' compliance with Codes of Conduct <i>Section 13(2)(b) of Act, Board Notice 58 of 2010 and section 5(f) of General Code of Conduct</i> | | | | |
| 17.9.1 | Does the FSP have procedures in place to determine whether representatives adhered to the requirements stipulated in the Codes of Conduct under section 15 of the Act? | | | | |
| 17.9.2 | <i>If the answer to Question 17.9.1 is YES– questions 17.9.2.1 to 17.9.2.4 must be answered</i> | | | | |

| | | Column | | | |
|--------------|---|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 17.9.2.1 | In a separate annexure, describe the procedures that the FSP has in place to determine whether the representatives adhered to said requirements. Indicate the annexure number in column 4. | | | | |
| 17.9.2.2 | During the reporting period did any representatives of the FSP receive any financial interest for giving preference to the quantity of business secured for the provider to the exclusion of the quality of financial service rendered to clients as contemplated in section 3A(1)(b)(i) of the General Code of Conduct? | | | | |
| 17.9.2.3 | During the reporting period did any representatives of the FSP receive any financial interest for giving preference to a specific product supplier, where the representative may have recommended more than one product supplier to a client as contemplated in section 3A(1)(b)(ii) of the General Code of Conduct? | | | | |
| 17.9.2.4 | During the reporting period did any representatives of the FSP receive any financial interest for giving preference to a specific product of a product supplier, where the representative was able to recommend more than one product of that product supplier to the client as contemplated in section 3A(1)(b)(iii) of the General Code of Conduct? | | | | |
| 17.10 | Debarment of representatives <i>Section 14 of Act</i> | | | | |
| 17.10.1 | Does the FSP have procedures in place to debar a representative if the representative does not comply with the personal character qualities of honesty and integrity and the competency requirements set out in Parts II and V of the Determination of Fit and Proper Requirements? | | | | |
| 17.10.2 | Has the FSP taken steps to debar representatives who have not complied with Column Two of Table E in Part X of the Determination of Fit and Proper Requirements? | | | | |
| 17.10.2.1 | <i>If the answer to question 17.10.2 is YES –</i> In a separate annexure, provide full details thereof. Indicate the annexure number in column 4. | | | | |
| | | | | | |
| | SECTION 4 – MONEY LAUNDERING CONTROL PROCEDURES | | | | |
| 18 | Money laundering control procedures | | | | |

| Question | | Column | | | |
|----------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 18.1 | Is the FSP an accountable institution referred to in Schedule 1 of FICA? | | | | |
| 18.2 | <i>If the answer to question 18.1 is YES, Questions 18.3 to 18.15 must be answered–</i> | | | | |
| 18.3 | Has the FSP registered with the Financial Intelligence Centre in terms of section 43B of FICA? | | | | |
| 18.4 | Does the FSP have all the necessary policies, procedures and systems in place 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? | | | | |
| 18.5 | Was this reporting period the FSP's first year of business? | | | | |
| 18.5.1 | <i>If the answer to question 18.5 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 4. | | | | |
| 18.6 | If this reporting period was not the FSP's first year of business, did the FSP amend/revise the internal rules during the reporting period? | | | | |
| 18.6.1 | <i>If the answer to question 18.6 is YES –</i> Provide a copy of the amended rules in a separate annexure and indicate the annexure number in column 4. | | | | |
| 18.7 | Does the FSP make use of a standard internal rules document supplied by a third party? | | | | |
| 18.7.1 | <i>If the answer to question 18.7 is YES –</i> Was the document modified to apply to this FSP? | | | | |
| 18.8 | Does the FSP establish and verify the identity of clients as required in terms of FICA? | | | | |
| 18.8.1 | <i>If the answer to question 18.8 is NO –</i> In a separate annexure provide details of why such verification was not done as well as the steps taken to reasonably address this non-compliance. Indicate the annexure number in column 4. | | | | |
| 18.9 | Did the FSP provide employees with ongoing or refresher training during the reporting period as recommended by the Financial Intelligence Centre? | | | | |

| Question | | Column | | | |
|-----------|---|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 18.9.1 | <i>If the answer to question 18.9 is YES –</i> Did the training include an assessment to determine the employees' understanding? | | | | |
| 18.10 | Does the FSP have procedures in place to report property associated with terrorist and related activities in terms of section 28A of FICA? | | | | |
| 18.11 | Does the FSP have procedures in place to ensure that its staff is able to identify suspicious transactions and report such transactions accordingly? | | | | |
| 18.12 | Does the FSP have procedures in place to rate its clients in order to establish which clients pose a higher risk of money laundering and financing terrorism? | | | | |
| 18.13 | Does the FSP perform identification and verification of clients on behalf of another accountable institution, as envisaged in in paragraph 4 of the Exemptions in terms of FICA (GNR. 1596 of 2002)? If yes, provide details of the accountable institution on whose behalf this function is performed under the Statistical Information Sheet (Section 10) | | | | |
| 18.14 | Does the FSP rely on a third party (any other institution) for the identification and verification of clients in terms of paragraph 4 of the Exemptions in terms of FICA (GNR. 1596 of 2002)? If yes, provide details of the accountable institution that performs this function on your behalf under the Statistical Information Sheet (Section 10). | | | | |
| 18.15 | Does the FSP have procedures in place to ensure it can submit cash threshold reports in terms of section 28 of FICA? | | | | |
| 18.16 | <i>If the answer to question 18.1 is NO – questions 18.16.1 to 18.16.4 must be answered</i> | | | | |
| 18.16.1 | Is the FSP a reporting institution referred to in Schedule 3 of FICA? | | | | |
| 18.16.1.1 | <i>If the answer to question 18.16.1 is YES-</i> Has the FSP registered with the Financial Intelligence Centre in terms of section 43B of FICA? | | | | |
| 18.16.2 | Does the FSP have procedures in place to ensure that its staff is able to identify suspicious transactions and report such transactions accordingly? | | | | |
| 18.16.3 | Does the FSP have procedures in place to ensure that it remains up to date with the requirements of the Financial Intelligence Centre in respect of identifying and reporting | | | | |

| | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | suspicious and unusual transactions? | | | | |
| 18.16.4 | Does the FSP have procedures in place to ensure submission of cash threshold reports in terms of section 28 of FICA? | | | | |
| | SECTION 5 – COMPLIANCE FUNCTION | | | | |
| 19 | Compliance function <i>Section 17 of Act and Chapter IV of Regulations and Board Notice 127 of 2010</i> | | | | |
| 19.1 | 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? | | | | |
| 19.2 | Has the FSP appointed a compliance officer in terms of section 17 of the Act? | | | | |
| 19.3 | <i>If the answer to question 19.2 is YES – questions 19.4 to 19.7 must be answered</i> | | | | |
| 19.4 | Has the compliance officer been appointed as an internal compliance officer of the FSP? | | | | |
| 19.5.1 | <i>If the answer to question 19.4 is YES-</i> Have you also been appointed as the internal compliance officer of any other FSP? If YES, in a separate annexure, provide the details of the FSP. Indicate the annexure number in column 4. | | | | |
| 19.5.2 | <i>If the answer to question 19.4 is YES-</i> Have you delegated the rendering of compliance services to another person? If the answer is YES, the statistical information sheet (section 10) must be completed. | | | | |
| 19.6 | Do you provide written reports on the compliance monitoring and recommendations relating to the FSP on a regular basis? If YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 19.7 | Does the FSP operate from only one business premises? | | | | |
| 19.8 | <i>If the answer to Question 19.7 is NO – Questions 19.8.1 and 19.8.2 must be answered.</i> | | | | |

| Question | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 19.8.1 | Did you (and in the case of an internal compliance officer, any delegated employee) conduct regular visits to all the business premises, business units and / or branches of the FSP? If YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 19.8.2 | Did you (and in the case of an internal compliance officer, any delegated employee) conduct regular visits to the business premises, business units and / or branches of the representatives of the FSP? If YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 19.9 | Are you also the compliance officer appointed in terms of section 43(b) of FICA? If the answer is NO, the name of the compliance officer so appointed must be supplied in the Statistical Information Sheet (Section 10). | | | | |
| 19.10 | Do you have any issues with regard to the FSP that are not covered by this report that you would want to bring to the attention of the Registrar? Attach a written copy of your comments as an annexure and indicate the annexure number in column 4. | | | | |
| 20 | Monitoring | | | | |
| 20.1 | Does the FSP have an approved Compliance Officer? | | | | |
| 20.2 | <i>If the answer to question 20.1 is YES, questions 20.3 to 20.8 must be answered</i> | | | | |
| 20.3 | During the reporting period did you monitor whether the FSP or any of its employees received or offered any immaterial financial interest to or from a third party? | | | | |
| 20.3.1 | <i>If the answer to question 20.3 is YES-</i> Were any instances of non-compliance identified i.e. where the monetary value of the financial interest exceeded an aggregate of R1 000 during the calendar year? | | | | |
| 20.3.2 | <i>If the answer to Question 20.3.1 is YES –</i> In a separate annexure, provide a detailed report of the non-compliance and steps taken to prevent recurrence. Indicate the annexure number in column 4. | | | | |
| 20.4 | Did you monitor whether the FSP has complied with sections 4, 5 and 7 of the General Code of Conduct? | | | | |
| 20.4.1 | <i>If the answer to Question 20.4 is YES –</i> | | | | |

| | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | Did you find any instances of non-compliance? If YES – the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 20.5 | Did you conduct monitoring in respect of the FSP's Risk Management Plan? | | | | |
| 20.5.1 | <i>If the answer to Question 20.5 is YES –</i> In a separate annexure, provide details as to how the Risk Management Plan is monitored. Indicate the annexure number in column 4. | | | | |
| 20.6 | <i>Indicate whether you monitored the following during the reporting period:</i> | | | | |
| 20.6.1 | Financial products with regard to which the FSP renders financial services. | | | | |
| 20.6.2 | Representatives under supervision. | | | | |
| 20.6.3 | Juristic representatives | | | | |
| 20.6.4 | Disclosure documents to verify compliance with sections 4 and 5 of the General Code of Conduct. | | | | |
| 20.6.5 | Disclosure documents to verify compliance with section 7 of the General Code of Conduct. | | | | |
| 20.6.6 | Furnishing of advice and record of advice. | | | | |
| 20.6.7 | Receipt of funds and/or collection of premiums. | | | | |
| 20.6.8 | Waiver of rights. | | | | |
| 20.6.9 | Money laundering control procedures. | | | | |
| 20.6.10 | Exchange control regulations (in case of a forex FSP). | | | | |
| 20.6.11 | Policies and procedures. | | | | |
| 20.6.12 | Mandates and application forms. | | | | |
| 20.6.13 | Conflict of interest management policy | | | | |

| Question | | Column | | | |
|-------------|---|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 20.6.14 | Direct marketer's telesales script and/or telesales voice recordings to check compliance with section 15 of the General Code of Conduct. | | | | |
| 20.6.15 | Other. Please provide details of other type of monitoring in a separate annexure and indicate the annexure number in column 4. | | | | |
| 20.7 | 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 4. | | | | |
| 20.8 | Did you conduct file sampling during the reporting period? | | | | |
| 20.8.1 | <i>If the answer to Question 20.8 is YES –</i> Was sampling applied to all reviews conducted? If the answer is NO, to what percentage of reviews conducted was sampling applied? Indicate the percentage on the Statistical Information Sheet (Section 10) | | | | |
| | | | | | |
| | SECTION 6 – DISCRETIONARY FSPs (To be completed by all FSPs authorised as Category II FSPs) | | | | |
| 21 | Particular duties/obligations relating to discretionary FSPs | | | | |
| 21.1 | Prohibitions and duties of discretionary FSP <i>Section 3 of Code of Conduct for Discretionary FSPs</i> | | | | |
| 21.1.1 | Does the FSP have procedures in place to ensure that it does not: | | | | |
| 21.1.2 | Without the relevant client's written approval, sell or provide a third party with the client's detail, unless obliged by, or in terms of, any law to do so? | | | | |
| 21.1.3 | Directly or indirectly, sell any financial products owned by the FSP, to any client or buy for own account, any financial product owned by the client? | | | | |
| 21.1.4 | Directly or indirectly, engage in the netting of transactions? | | | | |

| | | Column | | | |
|-------------|---|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 21.1.5 | Did the FSP exercise a vote in a ballot conducted by a collective investment scheme or exercise voting rights on behalf of a client to gain control of a listed or unlisted company? | | | | |
| 21.1.6 | If question 21.1.5 is answered YES, did the FSP have the client's prior written approval? | | | | |
| 21.2 | Mandate <i>Section 5 of Code of Conduct for Discretionary FSPs</i> | | | | |
| 21.2.1 | Did the Registrar approve all specimen mandate/s used by the FSP? | | | | |
| 21.2.2 | Does the FSP have procedures in place to ensure that the FSP only renders intermediary services to clients in respect of whom signed mandates, which comply with section 5 of the Code, have been obtained? | | | | |
| 21.2.3 | Does the FSP have procedures in place to ensure that all cash, assets and documents of title are returned to clients on termination of their mandate? | | | | |
| 21.2.4 | Does the FSP have procedures in place to ensure that clients are issued with final statement accounts on termination of the clients' mandates? | | | | |
| 21.2.5 | Does the FSP have procedures in place to ensure that clients' investments are managed in terms of their mandates? | | | | |
| 21.2.6 | Did the FSP invest any funds of clients in companies and/or structures in which the FSP or any associated group or entity of the FSP have an interest? | | | | |
| 21.2.6.1 | <i>If the answer to Question 21.2.6 is YES - Provide full details of such instances in a separate annexure and indicate the annexure number in column 4.</i> | | | | |
| 21.3 | Reporting to clients <i>Section 6 of Code of Conduct for Discretionary FSPs</i> | | | | |
| 21.3.1 | Does the FSP have procedures in place to ensure that reports are furnished to clients within the periods required by section 6? | | | | |
| 21.3.2 | Did the FSP comply with the requirements of section 6 in all instances? | | | | |

| Question | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 21.3.2.1 | <i>If the answer to Question 21.3.2 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 and indicate the annexure number in column 4. | | | | |
| 21.4 | Administration | | | | |
| 21.4.1 | Did the FSP hold and/or manage funds on behalf of clients during the reporting period? | | | | |
| 21.4.2 | <i>If the answer to Question 21.4.1 is YES questions 21.4.3 to 21.4.6 must be answered –</i> | | | | |
| 21.4.3 | 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 4. | | | | |
| 21.4.3.1 | 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 4. | | | | |
| 21.4.4 | Does the FSP outsource any of its functions? If YES, provide details of the outsourced functions (type of functions as well as whom it has been outsourced to) in a separate annexure and indicate the annexure number in column 4. | | | | |
| 21.4.5 | Does the FSP manage assets on behalf of retirement funds and/or insurance companies? | | | | |
| 21.4.5.1 | <i>If the answer to Question 21.4.5 is YES –</i> Does the FSP have procedures in place to ensure that the assets are held in the name of the client or in the name of an approved nominee company? | | | | |
| 21.4.6 | Does the FSP maintain separate bank accounts in the name of the clients? | | | | |
| 21.5 | Assets under management | | | | |
| 21.5.1 | Did the FSP have assets under management as at the reporting date? If the answer is YES, the Statistical Information Sheet (Section 10.5) must be completed. | | | | |
| 21.6 | Nominee companies | | | | |

| Question | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | <i>Section 8 of General Code of Conduct for Discretionary FSPs</i> | | | | |
| 21.6.1 | Does the FSP hold client investments? | | | | |
| 21.6.2 | If the answer to Question 21.6.1 is YES – questions 21.6.2.1 to 21.6.2.3 must be answered | | | | |
| 21.6.2.1 | 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? | | | | |
| 21.6.2.2 | Does the FSP make use of another approved nominee company to hold client assets? | | | | |
| 21.6.2.3 | 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 4. | | | | |
| 21.7 | General functions | | | | |
| 21.7.1 | Does the FSP manage clients' funds in wrap funds or structured funds on an administrative FSP's platform? | | | | |
| 21.7.1.1 | <i>If the answer to question 21.7.1 is YES –</i> 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 4. | | | | |
| 21.7.2 | Is the FSP authorised to render financial service in respect of long-term insurance products? | | | | |
| 21.7.2.1 | <i>If the answer to Question 21.7.2 is YES -</i> In a separate annexure, list the names of product suppliers that the FSP utilises. Indicate the annexure number in column 4. | | | | |
| 21.7.3 | Does the FSP render financial services as a Multi Manager? | | | | |
| 21.7.3.1 | <i>If the answer to question 21.7.3 is YES-</i> Did the FSP conduct a due diligence investigation on each of the underlying managers? | | | | |
| | | | | | |
| | | | | | |

| Question | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | SECTION 7 – ADMINISTRATIVE FSPs | | | | |
| 22 | Particular duties relating to administrative FSPs | | | | |
| 22.1 | Prohibitions and duties of administrative FSPs <i>Section 3 of Code of Conduct for Administrative FSPs</i> | | | | |
| 22.1.1 | Does the FSP have procedures in place to ensure that it does not, directly or indirectly engage in the netting of transactions? | | | | |
| 22.1.2 | Does the FSP have procedures in place to ensure that it does not, directly or indirectly, sell any financial product owned by the FSP to any client, or buy for own account, any financial product owned by any client? | | | | |
| 22.1.3 | Did the FSP exercise a vote in a ballot conducted by a collective investment scheme on behalf of clients? | | | | |
| 22.2 | General functions <i>Section 4 of Code of Conduct for Administrative FSPs</i> | | | | |
| 22.2.1 | Does the FSP have procedures in place to ensure that prior to it accepting instructions from a person who is providing intermediary services on behalf of a client, that such person is an authorised financial services provider? | | | | |
| 22.2.2 | Does the FSP offer wrap funds on its platform? | | | | |
| 22.2.2.1 | <i>If the answer to question 22.2.2 is YES -</i> In a separate annexure, provide full details of the fund and the underlying assets in the wrap fund. Indicate the annexure number in column 4. | | | | |
| 22.2.3 | Does the FSP offer structured funds on its platform? | | | | |
| 22.2.3.1 | <i>If the answer to question 22.2.3 is YES –</i> Please provide full details of the funds and underlying assets in the structured fund in a separate annexure. Provide the annexure number in column 4. | | | | |
| 22.2.4 | Does the FSP offer hedge funds on its platform? | | | | |

| Question | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 22.2.4.1 | <i>If the answer to question 22.2.4 is YES –</i> Please provide full details of the fund as well as the underlying assets of the fund in a separate annexure. Provide the annexure number in column 4. | | | | |
| 22.2.5 | Does the FSP have procedures in place to ensure that the FSP verifies in all instances that any other FSP that it receives an instruction from is authorised to render the specific financial service without any licence restriction in relation to the specific financial product? | | | | |
| 22.3 | Relationship with clients <i>Sections 5 and 6 of Code of Conduct for Administrative FSPs</i> | | | | |
| 22.3.1 | Did the Registrar approve all specimen application forms and specimen mandates used by the FSP? | | | | |
| 22.3.2 | Did the FSP amend any of its application forms and/or mandates during the reporting period? | | | | |
| 22.3.2.1 | <i>If the answer to question 22.3.2 is YES –</i> Did the Registrar approve all substantial/material amendments before it was used? | | | | |
| 22.3.3 | Does the FSP have procedures in place to ensure that it only deals with clients in respect of whom application forms (which comply with section 5 of the Code) have been obtained? | | | | |
| 22.3.4 | Does the FSP have procedures in place to ensure notification of an increase in costs within 14 days of the receipt of the notification from the product supplier? | | | | |
| 22.3.5 | Does the FSP have procedures in place to deal with the termination of a relationship with a client as contemplated in section 6 of the Code? | | | | |
| 22.4 | Record-keeping <i>Section 7 of Code of Conduct for Administrative FSPs</i> | | | | |
| 22.4.1 | Are client records maintained to identify the specific financial product owned by each client? | | | | |
| 22.5 | Independent nominee <i>Section 9 of Code of Conduct for Administrative FSPs</i> | | | | |
| 22.5.1 | Does the FSP ensure that the independent nominee is approved in terms of the Requirements imposed by the Financial Services Board for nominees to operate in South Africa (Board | | | | |

| | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | Notice 63 of 2007)? | | | | |
| 22.5.2 | Did the Registrar approve the written agreement between the FSP and the independent nominee as required by regulation 8 of the Regulations? | | | | |
| 22.5.3 | Does the FSP have procedures in place to ensure that all bank and unit reconciliations are up to date? | | | | |
| 22.5.4 | Does the FSP report to the independent nominee on the investment bank account status (cash and assets held)? If YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 22.5.5 | During the reporting period did the FSP furnish the independent nominee's board of directors with reconciliation reports? If YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 22.5.6 | Did the nominee hold a fidelity guarantee at the reporting date? If YES, the Statistical Information Sheet (Section 10) must be completed. ? | | | | |
| 22.5.7 | Did the nominee hold professional indemnity insurance at the reporting date? If YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| 22.5.8 | Is the nominee structured in such a way that clients' investments are at all times protected from its creditors or those of the administrative FSP and anyone else as required in the Regulations? | | | | |
| 22.5.9 | Did the directors or trustees of the independent nominee hold meetings during the reporting period? If YES, indicate the number of meetings on the Statistical Information Sheet (section 10) | | | | |
| 22.5.10 | Are more than 50 percent of the directors, trustees or other persons responsible for management and control of the independent nominee, independent from the administrative FSP, as well as from companies within the same group of the FSP? | | | | |
| 22.5.11 | Indicate in whose name the nominee bank account is being held on the Statistical Information Sheet (Section 10) | | | | |
| 22.6 | Reporting to clients | | | | |

| Question | | Column | | | |
|-------------|--|--------|----|----------------|-----------------|
| | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| | <i>Section 10 of Code of Conduct for Administrative FSPs</i> | | | | |
| 22.6.1 | Does the FSP have procedures in place to ensure that a report referred to in section 10(2) of the Code is submitted to the client within 3 months of the FSP's financial year end? | | | | |
| 22.7 | Information systems | | | | |
| 22.7.1 | Does the FSP have a business continuity plan in place? | | | | |
| 22.7.2 | Did the FSP have any system developments and/or changes that affected bank and asset holding reconciliations in any way? | | | | |
| 22.7.3 | Does the FSP have access controls to information systems in place? | | | | |
| 22.7.4 | Does the FSP have anti-virus software in place? | | | | |
| 22.7.5 | Does the FSP have a firewall in place to protect the network? | | | | |
| 22.8 | Assets under administration | | | | |
| 22.8.1 | Did the FSP have assets under administration at reporting date? If YES, the Statistical Information Sheet (Section 10.6) must be completed. | | | | |
| 22.8.2 | If separate accounts are held in the name of the clients, indicate whether or not such accounts are audited. | | | | |
| 22.8.3 | If separate accounts are not held, indicate in a separate annexure in whose names the assets are held. Indicate the annexure number in column 4. | | | | |
| | SECTION 8 – HEALTH SERVICES BENEFITS | | | | |
| 23 | Accreditation under section 65(3) of Medical Schemes Act, 1998 Section 8(7)(e) of the Act | | | | |
| 23.1 | Is the FSP licensed to render financial services relating to health services benefits? | | | | |

| | | Column | | | |
|----------|---|--------|----|----------------|-----------------|
| Question | | 1 | 2 | 3 | 4 |
| | | Yes | No | Not applicable | Annexure number |
| 23.2 | <i>If the answer to Question 23.1 is YES – questions 23.2.1 to 23.2.3 must be answered</i> | | | | |
| 23.2.1 | Was the accreditation of the FSP in terms of section 65(3) of the Medical Schemes Act, 1998, period suspended, or withdrawn, or did it lapse during the reporting? Please provide details of any suspension, withdrawal or lapse as a separate annexure to the report and indicate the annexure number in column 4. | | | | |
| 23.2.1.1 | <i>If the answer to Question 23.2.1 is YES –</i> Was a profile change request submitted to the Registrar in order for the health services subcategory to be removed from the FSP's licence? | | | | |
| 23.2.2 | 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 10). | | | | |
| 23.2.3 | Does the FSP have any corporate clients? If the answer is YES, the Statistical Information Sheet (Section 10) must be completed. | | | | |
| | | | | | |

SECTION 10 – STATISTICAL INFORMATION SHEET

| 10.1 REPRESENTATIVES AT REPORTING DATE | | |
|---|---------------------------------|--|
| TYPE OF INFORMATION REQUIRED | RELEVANT QUESTION NUMBER | NUMBER OF REPRESENTATIVES/KEY INDIVIDUALS |
| Number of representatives | 17.1 | |
| Number of juristic representatives | 17.3 | |
| Number of representatives rendering services under supervision as contemplated in paragraph 3 of the Exemption with respect of Services under Supervision | 17.8.2.1 | |
| Number of key individuals and representatives that acted as supervisors in respect of services under supervision | 17.8.2.1 | |

| 10.2 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 | 6.1 | | |
| Fidelity Insurance Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct | 6.2 | | |
| Guarantees as contemplated in section 13 of the General Code of Conduct | 6.3 | | |

| 10.3 DETAIL OF CLAIMS | RELEVANT QUESTION NUMBER |
|------------------------------|---------------------------------|
| | 6.5 |
| Number of claims | |
| Rand value of claims | |
| Reason | |
| Outcome | |

| 10.4 MONEY LAUNDERING CONTROL PROCEDURES | RELEVANT QUESTION NUMBER | FSP NUMBER (IF APPLICABLE) | FSP NAME / ACCOUNTABLE INSTITUTION |
|--|---------------------------------|-----------------------------------|---|
| Details of accountable institution/s on whose behalf identification and verification of clients is performed. | 18.13 | | |
| Details of other accountable institution that FSP relies on for the identification and verification of clients | 18.14 | | |

| 10.5 COMPLIANCE FUNCTION | | |
|--|---------------------------------|----------------|
| TYPE OF INFORMATION REQUIRED | RELEVANT QUESTION NUMBER | DETAILS |
| Number of reports issued to the FSP on the rendering of financial services | 19.6 | |
| Total number of business premises, business units and / or branches in respect of the FSP. | 19.8.1 | |
| Total 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 | 19.8.1 | |
| Total number of business premises, business units and / or branches in respect of the representatives of the FSP. | 19.8.2 | |
| Total 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 | 19.8.2 | |
| Identity Number of compliance officer appointed in terms of section 43(b) of FICA. | 19.9 | |
| Confirm what percentage of the transactions that were sampled was non-compliant with sections 4, 5 and 7 of the General Code of Conduct. | 20.4.1 | |
| Percentage of reviews conducted where sampling was applied | 20.8.1 | |

| 10.5 COMPLIANCE FUNCTION | | | |
|--|--|------------------------|--|
| NAME AND SURNAME OF PERSON TO WHOM COMPLIANCE SERVICES ARE DELEGATED TO | RELEVANT QUESTION NUMBER 19.5.2 | IDENTITY NUMBER | CATEGORY (i.e. CAT I AND/OR CAT II) |
| | | | |
| | | | |

| 10.6 GENERAL CODE OF CONDUCT | | |
|---|---------------------------------|-------------------|
| TYPE OF INFORMATION REQUIRED | RELEVANT QUESTION NUMBER | PERCENTAGE |
| Provide the percentage of new financial transactions concluded as contemplated in section 8(4)(a) of the General Code of Conduct. | 9.2.5 | |

| 10.10 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)] | 23.2.2 | |
| FSP accreditation number with the Council for Medical Schemes (ORG number) | 23.2.2 | |
| Percentage of client base that are corporate clients | 23.2.3 | |

**10.7 ASSETS UNDER MANAGEMENT (DISCRETIONARY FSPs):
TYPE OF CLIENT**

| Total market value of assets under management for the following type of 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 | | | |
| Hedge fund clients | | | |
| Other (Please specify) | | | |

**ASSETS UNDER MANAGEMENT (DISCRETIONARY FSPs):
TYPE OF ASSETS**

| Total market value of assets under management for the following type of assets: | Local (Rand amount) | Foreign (Rand amount) | Total (Rand amount) |
|--|----------------------------|------------------------------|----------------------------|
| Collective Investment Schemes | | | |
| Listed securities – Shares | | | |
| Listed securities – Derivatives | | | |
| Listed securities – Bonds | | | |
| Listed securities – Warrants | | | |
| Unlisted securities - Shares | | | |
| Unlisted securities - Derivatives | | | |
| Unlisted securities - Bonds | | | |
| Unlisted securities - Warrants | | | |
| Bank deposits | | | |
| Other | | | |

| 10.8 ASSETS UNDER ADMINISTRATION (ADMINISTRATIVE FSP) | | | |
|---|----------------------------|------------------------------|----------------------------|
| Total Market Value of assets under administration 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) | | | |

| 10.9 ADMINISTRATIVE FSP - INDEPENDENT NOMINEE | | | |
|---|---------------------------------|-----------------|---|
| TYPE OF INFORMATION REQUIRED | RELEVANT QUESTION NUMBER | CURRENCY | EXTENT OF COVER (NUMERIC AMOUNT) |
| Number of reports the FSP made to the independent nominee on the investment bank account reconciliation status during the reporting period. | 22.5.4 | | |
| Number of reconciliation reports that the FSP furnished to the independent nominee's board of directors during the reporting period | 22.5.5 | | |
| Extent of fidelity guarantee held by independent nominee | 22.5.6 | | |
| Extent of professional indemnity insurance held by nominee | 22.5.7 | | |
| Number of Board/Trustee meetings | 22.5.9 | | |
| In whose name is the Nominee bank account held | 22.5.11 | | |

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): _____