



## FSCA FAIS Notice 55 of 2018

### FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

#### COMPLIANCE REPORT FOR FOREIGN FINANCIAL SERVICES PROVIDERS, 2018

In terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (“the Act”), I, Caroline Dey da Silva, for the Financial Sector Conduct Authority (the Authority), determine the manner in which the compliance report for a foreign Financial Services Providers must be submitted, and the matters which the report must have regard to.

- (a) A written report for the reporting period, by completing the attached schedule, or by electronically completing the schedule on the web site of the Authority ([www.fsca.co.za](http://www.fsca.co.za)), must be submitted by 31 October 2018.
- (b) No answers may 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) **“Determination of Fit and Proper Requirements”** means the Determination of Fit and Proper Requirements for Financial Services Providers, 2017;
  - (iii) **“foreign FSP”** or **“foreign financial services provider”** means a financial services provider that is not domiciled or that does not have a branch or representative office in the Republic of South Africa;
  - (iv) **“FSP”**, **“financial services provider”** or **“provider”** means an authorised financial services provider, and includes, where applicable, any representative of the provider;
  - (v) **“General Code of Conduct”** or **“General Code”** means the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003;
  - (vi) **“key individual”** means a key individual as defined in section 1(1) of the Act, and a sole proprietor as defined in section 1 of the Fit and Proper Requirements, 2008;

- (vii) **“Regulations”** means the Financial Advisory and Intermediary Services Regulations, 2003;
- (viii) **“reporting date”** means 31 August 2018;
- (ix) **“reporting period”** means the period 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) the date of appointment of the compliance officer of the FSP,until the reporting date.

This Determination is called the Compliance Report for Foreign FSPs, 2018, and comes into operation on 01 September 2018.



**CD DA SILVA**  
For the Financial Sector Conduct Authority

**DATE OF NOTICE: 15 AUGUST 2018**

## SCHEDULE

### Compliance Report for Foreign FSPs for reporting period ended 31 August 2018

#### Scope

In accordance with section 17(4) of the Act, I/we ..... the approved compliance officer(s), if appointed) or the sole proprietor or key individual of the FSP if no compliance officer is appointed, 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 31 August 2018.

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	<b>SECTION 1 – GENERAL</b>				
<b>1</b>	<b>Conditions and restrictions imposed, made, given or issued by the Authority</b> <i>Sections 7, 8(4) (a) and (5) (b) of Act</i>				
1.1	Does the FSP have procedures in place to ensure compliance with condition 1 of the licensing conditions requiring the FSP to update business information within 15 days of any change occurring?				
<b>1.2</b>	<b>Financial products in respect of which FSP renders financial services</b>				
1.2.1	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.)				
1.2.2	<i>If the answer to Question 1.2.1 is YES -</i> Provide details of the Regulator (name of Regulator and registration and licensing number, if applicable) in a separate annexure and indicate the annexure number in column 4.				
1.2.3	Does the FSP render any service for or on behalf of a client in South Africa in respect of any investment in a product that is not defined as a financial product?				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
1.2.4	<b><i>If the answer to Question 1.2.3 is YES – Questions 1.2.4.1 to 1.2.4.3 must be answered</i></b>				
1.2.4.1	Provide details of the services on any products concerned in a separate annexure and indicate the annexure number in column 4.				
1.2.4.2	Does the FSP disclose in writing to clients that these financial products are not regulated in terms of the FAIS Act?				
1.2.4.3	Does the FSP conduct due diligence on these products and on the product suppliers who offer or issue them before providing any service to clients?				
<b>1.3</b>	<b>Financial products in respect of which FSP renders financial services</b> <i>Authorisation in terms of licence of FSP</i>				
1.3.1	Does the FSP have procedures in place to ensure that it renders financial services within the limitation on categories and subcategories for which it is licensed?				
1.3.2	Did any non-compliance occur in respect of the limitation on categories and subcategories during the reporting period?				
1.3.3	<i>If the answer to Question 1.3.2 is YES, did you report the irregularity in terms of section 17(1)(c) of the Act?</i>				
1.3.3	<i>If the answer to Question 1.3.3 is NO -</i> Provide full details of 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.				
1.4	<b>Does the FSP act in any of the following capacities:</b>				
1.4.1	Asset manager				
1.4.2	Bank				
1.4.3	Pension fund administrator				
1.4.4	Long-term Insurer				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
1.4.5	Short-term Insurer				
1.4.6	Collective Investment Scheme manager				
<b>2</b>	<b>Group structure</b>				
2.1	Does the FSP form part of a group of companies?				
2.1.1	If the answer to Question 2.1 is YES – Provide full details of the group (including an organogram or diagram as well as the FSPs relation to the group of companies) in a separate annexure and indicate the annexure number in column 4.				
2.2	Does the FSP have any branches, business units or offices situated in South Africa? If YES, provide the full contact details thereof in a separate annexure and indicate the annexure number in column 4.				
<b>3</b>	<b>Key individuals</b> Section 8(1)(1A) of the Act				
3.1	Are the people involved in a managing/overseeing function in relation to the rendering of financial services in South Africa approved as key individuals?				
3.2	In a separate annexure, provide information on the organogram/structure with regard to key individuals (what position they have in the organisation, where they are situated). Indicate the annexure number in column 4.				
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?				
<b>4</b>	<b>Financial soundness</b>				
4.1	Is the FSP required to comply with solvency requirements in the FSP's country of registration?				
4.1.1	<i>If the answer to Question 4.1 is YES –</i> Did the FSP comply with these requirements at all times during the reporting period?				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/Annexure
4.2.1	Did the FSP comply with the solvency requirements as required in terms of paragraph 9 of the Determination of Fit and Proper Requirements, 2008 at all times during the period <b>01 September 2018 to 31 March 2018</b> ?				
4.2.2	<i>If the answer to Question 4.2.1 is NO -</i> Provide full details in a separate annexure and indicate the annexure number in column 4				
4.2.3	Did the FSP comply with the solvency requirements as required in terms of Chapter 6 of the Determination of Fit and Proper Requirements, 2017 for the <b>period 01 April 2018 to 31 August 2018</b> ?				
4.3	Does the FSP maintain monthly accounting records as required by section 19 of the Act?				
<b>5</b>	<b>SECTION 2 – REPRESENTATIVES</b>				
<b>5.1</b>	Did the representatives comply with all the applicable requirements as contained in the Determination of Fit and Proper Requirements for Financial Services Providers, 2008 during the period <b>01 September 2017 to 31 March 2018</b> ?				
<b>5.1.1</b>	<i>If the answer to Question 5.1 is NO -</i> Provide full details in a separate annexure and indicate the annexure number in column 4.				
<b>5.2</b>	<b>Representatives</b> <i>Sections 13 and 14 of the Act and section 42(1) of the Determination of Fit and Proper Requirements for the period 01 April 2018 to 31 August 2018</i>				
5.2.1	Does the FSP have representatives?				
5.2.2	<b>If the answer to Question 5.2.1 is YES, questions 5.2.2.1 and 5.2.2.2 must be answered</b>				
5.2.2.1	Does the FSP have procedures in place (including documentation) to enable representatives to provide clients with confirmation, as certified by the provider, of their				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/Annexure
	status as representatives as provided for in section 13(1)(b)(i) of the Act?				
5.2.2.2	Does the key individual/s have the operational ability to fulfill the responsibilities imposed by the Act on FSPs, including section 13(1)(c) oversight of the financial services provided by the representatives of the FSP?				
5.3	Does the FSP have any juristic representatives?				
5.4	<b>If the answer to Question 5.3 is YES, questions 5.5 to 5.7 must be answered</b>				
5.5	Are all employees of the juristic representative that are rendering financial services on behalf of the FSP appointed as representatives of the FSP in terms of section 13 of the Act?				
5.6	Does the FSP have a written mandate with each juristic representative?				
5.7	Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to clients?				
<b>5.8</b>	<b>Debarment of representatives</b> <i>Section 14 of Act</i>				
5.8.1	Does the FSP have procedures in place to debar a representative, if necessary?				
	<b>SECTION 3 – GENERAL CODE OF CONDUCT</b>				
<b>6</b>	<b>General Code of Conduct</b>				
<b>6.1</b>	<b>General provisions</b> <i>Section 3 of General Code of Conduct and Board Notice 58 of 2010</i>				
6.1.1	Has the FSP adopted, maintained and implemented a conflict of interest management policy?				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/Annexure
6.1.2	Are the employees, representatives and, where appropriate, clients and associates aware of the conflict of interest management policy?				
6.1.3	Has appropriate training and educational material been provided to the employees, representatives and, where appropriate, associates?				
6.1.4	If applicable, did the FSP and any representative of the FSP disclose to clients in writing any conflict of interest in respect of the client?				
6.1.5	Does the FSP have procedures and internal controls in place to ensure that it does not disclose any confidential information acquired from clients without obtaining written consent from the clients or, unless it is required to do so in terms of any legislation?				
<b>7</b>	<b>Insurance cover</b> <i>Sections 5(e) and 13 of General Code of Conduct and Board Notice 123 of 2009</i>				
7.1	Does the FSP have professional indemnity cover? If yes, the Statistical Information Sheet (Section 6) must be completed.				
7.1.1	<i>If the answer to Question 7.1 is YES –</i> Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.				
7.2	Does the FSP have fidelity insurance cover? If yes, the Statistical information Sheet (Section 6) must be completed.				
7.2.1	<i>If the answer to Question 7.2 is YES –</i> Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.				
7.3	Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct and section 3 of Board Notice 123 of 2009? If yes, the Statistical Information Sheet (Section 6) must be completed.				
7.3.1	<i>If the answer to Question 7.3 is YES –</i> Attach a copy of the latest guarantees in a separate annexure and indicate the annexure number in column 4.				



		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/Annexure
7.4	Does the FSP disclose to clients whether the FSP holds guarantees or professional indemnity or fidelity insurance cover?				
7.5	During the reporting period did the FSP have any claims against its professional indemnity cover, fidelity insurance cover or guarantees by any client based or resident in South Africa?				
8	<b>Disclosure requirements</b> <i>Sections 4, 5 and 7 of General Code of Conduct</i>				
8.1	Does the FSP have procedures in place to ensure that its disclosure documentation complies with sections 4, 5 and 7 of the General Code of Conduct?				
9	<b>Furnishing of advice and record of advice</b> <i>Sections 8 and 9 of General Code of Conduct</i>				
9.1	Is the FSP licensed to furnish advice in South Africa?				
9.2	Did the FSP furnish advice in South Africa as a regular feature of its business during the reporting period?				
9.3	<b><i>If the answer to question 9.2 is YES – questions 9.3.1 and 9.3.2 must be answered:</i></b>				
9.3.1	Does the FSP have procedures in place to ensure that an analysis of the client's financial situation and objectives is performed before advice is furnished?				
9.3.1.1	<i>If the answer to Question 9.3.1 is NO -</i> In a separate annexure, provide details on how and when (specific time frame) such procedures will be put in place. Indicate the annexure number in column 4.				
9.3.2	Does the FSP keep a record of advice and provide it to clients in accordance with section 9 of the General Code of Conduct? Provide details of non-compliance in a separate annexure and indicate the annexure number in column 4.				
10	<b>Custody of financial products and funds</b>				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/Annexure
	<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 in separate bank accounts in the name of the clients, or receive or hold financial products and those financial products are not held in safe custody by a custodian appointed by the client?				
10.2	<b><i>If the answer to question 10.1 is YES – questions 10.2.1 to 10.2.4 must be answered</i></b>				
10.2.1	Has the FSP notified the Authority of the details of the auditor or accounting officer in terms of section 19 of the Act read with the Exemption of Certain Authorised Financial Services Providers from Requirements pertaining to Audited Financial Statements and Financial Soundness, 1 of 2003 and Exemption of Certain Authorised Financial Services Providers from Requirements pertaining to Audited Financial Statements (2), 2004?				
10.2.2	Has the FSP changed auditors during the reporting period?				
10.2.2.1	<i>If the answer to Question 10.2.2 is YES -</i> Did the FSP submit a profile change request to the Authority in respect of the change of auditors?				
10.2.3	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?				
10.2.4	Does the FSP have procedures in place to ensure that clients' financial products can readily and clearly be distinguished from the assets of the FSP?				
11	<b>Risk management</b>				
11.1	Does the FSP have and effectively employ appropriate risk management resources, procedures, systems and controls?				
12	<b>Advertising</b> <i>Section 14 of General Code of Conduct</i>				
12.1	Does the FSP advertise its financial services in South Africa?				
12.2	<b><i>If the answer to Question 12.1 is YES - questions 12.2.1 and 12.2.2 must be</i></b>				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
	<b>answered</b>				
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	Was reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period?				
13	<b>Direct marketing</b> <i>Section 15 of General Code of Conduct</i>				
13.1	Does the FSP act as a direct marketer as defined in the General Code of Conduct?				
13.2	<b>If the answer to Question 13.1 is YES – questions 13.2.1 to 13.2.2 must be answered</b>				
13.2.1	Does the FSP have recording systems in place to record all telephonic conversations with the clients in the course of direct marketing?				
13.2.2	Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?				
14	<b>Complaints and regulatory action</b> <i>Sections 16 to 19 of General Code of Conduct</i>				
14.1	Does the FSP have a complaint policy and resolution system in place?				
14.2	Provide the following details on complaints referred to the Ombud for Financial Services Providers during the reporting period: number of complaints referred to the Ombud, type of complaint (what the complaint was about) as well as outcome of the complaint. Indicate the annexure number in column 4.				
14.3	During the reporting period was disciplinary or regulatory action taken against the FSP by any regulatory authority, exchange, professional body or government body or agency (within or outside South Africa)?				
14.4	During the reporting period was the FSP or any of its subsidiaries prohibited by any				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/Annexure
	regulatory body from operating in the financial services industry?				
14.5	If the answer to Question 14.4 is YES – In a separate annexure, provide full details thereof; and indicate the annexure number in column 4.				
15	<b>Maintenance of records</b> <i>Section 18 of Act</i> <i>Section 22 of FICA</i>				
15.1	Does the FSP have appropriate procedures and systems in place to record the information contemplated in section 18 of the Act?				
15.2	Are all records stored in a manner that reasonably ensures that the records are safe from destruction?				
15.3	Does the FSP have a process in place to 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?				
15.4	Does the FSP have electronic back-ups of all electronic records?				
15.5	Does the FSP have disaster recovery procedures in place?				
	<b>SECTION 4 – COMPLIANCE FUNCTION</b>				
16	<b>Compliance function</b> <i>Section 17 of the Act, Chapter IV of Regulations and Board Notice 127 of 2010</i>				
16.1	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?				
16.2	Are you (compliance officer) domiciled in the home jurisdiction of the FSP?				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Note No. Comment/ Annexure
16.2.1	<i>If the answer to question 16.2 is NO –</i> In a separate annexure confirm in which country you (compliance officer) are domiciled and provide full details of how monitoring was conducted during the reporting period. Indicate the annexure number in column 4.				
17	<b>Monitoring</b>				
17.1	<b>Indicate whether you monitored the following during the reporting period :</b>				
17.1.1	Financial products in respect of which the FSP renders financial services.				
17.1.2	Representatives under supervision.				
17.1.3	Juristic representatives				
17.1.4	Disclosure documents to verify whether it complies with sections 4, 5 and 7 of the General Code of Conduct.				
17.1.5	Furnishing of advice and record of advice.				
17.1.6	Receipt of funds and/or collection of premiums.				
17.1.7	Waiver of rights.				
17.1.8	Money laundering control procedures.				
17.1.9	Policies and procedures.				
17.1.10	Other. Please provide details on type of monitoring in a separate annexure and indicate the annexure number in column 4.				
17.2	In a separate annexure, provide an explanation as to how you did the monitoring. Please also include the extent of monitoring. Indicate the annexure number in column 4.				

**SECTION 5 – ATTACHMENTS**

Question number	Comments	Annexure Number

**SECTION 6 – STATISTICAL INFORMATION SHEET**

<b>6.2 TYPE OF INSURANCE COVER</b>	<b>RELEVANT QUESTION NUMBER</b>	<b>CURRENCY</b>	<b>EXTENT OF COVER (NUMERIC AMOUNT)</b>
Professional Indemnity Cover as contemplated in section 5(e) and 13 of the General Code of Conduct	7.1		
Fidelity Insurance Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	7.2		
Guarantees as contemplated in section 13 of the General Code of Conduct	7.3		

**COMPLIANCE REPORT COMPLETED AND SIGNED BY FSP**

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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)**

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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 the compliance officer(s) \_\_\_\_\_

Date \_\_\_\_\_

Telephone number \_\_\_\_\_

Fax number \_\_\_\_\_

E-mail address \_\_\_\_\_

**Please note that all unsigned reports will be regarded as “Not Submitted”.**



## DECLARATION COMPLETED AND SIGNED BY COMPLIANCE OFFICER(S) SUBMITTING 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/Financial Services Providers for reporting period \_\_\_\_\_ (insert period) to \_\_\_\_\_ (insert period).

In accordance with section 17(4) of the Act, I/we \_\_\_\_\_ (being the approved compliance officer(s)) hereby report as follows as regards compliance by \_\_\_\_\_ (insert full names of FSP and FSP number) and any representative and key individual 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 both true and correct in all respects/aspects.

I/we are aware that the information contained in the attached annual compliance report may be subject to verification by the Authority, and should I/we knowingly submit false, incorrect or misleading information to the Authority, this may impact on my/our compliance with the Determination of 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).

**Signature(s):** \_\_\_\_\_