



INSIDE THIS ISSUE:

<i>Introduction</i>	1
<i>For your information</i>	2
<i>Licensing process</i>	2
<i>Compliance officers</i>	2
<i>Structure of FAIS</i>	3
<i>Responsibilities</i>	4
<i>Ideas & Comments</i>	5
<i>Contact details</i>	5-7

Special points of interest:

- 13639 FSPs are currently authorised
- Key individuals should remember to send in their qualifications if they did not meet the “Column 4” of the Fit and Proper Requirements at licensing or approval—More on this in our next issue

INTRODUCTION

This is a prelude to a series of communication newsletters (to be called FAIS Newsletter) that will be issued by this Office to authorised financial services providers, their compliance officers, key individuals, representatives, auditors and/or a person seeking an understanding of the Financial Advisory and Intermediary Services Act, 2002 (“FAIS Act”) and the regulatory requirements in general.

The purpose of the communication is to address common problems that authorised financial services providers experience concerning:

The FAIS Act, its requirements and obligations it imposes on financial services providers.

Interaction between authorised financial services providers and this Office

Other regulatory issues and developments that may have an impact on financial services providers (e.g.

application of the Financial Intelligent Centre Act, 2001 on the financial services Providers’ business).

The anticipated outcome of the communication is to: Enhance the level of knowledge of the FAIS Act.

Provide an understanding of the rationale and requirements of the regulation.

Strengthen the relationship between this Office and authorised financial services providers.

Encourage on-going exchange of ideas and suggestions between this Office and authorised financial services providers.

Each Newsletter will identify a topic and address such topic with reference to our legislation, policies and other relevant sources. The Newsletter must never be seen as discharging the obligation on authorised financial services to acquaint themselves with the

requirements of the FAIS Act and subordinate legislation. It must rather be seen as a contribution and encouragement to financial services providers to acquaint themselves with the FAIS Act and other regulatory requirements.

The newsletter will be issued monthly (this frequency may change without notice) and will be transmitted by email and also posted on our website www.fsb.co.za.

We have set up a special e-mail address where comments and suggestions from FSPs may be sent to. This e-mail address is faiscomment@fsb.co.za.

Please note that this e-mail address may not be utilised for any other purposes other than sending comments and suggestions to this Office.

Suggestions and comments will not necessarily be dealt with on a one to one basis but will generally be addressed in the newsletter.

STATUS ON NEW LICENSE

We have received 16 412 applications for authorisation as financial services providers (section 8 (1) applications) as at 1 January 2007. These are Category 1, Category 2 (discretionary FSPs) and Category 3 (administrative FSPs) applications. A breakdown of these applications is as follows:

Number of licenses authorised by this Office	13 639
Number of declined applications	1 004
Number of applications in process	1215
Number of lapsed licenses	532
Number of withdrawn licenses	13
Number of suspended licenses	6

Note that we have a facility on our website which can be used to determine whether a financial services provider has applied for a license and the status of such application (whether still being processed, authorised, withdrawn, declined or suspended). To access this facility, log onto our website (www.fsb.co.za). On the homepage click on the word "FAIS". Thereafter click on a phrase "Search for financial services providers". The facility allows the user to conduct a search using a license number, partial name or full name of the applicant or license holder.

STATUS OF APPLICATION FOR APPROVAL AS COMPLIANCE OFFICERS

We have approved 350 compliance practices. In-house compliance officers are compliance officers who are permitted to render compliance function to a particular financial services provider only. Compliance practices are compliance offices who are permitted to render compliance function to any financial services provider. The list of all approved compliance officers may be viewed on our website www.fsb.co.za (on the homepage, click on the word "FAIS", thereafter click on "List of Approved Compliance Officers").

Structure of the FAIS Department

The FAIS Department has been restructured into three separate departments, namely **Registration**, **Supervision** and **Enforcement**.

The restructuring is our response to a need to improve our service and to adapt to a change in our regulatory approach.

The following are some of the factors that prompted the restructuring:

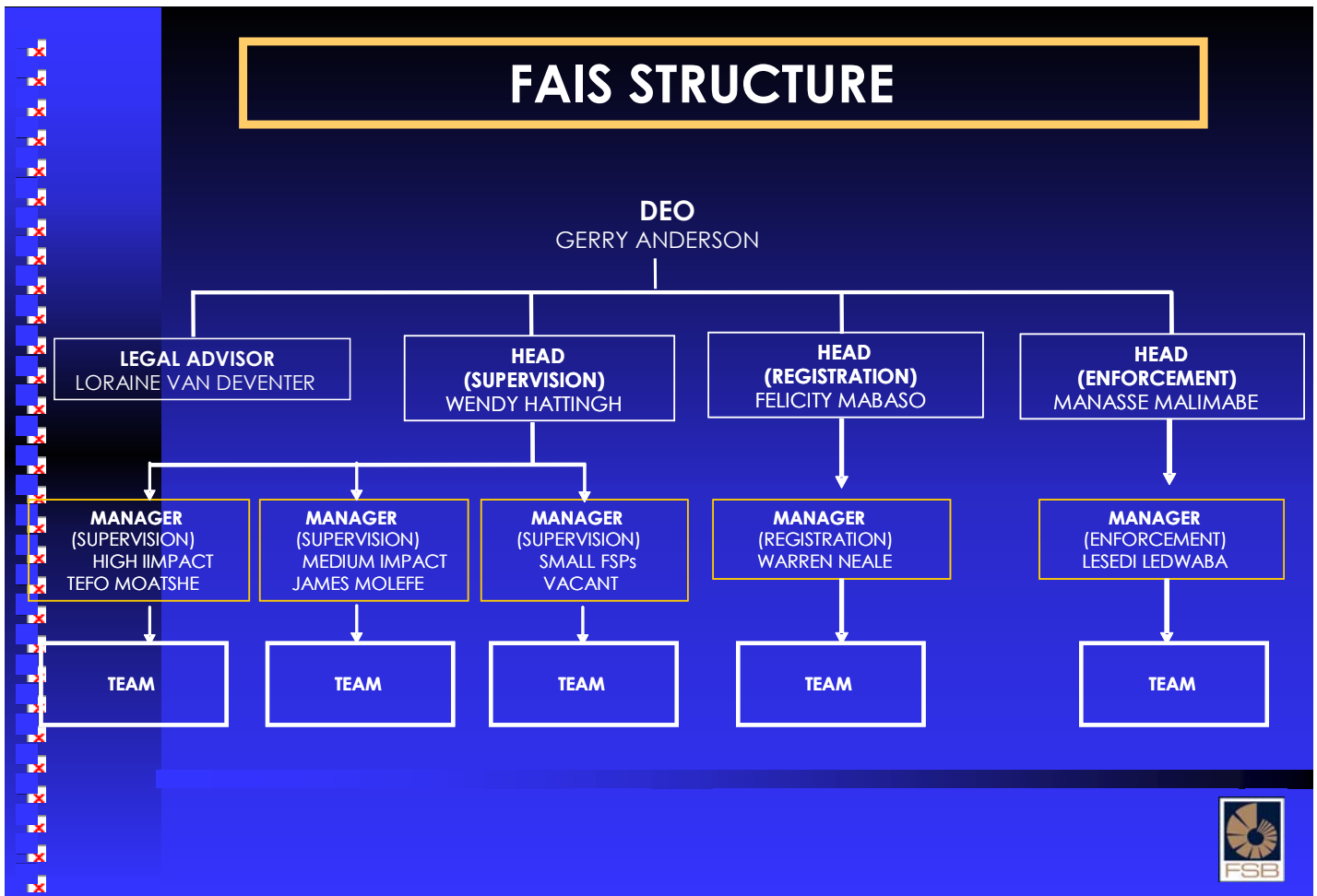
1. Increased staff compliment. The FAIS staff compliment as at 1 January 2007 was 56. It is envisaged that this number will increase to 72 as at 31 March 2007. The increase in staff compliment is going to impact positively on :
 - our response time,
 - quality of service rendered,

- our technical skill base and
- professionalism

2. Risk Based Regulatory approach.

We have adopted a risk based regulatory approach. In terms of this regulatory approach, authorised financial services providers will be classified into three categories.

These are high impact, medium impact and small FSPs. This regulatory approach will enable us to appropriately employ our resources. Risk Based Regulatory approach will be addressed in future newsletters.



RESPONSIBILITIES OF THREE DEPARTMENTS

Main responsibilities of the FAIS Registration Department

1. Processing of new license applications
2. Approval of compliance officers.
3. Processing of profile changes on existing licenses
 - name changes
 - change in ownership
 - change in directorship
 - approval of new of key individuals
 - change of representatives
 - addition/removal of financial products
 - addition/removal of license categories
 - change of contact details and
 - any other changes of information of an authorised financial services providers
4. Profile changes on the information of approved compliance officers.
5. Lapsing of license granted to financial services providers.
6. Maintenance of the central representative register.
7. Issuing of licenses and follow-up of unclaimed licenses and cancellation if necessary.
8. Approval of specimen mandates/application forms for Category II, III and Forex financial services provider.
9. Approval of recognised representative bodies and the delegation of functions to the bodies.
10. Handling queries emanating from the above processes.

Main responsibilities of the FAIS Supervision Department

1. Introduction and maintenance of Risk Based Supervision framework.
2. On-site visits specified in terms of the Risk Based Supervision framework.
3. On-site visits to compliance practices
4. Receipt and perusal of financial statements and audit reports.
5. Receipt, perusal, and follow-up of compliance reports.
6. Application for exemptions arising from authorised financial services providers.
7. Approval of and monitoring of ongoing requirements of nominee companies
8. Liaison with the industry bodies and other regulators
9. Handling queries emanating from the above processes

Main responsibilities of the FAIS Enforcement Department

1. Requesting Inspections and interacting with FSB's Inspectorate.
2. Follow-up on inspection reports (inspection cost / prosecution recoveries)
3. Interaction with FSB's Enforcement Committee. (Once committee has been established)
4. Dealing with and investigating all complaints from client before 30 September 2004 or complaints of misconduct of FSPs
5. Suspension and withdrawals of licenses
6. Handling appeals relating to suspension and withdrawals.
7. Recording of Debarment of representatives.
8. Handling queries emanating from the above processes.

IDEAS AND COMMENTS

CONTACT DETAILS

Physical address:

Kasteel Park
 Nassau Building
 Jochemus Avenue
 Erasmusloof
 Pretoria

Postal address:

P O Box 35655
 Menlopark
 0102

Telephone : (012) 428-8145

Facsimile : (012) 422-2973

Website : www.fsb.co.za

The information stipulated below is designed to make your communication with this Office easier. Please note and keep it for future reference.

FSB Call Centre

Are you aware that the Financial Services Board has a Call Centre/ Contact Centre that is dedicated to resolving all your queries? The following toll free numbers may be used to contact the FSB Call Centre: 0800110443 or 0800202087

Per email: info@fsb.co.za

Website

All the important information applicable to financial services business is posted on our website. You are encouraged to frequently visit our website for latest information and updates. Our website address is www.fsb.co.za. On the homepage click on the word "FAIS"

Email Address	Purpose
faispfc@fsb.co.za	All applications for profile change or change of information and details of an authorised financial services provider. These changes includes change of contact details name changes change of ownership or directorship Change of key individuals and their information Change of representatives and their information Change of compliance officers Change of auditor Request to add or remove a financial products to an existing license Request for extension of a licensee category
faisinfo@fsb.co.za	To receive all requests for FAIS related information.
faisenquiries@fsb.co.za	All enquiries, queries, questions on the FAIS Act and FAIS subordinate legislation may b emailed to this address
faisfins@fsb.co.za	All financial statements must be emailed to this address
faiscomp@fsb.co.za	All compliance reports must be emailed to this address
faiscomment@fsb.co.za	All tips, comments, suggestions, ideas may be forwarded to this address

FAIS CONTACT LIST— FEBRUARY 2007

Name	Title	Telephone	E-mail address
Gerry Anderson	Deputy Executive Officer: Market Conduct and Consumer Education	012-4280 8114	gerrya@fsb.co.za
Denise Wolfe-Botha	Executive Secretary	012-428 8119	denisew@fsb.co.za
Loraine Van Deventer	Legal Advisor	012-428 8178	lorainew@fsb.co.za
Noxolo Nkebe	Receptionist	012-428 8145	noxolon@fsb.co.za

REGISTRATION DEPARTMENT

Name	Title	Telephone	E-mail address
Felicity Mabaso	Head: FAIS Registration	012- 428 8186	felicitm@fsb.co.za
Thabile Mahlangu	PA to Felicity Mabaso	012-428 8139	thabilem@fsb.co.za
Warren Neale	Manager: FAIS Registration	012-428 8047	warrenn@fsb.co.za
Innocentia Sibambo	Analyst: FAIS Registration	012-428 8089	innocentias@fsb.co.za
Brenda Morty	Analyst: FAIS Registration	012-428 8181	brendam@fsb.co.za
Janet Smit	Analyst: FAIS Registration	012-422 2301	janet@fsb.co.za
Karien Nel	Analyst: FAIS Registration	012-422 2856	karien@fsb.co.za
Tejal Singh	Junior Analyst: FAIS Registration	012-422 2856	tejal@fsb.co.za
Constance Masilela	Junior Analyst: FAIS Registration	012-428 8198	constanm@fsb.co.za
Thembi Mthenjane	Junior Analyst: FAIS Registration	012-422 2879	thembim@fsb.co.za
Johannes Nkutshweu	Junior Analyst: FAIS Registration	012-428 8185	johannesn@fsb.co.za
Phillipine Munyai	Junior Analyst: FAIS Registration	012-422 2860	phillipinem@fsb.co.za
Moloko Rabosiwana	Junior Analyst: FAIS Registration	012-422 2975	molokor@fsb.co.za
Hopolang Thupana	Junior Analyst: FAIS Registration	012-422 2974	hopolangt@fsb.co.za
Ruby Mosime	Junior Analyst: FAIS Registration	012-422 2801	rubym@fsb.co.za
Melanie Lee	Admin Assistant: FAIS Registration	012-428 8118	Melaniel@fsb.co.za
Jackie Street	Admin Assistant: FAIS Registration	012-42202875	Jackie@fsb.co.za
Timothy Milton	Admin Assistant: FAIS Registration	012-422 2898	timothym@fsb.co.za
Trishen Foolchand	Admin Clerk: FAIS Registration	012-422 2302	trishenf@fsb.co.za
Christa Henrico	Admin Assistant: FAIS Registration	012-422 2904	christah@fsb.co.za
Ephenia Sebopa	Admin Clerk: FAIS Registration	012-428 2310	ephy@fsb.co.za
Monni Mapheto	Admin Clerk: FAIS Registration	012-422 2849	magdelim@fsb.co.za
Solomon Sefako	Admin Clerk: FAIS Registration	012-422 2308	solomon@fsb.co.za
Mathews Ntlatleng	Admin Clerk: FAIS Registration	012-428 8191	mathewsn@fsb.co.za
Isaac Lebeso	Admin Clerk: FAIS Registration	012-428 8185	isaacl@fsb.co.za

FAIS SUPERVISION DEPARTMENT

Name	Title	Telephone	Email Address
Wendy Hattingh	Head: FAIS Supervision	012-428 8101	wendyh@fsb.co.za
Thabile Mahlangu	PA to Wendy Hattingh	012-428 8139	thabilem@fsb.co.za
Tefo Moatshe	Manager: FAIS Supervision	012-428 8098	tefom@fsb.co.za
James Molefe	Manager: FAIS Supervision	012-428 8087	jamesm@fsb.co.za
Ronel Reyneke	Senior Analyst: FAIS Supervision	012-422 2809	ronelr@fsb.co.za
Julia Matebane	Senior Analyst: FAIS Supervision	012-428 8059	juliam@fsb.co.za
Nelize Goch	Analyst: FAIS Supervision:	012-428 8110	Nelize@fsb.co.za
Neetin Govan	Analyst: FAIS Supervision	012-422 2875	neetin@fsb.co.za
Unathi Mbanga	Analyst: FAIS Supervision	012-422 2304	unathim@fsb.co.za
Devilliers Makonko	Analyst: FAIS Supervision	012-422 2872	devilliersm@fsb.co.za
Masenyé Masemola	Analyst: FAIS Supervision	012-422 2316	Masenyé@fsb.co.za
Given Maedza	Analyst: FAIS Supervision	012-422 2317	given@fsb.co.za
Mfundo Xoko	Junior Analyst: FAIS Supervision	012-422 2880	mfundox@fsb.co.za
Annie Nkewu	Junior Analyst: FAIS Supervision	012-422 2879	annien@fsb.co.za
Constance Dibakwane	Junior Analyst : FAIS Supervision	012-428 8056	constanced@fsb.co.za
Tladi Molebatsi	Junior Analyst: FAIS Supervision	012-422 2307	tladim@fsb.co.za
Phuti Senyatsi	Admin Assistant: FAIS Supervision	012-422 2321	Phuti@fsb.co.za
Itumeleng Nnene	Admin Assistant: FAIS Supervision	012-422 2320	itumelengn@fsb.co.za
Steve Chitwa	Admin Clerk: FAIS Supervision	012-422 2306	stevec@fsb.co.za
Genevive Abrahams	Admin Clerk: FAIS Supervision	012-422 2325	genevivea@fsb.co.za
Leroy Matjila	Admin Clerk: FAIS Supervision		faistemp6@fsb.co.za

FAIS ENFORCEMENT DEPARTMENT

Name	Title	Telephone	Email Address
Manasse Malimabi	Head: FAIS Enforcement	012-428 8137	manassem@fsb.co.za
Adri Jansen van Vuuren	PA to Manasse Malimabe	012-428 8058	adriv@fsb.co.za
Lesedi Letwaba	Manager : FAIS Enforcement	012-428 8176	lesedil@fsb.co.za
Nadia Jada	Analyst : FAIS Enforcement	012-422 2309	nadiaj@fsb.co.za
Diphapang Molohe	Junior Analyst : FAIS Enforcement	012-428 8039	diphapang@fsb.co.za