



## **PUBLICATION OF NEW FAIS FEES**

The new Determination of Fees payable to the Registrar of Financial Services Providers, 2015, was published on 24 March 2015 in Government Gazette No. 38597 and came into operation on 25 April 2015.

A copy of the gazette is available for download on the FSB website.

It is important to note that in terms of the Determination of Fees payable, the following new fees are now payable by FSPs:

- Category II, IIA and III FSPs are required to pay a fee of R3 860 for an application for approval of an amendment to an approved mandate or an application for approval of an additional approved mandate.
- A fee of R550 is payable for all applications for extensions of submission of annual financial statements.

### **DID YOU KNOW?**

The **Compliance Reports for 2015** were published on the FSB website on 17 April 2015. An e-mail was sent to all authorised FSPs on 23 April 2015 notifying them of the publication of the report and providing a link to the reports.

The reports are available for download on the FSB website under the FAIS Supervision Department (click on the Compliance Reports link).

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### ***Disclaimer***

*The FAIS Newsletter must not be construed as a substitution of the FAIS Act and subordinate legislation. The newsletter is aimed at addressing specified areas and provides a quick reference to the reader. It does not take away the obligations that are imposed on FSPs, key individuals, representatives, compliance officers or any person involved in the rendering of financial services to acquaint himself or herself with the provisions of the FAIS Act.*

## 1. Background

Previously an approved Key individual (KI) who wished to apply for the approval of additional financial products or categories of financial services was required to complete a new Form FSP 4 in full.

The same applied where an approved KI applied for approval to act as a KI of another financial services provider (FSP).

The Registrar of Financial Services Providers (Registrar) recognised the inefficiency in requiring an existing approved KI to re-submit information that is already in possession of the Registrar's Office.

To improve process efficiency and effectiveness, the Registrar's Office developed a process by which an existing approved KI could access or obtain a FSP Form 4 that is pre-populated with information that is already in possession of the Registrar and that pertains to that particular KI.

## 2. Methods for obtaining a copy of the pre-populated Form FSP 4

There are two methods available for obtaining or accessing a copy of a pre-populated Form FSP 4:

### i) Via the FAIS online reporting system

The steps for obtaining a copy from the FAIS online reporting system are as follows:

- Log onto the FAIS online reporting system
- Select the "query FSP detail" option
- Click on the "persons" button at the bottom of the screen
- Click on the words "merge FSP4" to the right of the KI's name

It is important to note that only the approved compliance officer and / or KI of an FSP would be able to log onto to the FAIS online reporting system to obtain a pre-populated Form FSP 4 of a person that is an existing approved KI of that FSP.

### ii) Send an e-mail to [Faispfc@fsb.co.za](mailto:Faispfc@fsb.co.za) requesting a copy of the form FSP 4.

- To assist with the processing of the request, the identity number of the person should be included in the subject line of the e-mail.
- In order to protect the privacy of a particular KI, the pre-populated Form FSP 4 will only be provided to the KI themselves or the approved compliance officer for the FSP. Any other person would need to obtain prior consent from the KI to obtain the information.

### 3. Guidelines on how to correctly complete the pre-populated Form FSP 4

The first page of the pre-populated Form FSP 4 provides an explanation as to how the form should be completed.

Persons wishing to make use of the pre-populated form should familiarise themselves with the instructions prior to completing the form.

Where information that is pre-populated on the form needs to be updated, the updated information should only be completed in the shaded blocks.

There is certain information that due to the nature and time sensitivity of the information cannot be pre-populated and must be completed e.g. the questions pertaining to a person's fitness and propriety

### 4. Queries

Any queries relating to the completion of the form may be submitted to [Faispfc@fsb.co.za](mailto:Faispfc@fsb.co.za)

## GENERAL EXEMPTION GRANTED TO LONG-TERM AND SHORT-TERM INSURERS

On 22 May 2015, the Registrar granted a general exemption to FSPs who are long-term insurers or short-term insurers from section 13 of General Code of Conduct (Professional Indemnity Requirements).

The purpose of section 13 is to protect a FSPs' solvency and to provide consumers with a level of assurance that in the event of a successful claim against a FSP that there is some lessening of risk of insufficient assets being available to meet the claim.

The Registrar is satisfied that the prudential regulations applicable to FSPs who are long-term insurers or short-term insurers adequately address the objectives of section 13.

A copy of the exemption can be downloaded on the FSB website as follows:

- Go to [www.fsb.co.za](http://www.fsb.co.za)
- Select "FAIS" from the drop down list of departments at the top of the FSB homepage
- On the left of the FAIS homepage, select "legislation" and then "FAIS notices"
- Select "2015"
- Click on "FAIS Notice 50 of 2015 which can be found towards the bottom of the list of FAIS notices for 2015



# ONLINE SUBMISSION OF NEW LICENSE APPLICATIONS

During April 2015 the FAIS Registration Department launched an online programme for the submission of new license applications.

## 1. Where to find the online system on the FSB website:

The system for the submission of brand new license applications can be accessed as follows on the FSB website:

- Under the heading “Department” select “FAIS”
- On the left hand side of the screen click on “Registration”
- Select “New license applications”
- Click on the link for the “FAIS online license applications” (see the screen shot from the website included below):

### New License Applications and Progress on Submitted Applications

- The call centre will be able to provide you with and electronic application form.
- An FSP number will be allocated to you after submission of the application forms to the FSB.
- The required fee must be paid prior to submission of the forms and proof of payment must accompany the application form.
- Read the instructions on each form before completing the relevant forms and if required, make copies of the pages needed.
- FSP 14A must be completed in full and be signed by the responsible person.
- The applicant must appoint a compliance officer if it will have more than one key individual or representatives.
- If an application for the approval of a compliance practice and/or officer (Form FSP 13) is not attached to your application, please ensure that your Compliance Officer is already approved as a Compliance Officer.

- [FAIS Online License Applications](#)

## 2. Registering to use the system:

- The user will be required to first register to use the system.
- A password will be e-mailed to the e-mail address provided for the registration.
- The user will be able to log on using their e-mail address and password.
- The first time that the user logs on they will be required to change their password to one that they will remember.
- Once you have updated your password you will receive a system generated e-mail confirming your new password. Keep this e-mail safe.

### **3. Completing the license application:**

- Log onto the FAIS new license application system.
- Select whether you would like to “Create a new license application” or “Update pending applications” (an application that you are already busy capturing) by clicking on the relevant button.
- If you select to update a pending application you will be taken to a new screen where all your pending license applications are listed. You can select the relevant application from the list and click on the “capture” button.

#### **i. Capturing the application:**

- When capturing the application the various FSP forms will be listed. You need to select the form and complete all relevant fields.

#### **ii. Supporting documents:**

- You will also need to upload certain supporting documentation as attachments to the application.
- Certain supporting documents are compulsory e.g. proof of qualifications and the indemnity forms.
- Certain documents will be dependent on the contents of the application e.g. if you are required to appoint a compliance officer then the compliance officer declaration is required.
- Please ensure that all relevant supporting documents are uploaded. If they are not uploaded then the analyst dealing with your license application will need to contact you for the information which will cause delays in the application process.

#### **iii. Validating the application:**

- You will need to validate the report at the end to make sure that you completed all the required information and uploaded all required attachments.
- You will only be able to submit the application once the application passes the validation process

### **6. Queries related to the online license applications:**

Any queries relating to the FAIS online license applications system should be submitted to [Fais.NewLicense@fsb.co.za](mailto:Fais.NewLicense@fsb.co.za)

# TO DEBAR OR NOT TO DEBAR – the perennial headache for FSPs

By Adv Matome Thulare (HoD: FAIS Enforcement)

The decision whether to debar or not to debar a representative of an authorised financial services provider (“FSP”) appears at face value to be a simple matter. In reality however, the matter is rather complex and can become convoluted due to legal uncertainties and interpretation problems pertaining to the applicable provisions. Often times the dilemma is palpable for the FSPs, they are damned if they do and they are damned if they don’t.

What is it that makes it difficult to do the right thing? A bit of history is appropriate to provide context. The Financial Intermediary and Services Act, 37 of 2002 (“the FAIS Act”) became the first piece of legislation to formalise and regulate the rendering of advice and intermediary services in South Africa. The FAIS Act became effective on 30 September 2004 and required affected persons to regularise their business to achieve compliance with the legislation. The FAIS Act ushered in a new dispensation of “fit and proper” requirements for the rendering of financial services.

The FAIS regulatory structure is to subject individuals or entities who wish to act as principals in the rendering of financial services to a rigorous test of fitness and propriety. In turn, these individuals and entities are made responsible for the initial and continuing fitness and competence of their representatives.

In particular, section 14(1) of the FAIS Act empowers the FSPs to take action against representatives who are considered to be unfit or incompetent to render financial service. The FSPs are not permitted to exercise discretion whether to debar or not to debar a representative who is deemed unfit or incompetent. The wording of the empowering provision is pre-emptory and thus makes it compulsory for the FSPs to take action. That said, it does not mean that the FSPs must debar a representative without following due process.

Often times, the FSPs do not comply with the requirement to afford the representative an opportunity to be heard. The fact that there are allegations of wrongdoing against a representative does not on its own constitute evidence and reason to debar. The difficulty appears to be the timing of when to take action against a representative as required by the FAIS Act.

The fact that the representative is also engaged by the FSP in terms of the contract of employment means that there is a LRA matter to dispose of.

In compliance with the LRA the FSP as the employer of the representative must convene a disciplinary enquiry to determine the guilt or otherwise of the employee under the LRA. The outcome of the disciplinary enquiry may provide the basis to consider the application of the FAIS legislation. In my view, it does not necessarily follow that a guilty finding made under the LRA would also trigger a debarment process under the FAIS Act.

An independent assessment would be necessary to determine whether the misconduct is sufficiently serious to impugn the honesty and integrity of the representative. The FSB Appeal Board<sup>1</sup> provided some guidelines to ascertain whether a person has honesty and integrity and stated that:

- The dictionary meaning of integrity is soundness of moral principle; the character of uncorrupted virtue, especially in relation to truth and fair dealing; uprightness, honesty, sincerity.
- A person’s character is what he in fact is, whereas his reputation is what other people think he is.

- The determination of whether a person is of sound character involves a moral judgment. In arriving at that judgment it is necessary to consider the person's manner of conduct, not only in respect of his private life but also in business dealings. For purposes of the FAIS Act the emphasis will be on the latter.
- The quality of a person must be judged by the person's acts and motives, meaning behaviour and the mental and emotional situations accompanying the behaviour.
- Character cannot always be estimated by one act or one class of act. As much about a person is known will form the evidence from which the inference of good or bad character is drawn.

In practice however, the FSPs grapples with the determination whether it is appropriate to debar or not to debar a representative in particular circumstances. In the opinion of the Appeal Tribunal, an act of dishonesty, negligence, incompetence or mismanagement does not *per se* constitute *prima facie* evidence of absence of honesty and integrity. The Appeal Tribunal took the view that the dishonesty, negligence, incompetence or mismanagement must be sufficiently serious to impugn the honesty and integrity of person concerned.



The FSP confronted with a determination whether to debar or not to debar is required to make a judgement call in light of the facts of each case. The decision of the FSP to take a particular course of action cannot be second-guessed *per se* but it must be rational. The FSP cannot ignore compelling information of wrongdoing against a representative. In most instances, the representatives are debarred for acts of dishonesty and integrity. In developing the test for dishonesty<sup>1</sup>, it was found that the test for dishonesty must be both subjective and objective. In practice it means that the FSP considering a debarment must ask itself the following questions;

1. Was the act of a representative one that an ordinary decent person would consider to be dishonest (the objective test)? If so:
2. Must the representative have realised that what he was doing was, by those standards, dishonest (the subjective test)?

It has also been established that in applying this test, it is not essential for a person to admit that they acted in a way that they knew to be dishonest; it is probably enough that they knew others would think their behaviour was dishonest, or that they thought that what they were doing was 'wrong'.

In general terms, a fair process would entail the FSP as the employer to subject the employee to a disciplinary hearing to determine the guilt or otherwise of the employee under the LRA. In the event that the employee is found guilty, the employer as an FSP must consider whether section 14(1) of the FAIS Act is applicable.

For purposes of a debarment under section 14(1) of the FAIS Act and PAJA, the FSP must afford the representative the opportunity to be heard before an adverse decision is taken. In my view, the fact that the representative was subject to an earlier disciplinary hearing would not constitute adequate compliance under PAJA. The reason is that the initial disciplinary hearing was convened under the LRA whereas the enquiry in terms of section 14(1) is convened under the FAIS Act and PAJA.

The test to determine acts of dishonesty, negligence, incompetence under the LRA is distinct and different to the test under the FAIS provisions, despite the interplay. Whereas the LRA may have as a focus a system of progressive discipline that punishes an employee's conduct, the FAIS Act has as a focus the protection of clients, the upholding of virtues of honesty, integrity, professionalism and trustworthiness. The person who carries on business as a representative must be honest and competent and devoid of a malevolent frame of mind.

The FSPs challenge may be worsened by the sudden resignation or abscondment of the employee during the disciplinary hearing under the LRA. The response of most of the FSPs has been to discontinue the process and refer the matter to the FSB. In response the FSB has cautioned FSPs that they are expected to continue and determine the issue under FAIS Act. The counter-response of FSPs is that there is no jurisdiction to take any action under FAIS Act after the employee has left the service of the employer as the mandate is automatically terminated.

The issue of jurisdiction is a matter that must be settled in law as it causes confusion. In my view, there are two instances to differentiate. In the first instance, if the employee resigns innocently without any issue but complaints are later brought to the attention of the FSP, then the matter can be referred to the FSB for investigation. In the second instance, if the employee resigns during an investigation or disciplinary enquiry in order to avoid the inevitable result of being debarred, the FSP must continue with the investigation or disciplinary enquiry. In the latter instance, the fact is that the investigation or disciplinary enquiry commenced during the existence of the mandate and the conduct of the employee was aimed at avoidance of a debarment.



In addressing the issue of jurisdiction, it is arguable that the FSP when effecting a debarment acts in the public interest and therefore the contract of employment is not relevant for the purposes of the exercise of the public power. The nature of the power to debar is located in public law whereas the contract of employment is located in private law. There should be nothing to stop the FSP from exercising the power to protect the interest of the public despite the fact that the representative has resigned. To hold otherwise would lead to absurdity.

The suggestion that the FSB must become responsible for the debarment where a representative has resigned in order to avoid the consequence is not feasible. The power of the FSB located in section 14A to debar any person does not provide a solution to the jurisdiction dilemma faced by the FSPs. The point is that section 14A was not enacted to substitute the duty imposed on the FSP under section 14(1) of the FAIS Act. In my view, section 14A was enacted to cater for debarment of key persons of the FSPs and any other person who could not be debarred by the FSP under section 14(1) of the FAIS Act.

The position of the FSB is that if a provider had no mandate or contractual relationship with a representative at the time when the reason for the debarment occurred, it cannot effect a valid debarment. If, however, the reason for the debarment existed, but only came to the notice of the provider later, the process of debarment may still be embarked upon.



## REGULATORY EXAMINATIONS AND CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

During 2014 the Registrar communicated its intention to have a framework for continuous professional development (CPD) in place by December 2015, and to provide more specific information regarding the delivery model for the Level II regulatory examinations (product specific examinations). Since then, the FSB has been hard at work in order to achieve this objective.

The first step was to identify the context - not only the existing context, but also the future context. Currently the competency requirements apply to financial services providers (FSPs), key individuals, and representatives who are authorised, approved or appointed in accordance to the FAIS Act and the subordinate legislation. However, in the near future, this context will change significantly!

**“Context” means the circumstances that form the setting for an event, statement, or idea, and in terms of which it can be fully understood.**

*Synonyms: circumstances, conditions, surroundings, factors, state of affairs, milieu, setting, background, backdrop, scene, climate.* – Oxford Dictionary

The legislative requirements are changing as we move forward towards a Twin Peaks regulatory framework, but the approach to market conduct and the achievement of the Treating Customers Fairly (TCF) outcomes have already begun. The Retail Distribution Review (RDR) proposals have been published and consultation is under way, the Financial Sector Regulation (FSR) Bill is being drafted and will pave the way for the Conduct of Financial Institutions Act (“COFI”) which will ultimately replace the FAIS Act.



These changes will signal a completely different context insofar as competency requirements for financial advisors are concerned. This means that the complete competency model will be reviewed with the future context in mind.

Over the recent past, a number of FSB initiatives have commenced as part of this competency model review process.

Some of these initiatives include:

- **Research – Local Regulators and Developments**



Towards the end of 2014 the FSB engaged with the South African Revenue Services (SARS) regarding their competency model for tax practitioners. Extremely valuable insights were gained around the outcomes that have been achieved thus far after the model was implemented in 2012. In addition, the relevant representatives from SARS also participated in two FSB workshops conducted during February and April 2015, where they shared their knowledge and experience regarding competency standards, and the implementation thereof.

The tax practitioner competency model is relatively simple yet very effective. A tax practitioner is a natural person who provides advice to another person with respect to the application of a tax Act, or completes or assist in the completing a return by another person. The Tax Administration Act No. 28 of 2011 requires these tax practitioners to be registered with SARS. This registration is subject to the tax practitioner being a member of a “recognised controlling body”, where the membership criteria requires the tax practitioner to meet and maintain at least the minimum competency standard as prescribed by SARS.

The recognised controlling bodies are formally recognised by the Commissioner under section 240A of the Tax Administration Act, and this formal recognition process include very specific criteria which all recognised controlling bodies must meet. The Commissioner will recognise a body as a controlling body which:

a) Maintains relevant and effective:

- Minimum qualifications and experience requirements
- Continuing professional education requirements
- Codes of ethics and conduct
- Disciplinary codes and procedures

b) Is an Association under section 30B of Income Tax Act (exempt from tax)

c) Has at least 1000 members when applying or reasonable prospects of having 1000 members within a year of applying

These recognised controlling bodies provide the structure that underpins the competency model for tax practitioners, thereby ensuring the competence and on-going professional development of all registered tax practitioners.

- **Consultation with local Professional Bodies and Industry Associations**

The FSB has invited a number of relevant professional bodies and industry associations to obtain a better understanding of the role that these bodies can play in relation to industry competency standards, what they are currently offering in relation to qualifications and CPD, and how standards set by them are maintained. Various different competency models were discussed, including the tax practitioner model, and the viability of this model in the financial services context. It was recognised that the financial services industry includes various sub-sectors which makes the implementation of one standard competency model impossible. However, the principles applicable to competency standards can be applied across all sectors as long as it is relevant to the context of the affected persons.

- **Establishment of a small workgroup**

Subject matter experts from the industry were selected by the Registrar in order to establish a small workgroup to assist the FSB in reviewing the competency requirements for the future context. The aim is to draft a competency model which incorporates the local and international best practice principles and which will assist in achieving the market conduct outcomes in the future financial services context. Once a draft model is developed, this model will be presented to the wider industry for further consultation and discussion.



- **South African Qualifications Authority (SAQA)**

The FSB also engaged with the South African Qualification Authority (SAQA) in respect of their requirements of recognised professional bodies, their approach to qualifications, professionalization, designations, and CPD. The engagement is on-going and due cognisance of SAQA requirements and developments will be taken into consideration where appropriate when drafting a competency model.

- **Current Fit and Proper Requirements**

The sub-ordinate legislation relevant to the fit and proper requirements was reviewed by the FSB and is currently being prepared for public consultation. The sub-ordinate legislation includes:

- Board Notice 106 of 2008 – Determination of Fit and Proper Requirements for Financial Services Providers, 2008
- Board Notice 105 of 2008 – Determination of Qualifications and Qualifying Criteria for Financial Services Providers, 2008
- Board Notice 104 of 2008 – Exemption in respect of services under supervision in terms of Requirements and Conditions, 2008
- Board Notice 103 of 2008 – Determination of Continuous Professional Development for Financial Services Providers, 2008

Whilst the direction that Fit and Proper provides guidance in terms of competence requirements, what is included in the review will be taken into account when developing the competency model for the future.

- **Research – International Regulators and Developments**

Desktop research was conducted, to obtain as much information as possible regarding international competency requirements, competency standards, and the various competency models which these regulators have implemented.

In addition, a competency model questionnaire was compiled which interrogated each individual competency requirement and the rationale for this requirement. This questionnaire was distributed to a sample audience in order to obtain feedback directly from the relevant regulators. The countries included in the sample were:

- The United Kingdom
- Australia
- New Zealand
- Singapore
- Netherlands

As the competency model for both the current and future requirements gains substance, regular industry updates will be made. Further to keeping people informed of progress, once a draft model has been finalised, an industry- wide opportunity will be created whereby stakeholders will be invited to provide their input to the finalising of the model. It is the intention of the FSB to conduct an impact assessment on the implementation of the model to ensure that what is intended remains ‘fit for purpose’.

## **OTHER IMPORTANT NEWS**

- **COMPLIANCE WITH SECTION 13(1)(c) OF FAIS ACT**

With effect from 1 July 2015 all financial services providers and representatives must comply with section 13(1)(c) of the FAIS Act. In terms of that section a representative may not render financial services or contract in respect of financial services other than in the name of the financial services provider of which such person is a representative.

Section 13(1)(c) of the FAIS Act came into effect on 30 May 2014. However, FSPs and representatives were exempted from compliance with that section until 30 June 2015, the expiry date of the exemption. The exemption was granted to provide industry, where required, with additional time to restructure their business models to ensure compliance with section 13(1)(c).

The Registrar issued a Guidance Note on the interpretation and application of section 13(1)(c) of the FAIS Act and the Registrar’s response to the comments received from industry on the draft Guidance Note. Both documents can be accessed on the FSB’s website.

- **TAX FREE SAVINGS PRODUCTS**

In terms of the Income Tax Act, the Financial Services Board (“FSB”) has been allocated the responsibility for the supervision of tax free savings products, including those products distributed by banks.

The FSB created a centralised entry point by establishing a specific e-mail address through which all queries relating to a tax free savings product must be directed to ensure that they are dealt with in an efficient manner. The e-mail address is as follows: [FSB.TaxFreeSavings@FSB.co.za](mailto:FSB.TaxFreeSavings@FSB.co.za).

## **SPECIAL COMPLIANCE REPORT FOR LONG-TERM INSURERS WHO ARE ALSO FINANCIAL SERVICES PROVIDERS**

The Registrar for Financial Service Providers (the Registrar) received numerous complaints from industry that there was a wide spread practise of incentive driven churning of policies. Churning can be described as the advice provided by advisors to their clients to switch a policy from Company A to Company B, where the purpose is for the adviser to earn commission and/or meet the performance criteria imposed by an employer. Churning of policies is a contravention of section 2 of the General Code of Conduct which imposes a duty on Financial Service Providers (FSPs) to act with “due care, skill and diligence, and in the best interests of the clients and the integrity of the financial services industry”. In addition, when the TCF (treating customers fairly) outcomes are considered, e.g. outcome 4 which requires that advice is suitable and takes account of the customer’s circumstances, allegations of churning is of grave concern.

Incentive driven churning is linked to the offering of sign-on bonuses by product providers to experienced advisors. This is prevalent in the long-term insurance industry. There was anecdotal evidence, supported by complaints and investigations executed by the Registrar’s office, that product providers often offered sizable sign-on bonuses to advisors. The sign-on bonuses were offered to advisors who had an established client book which was profitable for the existing product providers. The expectation was thus that the “new” employer would be able to leverage off the advisors client book. The sign-on bonuses often had built-in “hurdles” which were linked to the advisor’s ability to meet specific performance targets over a period of time. These “hurdles” then led to advisors finding themselves in a situation where they could only meet the performance criteria if they “churned” all or a part of their existing client book to products offered by their new employer.

The Registrar prohibited a category 1 FSP that is authorised to give advice from receiving a sign-on bonus from any person, and also prohibits any person from offering or providing a sign-on bonus as an incentive to become a category I provider to give advice. The only exception is a new entrant, who is allowed to receive a sign-on bonus. This went into effect on 4 December 2014. Notice to this effect was given on 1 September 2014.

In March 2015 the Registrar requested registered long-term insurance companies who are also authorised FSPs to submit a special compliance report. The purpose of this report was to determine the situation regarding the payment of sign-on bonuses, and the extent to which this could be linked to churning of policies by the recipients of the sign-on bonuses. Respondents were asked to provide feedback in terms of 3 periods:

1. Prior to the notice given by the Registrar that sign-on bonuses would be prohibited (01 September 2012 – 31 August 2014).
2. After notice was given to prohibit sign-on bonuses (01 September 2014 – 31 March 2015).
3. The number of sign-on bonuses paid on or after 4 December 2014 (the date the prohibition went into effect).

A total of 46 FSPs were requested to submit the special compliance report. The report was due by 30 April 2015. To date 42 FSPs submitted the special compliance report. No responses were received from 4 FSPs.

The responses can be summarised as follows:

**Between 01 September 2012 and 30 August 2014 the responses reflect the following:**

Information	Totals
Total number of FSPs that offered sign-on bonuses	5
Total sign-on bonus recipients	1355
Number of new policies written	71502
Total number of replacements	6887
Percentage of total number of new policies that were replacements	9.63

**Between 01 September 2014 and 31 March 2015 the responses reflect the following:**

Information	Totals
Total number of FSPs that offered sign-on bonuses	4
Total sign-on bonus recipients	600
Total number of replacements	798

**Comparatively speaking the figures reflects as follows:**

7 month period		7 month average	
1 September 2014 – 31 March 2015		1 September 2012 – 30 August 2014	
Sign-on bonus recipients	Total number of replacement policies	Sign-on bonus recipients	Total number of replacement policies
600	798	395	2008

It is thus clear that although more people received sign-on bonuses in the 7 month period subsequent to the Registrar’s notice to the industry that the practice would be prohibited than in a comparative 7 month period between 1 September 2012 and 30 August 2014, the total number of replacement policies in this period was significantly less than in the comparative period. It must be noted that many of the recipients of the sign-on bonuses in the period 1 September 2014 to 31 March 2015 only took up their new employment late in the period. The Registrar’s office will thus continue to monitor the replacements of policies to ensure that replacements are not done as part of incentive-driven activities. The Registrar’s office has investigated the complaints received about incentive-driven churning and where needed has referred the respective FSPs for inspection.

## CONTACT DETAILS

### 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
- 0800202087

### 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](http://www.fsb.co.za).

On the FSB homepage select "FAIS" from the drop down list of departments.

	PURPOSE
<a href="mailto:Faisinfo@fsb.co.za">Faisinfo@fsb.co.za</a>	General FAIS related enquiries.
<a href="mailto:Faispfc@fsb.co.za">Faispfc@fsb.co.za</a>	Submission of profile change requests specifically relating to FSPs.
<a href="mailto:Reps@fsb.co.za">Reps@fsb.co.za</a>	Submission of the excel rep import spread sheet. This e-mail address should <b>only</b> be used where the person submitting the excel spreadsheet is registered to submit on behalf of the FSP.  Where the person is not registered to submit an excel spreadsheet on behalf of the FSP then the request should be sent to the <a href="mailto:faispfc@fsb.co.za">faispfc@fsb.co.za</a> inbox.
<a href="mailto:Fais.Lapse@fsb.co.za">Fais.Lapse@fsb.co.za</a>	Submission of any requests to lapse licenses and enquiries relating to lapse requests that have been submitted.
<a href="mailto:Fais.Licensecopies@fsb.co.za">Fais.Licensecopies@fsb.co.za</a>	Requests for duplicate copies of FAIS licenses and annexures. Please ensure that proof of payment accompanies the request for a duplicate license copy.
<a href="mailto:Fais.Newlicense@fsb.co.za">Fais.Newlicense@fsb.co.za</a>	E-mail submissions of new license applications for FSPs.
<a href="mailto:Fais.COapprovals@fsb.co.za">Fais.COapprovals@fsb.co.za</a>	E-mail submissions for application for phase 1 approval of compliance officers.
<a href="mailto:Fais.Mandates@fsb.co.za">Fais.Mandates@fsb.co.za</a>	Submission of specimen mandates for approval.

E-MAIL INBOX	PURPOSE
<a href="mailto:Fais.Exams@fsb.co.za">Fais.Exams@fsb.co.za</a>	All queries relating to the regulatory examinations e.g. queries related to duplicate certificates, how to register for exams, authentication etc.
<a href="mailto:Fais.Qualifications@fsb.co.za">Fais.Qualifications@fsb.co.za</a>	Queries relating to qualifications e.g. credits, recognition of qualifications.
<a href="mailto:Fitandproper@fsb.co.za">Fitandproper@fsb.co.za</a>	Queries relating to the Fit and Proper Requirements e.g. new entrants wanting to know what competency requirements they have to meet.
<a href="mailto:Fais.Compliance@fsb.co.za">Fais.Compliance@fsb.co.za</a>	Submission of documents and queries in response to an intention to suspend or suspension letter sent to an FSP.
<a href="mailto:Faisfins2@fsb.co.za">Faisfins2@fsb.co.za</a>	Extension requests for the submission of annual financial statements.
<a href="mailto:Faisfins3@fsb.co.za">Faisfins3@fsb.co.za</a>	Extension requests for the submission of annual financial statements.
<a href="mailto:Faiscomp1@fsb.co.za">Faiscomp1@fsb.co.za</a>	Queries on compliance reports and queries related to the FAIS online reporting system.
<a href="mailto:FaisComplaints@fsb.co.za">FaisComplaints@fsb.co.za</a>	Submission of FAIS related complaints against key individuals, representatives and FSPs.
<a href="mailto:Debarment@fsb.co.za">Debarment@fsb.co.za</a>	Submission of debarment notifications relating to representatives.
<a href="mailto:Fais.Exemptions@fsb.co.za">Fais.Exemptions@fsb.co.za</a>	Submission of exemption applications for exemptions specific to a person or FSP.
<a href="mailto:Fais.Examexemptions@fsb.co.za">Fais.Examexemptions@fsb.co.za</a>	Submission of excel spread sheets to register for the regulatory examination exemptions that published under Board Notice 102 of 2012.
<a href="mailto:Fais.conditions@fsb.co.za">Fais.conditions@fsb.co.za</a>	Submission of proof that conditions associated with exemptions that were granted have been complied with.
<a href="mailto:Fais.Dofa@fsb.co.za">Fais.Dofa@fsb.co.za</a>	Submission of DOFA related enquiries and requests for DOFA reports.