

## FAIS NOTICE 55 OF 2017

### FINANCIAL SERVICES BOARD

#### FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

#### COMPLIANCE REPORT FOR CATEGORY IV FINANCIAL SERVICES PROVIDERS, 2017

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, determine the manner in which the compliance report for Category IV Financial Services Providers must be submitted, and the matters which such reports must have regard to.

- (a) A written report for the reporting period, by completing the schedule attached hereto, or by completing electronically, online the schedule on the web site of the Financial Services Board ([www.fsb.co.za](http://www.fsb.co.za)), must be submitted by 31 October 2017.
- (b) Answers should not be provided in columns that are shaded in grey in the schedule.
- (c) In this Notice and the schedule, 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, 2008;
  - (iii) **“Exemption of Services under Supervision”** means the Exemption of Services under Supervision in terms of Requirements and Conditions, 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 Determination of Fit and Proper Requirements;
  - (viii) **“Regulations”** means the Financial Advisory and Intermediary Services Regulations, 2003;

- (ix) **“reporting date”** means 31 August 2017;
- (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,until the reporting date.

This Determination is called the Compliance Report for Category IV FSPs, 2017, and comes into operation on 1 June 2017.



**CD DA SILVA**  
Deputy Registrar of Financial Services Providers

**DATE OF NOTICE: 04 MAY 2017**

## SCHEDULE

### Compliance Report for Category IV FSPs for the reporting period ended 31 August 2017

#### Scope

In accordance with section 17(4) of the Act, I/we ..... (the approved compliance officer(s) of the FSP) hereby report as follows as regards compliance with the Act by.....  
 ..... (full name of the FSP and the FSP Number) and any representatives of the FSP, for the reporting period  
 ..... (date reporting period started) to 31 August 2017.

| Question |  | Column |    |                |                           |
|----------|--|--------|----|----------------|---------------------------|
|          |  | 1      | 2  | 3              | 4                         |
|          |  | Yes    | No | Not applicable | Note No. Comment/Annexure |
|          | <b>SECTION 1 – GENERAL</b>   |        |    |                |                           |
| <b>1</b> | <b>Conditions and restrictions by Registrar</b><br><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 can comply with condition 1 of the licensing conditions requiring the FSP to update its business information as provided during the application stage within 15 days of any change occurring?      |        |    |                |                           |
| 1.2      | 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 specific financial services without any licence restriction in relation to a specific financial product? |        |    |                |                           |
| 1.3      | 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.)   |        |    |                |                           |
| 1.4      | <i>If the answer to Question 1.3 is YES -</i>  |        |    |                |                           |

| Question   |  | Column |    |                |                            |
|------------|--|--------|----|----------------|----------------------------|
|            |  | 1      | 2  | 3              | 4                          |
|            |  | Yes    | No | Not applicable | Note No. Comment/ Annexure |
|            | Provide details of the Regulator (Name of Regulator and registration and licensing number/s with the Regulator, if applicable) in a separate annexure and indicate the annexure number in column 4.  |        |    |                |                            |
| 1.5        | Does the FSP render any service for or on behalf of a client in respect of any investment in a product that is not defined as a financial product?   |        |    |                |                            |
| 1.5.1      | <b><i>If the answer to Question 1.5 is YES – Questions 1.5.1.1 to 1.5.1.3 must be answered</i></b>   |        |    |                |                            |
| 1.5.1.1    | Provide details of the services on any products concerned in a separate annexure and indicate the annexure number in column 4.   |        |    |                |                            |
| 1.5.1.2    | Do you disclose in writing to clients that these financial products are not regulated in terms of the FAIS Act?  |        |    |                |                            |
| 1.5.1.3    | 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>1.6</b> | <b>Financial products in respect of which FSP renders financial services</b><br><i>Authorisation in terms of licence of FSP</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 subcategories for which the licence was issued?   |        |    |                |                            |
| 1.6.2      | Did any non-compliance occur in respect of the limitation on Categories and subcategories during the reporting period?   |        |    |                |                            |
| 1.6.3      | If the answer to question 1.6.2 was answered yes, did you report the irregularity in terms of section 17(1)(c) of the Act?   |        |    |                |                            |
| 1.6.3.1    | <i>If the answer to Question 1.6.3 is NO -</i><br>Provide 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. |        |    |                |                            |

| Question   |  | Column |    |                |                           |
|------------|--|--------|----|----------------|---------------------------|
|            |  | 1      | 2  | 3              | 4                         |
|            |  | Yes    | No | Not applicable | Note No. Comment/Annexure |
| <b>1.7</b> | <b>Functions performed by FSP</b>  |        |    |                |                           |
| 1.7.1      | Did the FSP render financial services as a short-term insurance underwriting manager during the reporting period?  |        |    |                |                           |
| 1.7.2      | 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?  |        |    |                |                           |
| 1.7.3      | Is the FSP also a licensed credit provider in terms of the National Credit Act, 2005?  |        |    |                |                           |
| <b>2</b>   | <b>Group structure</b>   |        |    |                |                           |
| 2.1        | Does the FSP form part of a group of companies? If YES, provide full details in an organogram, which reflects the relationships, outsourcing/insourcing and delegation of authority between the entities. Indicate the annexure number in column 4.  |        |    |                |                           |
| <b>3</b>   | <b>Key individuals</b><br><i>Section 8(1) and (4)(b) of Act and Determination of Fit and Proper Requirements</i>   |        |    |                |                           |
| 3.1        | Are all people involved in a managing/overseeing function in relation to the rendering of financial services, approved as key individuals?   |        |    |                |                           |
| 3.2        | In a separate annexure, provide information on the structure with regards to key individuals (what their position is 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?   |        |    |                |                           |
| <b>3.4</b> | <b>Fit and Proper Requirements for key individuals</b><br><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, as it relates to Part II of the Determination of Fit and Proper Requirements? |        |    |                |                           |

| Question |  | Column |    |                |                            |
|----------|--|--------|----|----------------|----------------------------|
|          |  | 1      | 2  | 3              | 4                          |
|          |  | Yes    | No | Not applicable | Note No. Comment/ Annexure |
| 3.4.2    | <i>If the answer to Question 3.4.1 is YES - Provide full details thereof in a separate annexure and indicate the annexure number in column 4.</i>  |        |    |                |                            |
| 3.4.3    | Does the key individual have 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? |        |    |                |                            |
| <b>4</b> | <b>Operational ability and financial soundness</b><br><i>Parts VIII and IX of Determination of Fit and Proper Requirements and section 19 of Act</i>   |        |    |                |                            |
| 4.1      | Did the FSP comply with the solvency requirements as required in terms of part IX of the Determination of Fit and Proper Requirements at all times during the reporting period?  |        |    |                |                            |
| 4.2      | Does the FSP maintain monthly accounting records in terms of section 19 of the Act?  |        |    |                |                            |
| 4.3      | Has the FSP notified the Registrar of the details of its approved auditor in terms of section 19 of the Act?   |        |    |                |                            |
| 4.4      | Has the FSP changed auditors during the reporting period?  |        |    |                |                            |
| 4.5      | <i>If the answer to Question 4.4 is YES – Did the FSP submit a profile change request to the Registrar in respect of the change of auditors?</i>   |        |    |                |                            |
| 4.6      | Did you (compliance officer) have unrestricted access to view the accounting records of the FSP at all times during the reporting period?  |        |    |                |                            |
| 4.6.1    | <i>If the answer to question 4.6 is NO - In a separate annexure, give an explanation as to the reasons for the FSP denying access to the accounting records. Indicate the annexure number in column 4.</i>                   |        |    |                |                            |
| 4.7      | 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?                              |        |    |                |                            |
| 4.7.1    | <i>If the answer to question 4.7 is NO -</i>   |        |    |                |                            |

| Question   |   | Column |    |                |                           |
|------------|---|--------|----|----------------|---------------------------|
|            |   | 1      | 2  | 3              | 4                         |
|            |   | Yes    | No | Not applicable | Note No. Comment/Annexure |
|            | In a separate annexure, indicate the steps that will be taken to ensure that relevant controls and procedures are implemented. Indicate the annexure number in column 4.  |        |    |                |                           |
|            | <b>SECTION 2 – GENERAL CODE OF CONDUCT</b>  |        |    |                |                           |
| <b>5</b>   | <b>General Code of Conduct</b>  |        |    |                |                           |
| <b>5.1</b> | <b>General provisions</b><br><i>Section 3 of General Code of Conduct and Board Notice 58 of 2010</i>  |        |    |                |                           |
| 5.1.1      | Has the FSP adopted, maintained and implemented a conflict of interest management policy?   |        |    |                |                           |
| 5.1.2      | Are the employees, representatives and, where appropriate clients and associates aware of the conflict of interest management policy?   |        |    |                |                           |
| 5.1.3      | Has appropriate training and educational material been provided to the employees, representatives and, where appropriate, associates?   |        |    |                |                           |
| 5.1.4      | If applicable, did the FSP and any representative disclose to clients in writing any conflict of interest in respect of the client?   |        |    |                |                           |
| 5.1.5      | 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, unless it is required in terms of any other legislation? |        |    |                |                           |
| <b>6</b>   | <b>Insurance cover</b><br><i>Sections 5(e) and 13 of General Code of Conduct and Board Notice 123 of 2009</i>   |        |    |                |                           |
| 6.1        | Does the FSP have professional indemnity cover?<br>If yes, the Statistical Information Sheet (Section 8) must be completed.   |        |    |                |                           |
| 6.1.1      | <i>If the answer to Question 6.1 is YES –</i><br>Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.  |        |    |                |                           |

| Question   |  | Column |    |                |                           |
|------------|--|--------|----|----------------|---------------------------|
|            |  | 1      | 2  | 3              | 4                         |
|            |  | Yes    | No | Not applicable | Note No. Comment/Annexure |
| 6.2        | Does the FSP have fidelity insurance cover?<br>If yes, the Statistical Information Sheet (Section 8) must be completed.  |        |    |                |                           |
| 6.2.1      | <i>If the answer to Question 6.2 is YES –</i><br>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?<br>If yes, the Statistical Information Sheet (Section 8) must be completed.  |        |    |                |                           |
| 6.3.1      | <i>If the answer to Question 6.3 is YES –</i><br>Attach a copy of the latest guarantee in a separate annexure and indicate the annexure number in column 4.  |        |    |                |                           |
| 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 the FSP's professional indemnity cover, fidelity insurance cover or guarantees during the reporting period that were as a result of financial services rendered?<br>If yes, the Statistical Information Sheet (Section 8) must be completed. |        |    |                |                           |
| <b>7</b>   | <b>Disclosure requirements</b><br><i>Sections 4, 5 and 7 of General Code of Conduct</i>  |        |    |                |                           |
| 7.1        | Does the FSP have procedures in place to ensure that the disclosure documentation complies with sections 4, 5 and 7 of the General Code of Conduct?  |        |    |                |                           |
| <b>8</b>   | <b>Direct marketing</b><br><i>Section 15 of General Code of Conduct</i>  |        |    |                |                           |
| 8.1        | Does the FSP act as a direct marketer as defined in the General Code of Conduct?   |        |    |                |                           |
| <b>8.2</b> | <b><i>If the answer to Question 8.1 is YES – questions 8.2.1 to 8.2.3 must be answered</i></b>   |        |    |                |                           |



| Question   |   | Column |    |                |                           |
|------------|---|--------|----|----------------|---------------------------|
|            |   | 1      | 2  | 3              | 4                         |
|            |   | Yes    | No | Not applicable | Note No. Comment/Annexure |
| 8.2.1      | Does the FSP have recording systems in place to record all telephonic conversations with the clients in the course of direct marketing?   |        |    |                |                           |
| 8.2.2      | Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?   |        |    |                |                           |
| 8.2.3      | Does the FSP have procedures in place to ensure that the FSP complies with section 15 (read together with sections 4, 5 and 7) of the General Code of Conduct?  |        |    |                |                           |
| 8.2.3.1    | <i>If the answer to Question 8.2.3 is NO – In a separate annexure, provide details on how and when (provide a specific time frame) such procedures will be put in place. Indicate the annexure number in column 4.</i>  |        |    |                |                           |
| <b>9</b>   | <b>Furnishing of advice and record of advice</b><br><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?  |        |    |                |                           |
| <b>9.2</b> | <b><i>If the answer to question 9.1 is YES – questions 9.2.1 to 9.2.4 must be answered</i></b>  |        |    |                |                           |
| 9.2.1      | 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?  |        |    |                |                           |
| 9.2.1.1    | <i>If the answer to Question 9.2.1 is NO – In a separate annexure, provide details on how these procedures will be implemented. Indicate the annexure number in column 4.</i>   |        |    |                |                           |
| 9.2.2      | 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?   |        |    |                |                           |
| 9.2.3      | 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 all instances of non-compliance found as well as steps that will be taken to reasonably ensure that such non-compliance does not occur again in a separate annexure. Indicate the annexure number in column 4. |        |    |                |                           |

| Question  |  | Column |    |                |                           |
|-----------|--|--------|----|----------------|---------------------------|
|           |  | 1      | 2  | 3              | 4                         |
|           |  | Yes    | No | Not applicable | Note No. Comment/Annexure |
| 9.2.4     | Did the FSP conclude any financial 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 8) must be completed. |        |    |                |                           |
| <b>10</b> | <b>Custody of financial products and funds</b><br><i>Section 10 of General Code of Conduct</i>   |        |    |                |                           |
| 10.1      | Does the FSP receive or hold financial products or funds of or on behalf of clients when rendering financial services?   |        |    |                |                           |
| 10.2      | <b><i>If the answer to question 10.1 is YES – question 10.2.1 must be answered</i></b>   |        |    |                |                           |
| 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?   |        |    |                |                           |
| 10.3      | Do any representatives of the FSP receive or hold financial products or funds, belonging to clients, on behalf of the FSP?   |        |    |                |                           |
| 10.4      | Does the FSP have procedures in place to ensure that the client's funds and/or premiums can be readily/clearly distinguished from private assets or funds of the FSP?  |        |    |                |                           |
| <b>11</b> | <b>Risk management</b><br><i>Sections 11 and 12 of General Code of Conduct</i>   |        |    |                |                           |
| 11.1      | Does the FSP have and effectively employ risk management resources, procedures, systems and controls as described in sections 11 and 12 of the General Code of Conduct?  |        |    |                |                           |
| <b>12</b> | <b>Advertising</b><br><i>Section 14 of General Code of Conduct</i>   |        |    |                |                           |
| 12.1      | Does the FSP advertise its financial services?   |        |    |                |                           |
| 12.2      | <b><i>If the answer to Question 12.1 is YES – questions 12.2.1 to 12.2.2 must be answered</i></b>  |        |    |                |                           |
| 12.2.1    | Does the FSP have procedures in place to ensure that all advertisements and advertising  |        |    |                |                           |

| Question  |   | Column |    |                |                            |
|-----------|---|--------|----|----------------|----------------------------|
|           |   | 1      | 2  | 3              | 4                          |
|           |   | Yes    | No | Not applicable | Note No. Comment/ Annexure |
|           | 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?  |        |    |                |                            |
| <b>13</b> | <b>Complaints</b><br><i>Section 16 to 19 of General Code of Conduct</i>   |        |    |                |                            |
| 13.1      | Does the FSP have a complaints 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 –</i><br>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. |        |    |                |                            |
| <b>14</b> | <b>Maintenance of records</b><br><i>Section 18 of Act and General Code of Conduct</i><br><i>Section 22 of FICA</i>  |        |    |                |                            |
| 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 reasonably ensures that it will be safe from destruction?   |        |    |                |                            |
| 14.4      | 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?  |        |    |                |                            |

| Question  |  | Column |    |                |                            |
|-----------|--|--------|----|----------------|----------------------------|
|           |  | 1      | 2  | 3              | 4                          |
|           |  | Yes    | No | Not applicable | Note No. Comment/ Annexure |
| 14.5      | Does the FSP have electronic back-ups of all electronic records?   |        |    |                |                            |
| 14.6      | Does the FSP have disaster recovery procedures in place?   |        |    |                |                            |
| <b>15</b> | <b>Termination of agreement or business</b><br><i>Section 20 of General Code of Conduct</i>  |        |    |                |                            |
| 15.1      | Does the FSP have procedures in place to ensure that it complies 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 their clients will be serviced if the business is terminated for any reason?   |        |    |                |                            |
| 15.2.1    | <i>If the answer to Question 15.2 is NO –</i><br>In a separate annexure, provide an explanation as to what steps will be taken to put a plan in place (include time frame as well). Indicate the annexure number in column 4.  |        |    |                |                            |
| <b>16</b> | <b>Waiver of rights</b><br><i>Section 21 of General Code of Conduct</i>  |        |    |                |                            |
| 16.1      | Does the FSP have procedures in place to ensure that the FSP does not request or induce a client to waive any right or benefit conferred on the client under the General Code of Conduct? Provide full details of any non-compliance found as well as steps taken to reasonably ensure that such non-compliance does not occur again as a separate annexure. Indicate the annexure number in column 4. |        |    |                |                            |
|           |  |        |    |                |                            |
|           | <b>SECTION 3 - REPRESENTATIVES</b>   |        |    |                |                            |
| <b>17</b> | <b>Representatives</b><br><i>Sections 13 and 14 of Act and section 8(8) of Determination of Fit and Proper Requirements</i>  |        |    |                |                            |
| 17.1      | Does the FSP have representatives?   |        |    |                |                            |
| 17.1.1    | If the answer to Question 17.1 is YES, questions 17.1.1.1 to 17.1.1.2 must be answered   |        |    |                |                            |

| Question    |  | Column |    |                |                           |
|-------------|--|--------|----|----------------|---------------------------|
|             |  | 1      | 2  | 3              | 4                         |
|             |  | Yes    | No | Not applicable | Note No. Comment/Annexure |
| 17.1.1.1    | Does the FSP have procedures in place (including documentation) to enable representatives to provide clients with confirmation, as certified by the provider, of their status as representatives as provided for in section 13(1)(b)(i) of the Act?            |        |    |                |                           |
| 17.1.1.2    | 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?                                  |        |    |                |                           |
| 17.2        | Does the FSP have any juristic representatives?  |        |    |                |                           |
| 17.2.1      | If the answer to Question 17.2 is YES, questions 17.3 to 17.5 must be answered   |        |    |                |                           |
| 17.3        | 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?   |        |    |                |                           |
| 17.4        | Does the FSP have a written mandate with each juristic representative?   |        |    |                |                           |
| 17.5        | Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to clients?  |        |    |                |                           |
| <b>17.6</b> | <b>Competency of representatives</b><br><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>  |        |    |                |                           |
| 17.6.1      | 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? |        |    |                |                           |
| 17.6.1.1    | <i>If the answer to Question 17.6.1 is YES-</i><br>Does the FSP have adequate processes in place to monitor whether all representatives have passed the First Level Regulatory Examination by the applicable date?   |        |    |                |                           |
| <b>17.7</b> | <b>Representatives rendering services under supervision</b><br><i>Board Notice 151 of 2008</i>   |        |    |                |                           |
| 17.7.1      | Does the FSP have representatives who, on the reporting date, render financial services under supervision as contemplated in paragraph 3 of the Exemption of Services under  |        |    |                |                           |

| Question    |  | Column |    |                |                           |
|-------------|--|--------|----|----------------|---------------------------|
|             |  | 1      | 2  | 3              | 4                         |
|             |  | Yes    | No | Not applicable | Note No. Comment/Annexure |
|             | Supervision?   |        |    |                |                           |
| 17.7.2      | <b><i>If the answer to question 17.7.1 is YES – questions 17.7.2.1 to 17.7.2.5 must be answered</i></b>  |        |    |                |                           |
| 17.7.2.1    | 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 8).   |        |    |                |                           |
| 17.7.2.2    | Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 4(7)(a) to (f) of the Exemption of Services under Supervision ? If YES, attach a copy of the procedures as a separate annexure and indicate the annexure number in column 4.                 |        |    |                |                           |
| 17.7.2.3    | 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?  |        |    |                |                           |
| 17.7.2.4    | 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?   |        |    |                |                           |
| 17.7.2.5    | 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. |        |    |                |                           |
| <b>17.8</b> | <b>Representatives' compliance with Codes of Conduct</b><br><i>Section 13(2)(b) of Act, Board Notice 58 of 2010 and General Code of Conduct</i>  |        |    |                |                           |
| 17.8.1      | Does the FSP have procedures in place to determine whether representatives adhered to the requirements stipulated in the Codes of Conduct?   |        |    |                |                           |

| Question    |   | Column |    |                |                           |
|-------------|---|--------|----|----------------|---------------------------|
|             |   | 1      | 2  | 3              | 4                         |
|             |   | Yes    | No | Not applicable | Note No. Comment/Annexure |
| 17.8.2      | <b>If the answer to Question 17.8.1 is YES – questions 17.8.2.1 to 17.8.2.3 must be answered</b>  |        |    |                |                           |
| 17.8.2.1    | 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 services rendered to clients after section 3A of the General Code of conduct became effective?                                    |        |    |                |                           |
| 17.8.2.2    | 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 after section 3A of the General Code of conduct became effective?  |        |    |                |                           |
| 17.8.2.3    | Did any representatives of the FSP receive any financial interest for giving preference to a specific financial product of a product supplier, where the representative was able to recommend more than one product of the product supplier to the client after section 3A of the General Code of conduct became effective? |        |    |                |                           |
| <b>17.9</b> | <b>Debarment of representatives</b><br><i>Section 14 of Act</i>   |        |    |                |                           |
| 17.9.1      | 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 qualifications as set out in Parts II and V of the Determination of Fit and Proper Requirements?   |        |    |                |                           |
| 17.9.2      | Has the FSP taken steps to debar representatives in respect of non-compliance with Column Two of Table E of the Determination of Fit and Proper Requirements?   |        |    |                |                           |
| 17.9.2.1    | <i>If the answer to question 17.9.2 is YES –</i><br>In a separate annexure, provide full details thereof. Indicate the annexure number in column 4.   |        |    |                |                           |
|             |   |        |    |                |                           |

| Question  |   | Column |    |                |                           |
|-----------|---|--------|----|----------------|---------------------------|
|           |   | 1      | 2  | 3              | 4                         |
|           |   | Yes    | No | Not applicable | Note No. Comment/Annexure |
|           | <b>SECTION 4 – MONEY LAUNDERING CONTROL PROCEDURES</b>  |        |    |                |                           |
| <b>18</b> | <b>Money Laundering Control Procedures</b>  |        |    |                |                           |
| 18.1      | Is the FSP an accountable institution in terms of 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 in place all the necessary policies, procedures and systems 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 for 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><br>Provide a copy of the internal rules used by the FSP as a separate annexure. Indicate the annexure number in column 4.  |        |    |                |                           |
| 18.6      | If this reporting period wasn't 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><br>Provide a copy of the amended internal rules as a separate annexure. Indicate the annexure number in column 4.  |        |    |                |                           |
| 18.7      | Does the FSP establish and verify the identity of clients as required in terms of FICA in all instances?  |        |    |                |                           |
| 18.7.1    | <i>If the answer to question 18.7 is NO –</i><br>In a separate annexure provide details of why such verification was not done, and indicate the steps taken to reasonably address the non-compliance is addressed. Indicate   |        |    |                |                           |



| Question  |   | Column |    |                |                            |
|-----------|---|--------|----|----------------|----------------------------|
|           |   | 1      | 2  | 3              | 4                          |
|           |   | Yes    | No | Not applicable | Note No. Comment/ Annexure |
|           | the annexure number in column 4.  |        |    |                |                            |
| 18.8      | Did the FSP provide employees with ongoing or refresher training as recommended by the Financial Intelligence Centre during the reporting period?   |        |    |                |                            |
| 18.9      | Does the FSP have procedures in place to report property associated with terrorist and related activities in terms of section 28A of FICA?  |        |    |                |                            |
| 18.10     | Does the FSP have procedures in place to ensure that staff are able to identify suspicious transactions and report them accordingly?  |        |    |                |                            |
| 18.11     | Does the FSP perform the identification and verification of clients function on behalf of another accountable institution, as envisaged in Exemption 4? If yes, provide details of the accountable institution on whose behalf this function is performed under the Statistical Information Sheet (Section 8) |        |    |                |                            |
| 18.12     | Does the FSP rely on a third party (any other institution) for the identification and verification of clients in terms of exemption 4 under FICA If yes, provide details of the accountable institution that performs this function on your behalf under the Statistical Information Sheet (Section 8).       |        |    |                |                            |
| 18.13     | Does the FSP have procedures in place to ensure submission of cash threshold reports in terms of section 28 of FICA?  |        |    |                |                            |
| 18.14     | <b><i>If the answer to Question 18.1 is NO – questions 18.14.1 to 18.14.4 must be answered</i></b>  |        |    |                |                            |
| 18.14.1   | Is the FSP a reporting institution in terms of Schedule 3 of FICA?  |        |    |                |                            |
| 18.14.1.1 | <i>If the answer to question 18.14.1 was YES-</i><br>Has the FSP registered with the Financial Intelligence Centre in terms of section 43B of FICA?   |        |    |                |                            |
| 18.14.2   | Does the FSP have procedures in place to ensure that the staff is able to identify suspicious transactions and report them accordingly?   |        |    |                |                            |

| Question                               |  | Column |    |                |                           |
|--|--|--------|----|----------------|---------------------------|
|  |  | 1      | 2  | 3              | 4                         |
|  |  | Yes    | No | Not applicable | Note No. Comment/Annexure |
| 18.14.3                                | Does the FSP have procedures in place to ensure that the FSP remains up to date with the requirements of the Financial Intelligence Centre in respect of identifying and reporting suspicious and unusual transactions?  |        |    |                |                           |
| 18.14.4                                | Does the FSP have procedures in place to ensure it can submit cash threshold reports in terms of section 28 of FICA?   |        |    |                |                           |
| <b>SECTION 5 – COMPLIANCE FUNCTION</b> |  |        |    |                |                           |
| <b>19</b>                              | <b>Compliance function</b><br><i>Section 17 of Act, 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?  |        |    |                |                           |
| 19.2.1                                 | <i>If the answer to question 19.2 was YES- Have you delegated the rendering of compliance services to another person? If the answer is YES, the statistical information sheet (section 8) must be completed.</i>   |        |    |                |                           |
| 19.3                                   | 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 8) must be completed.   |        |    |                |                           |
| 19.4                                   | Does the FSP operate from only one business premises?  |        |    |                |                           |
| <b>19.5</b>                            | <b><i>If the answer to Question 19.4 is NO – Questions 19.5.1 and 19.5.2 must be answered.</i></b>   |        |    |                |                           |
| 19.5.1                                 | 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 8) must be completed. |        |    |                |                           |

|             |   | Column |    |                |                            |
|-------------|---|--------|----|----------------|----------------------------|
| Question    |   | 1      | 2  | 3              | 4                          |
|             |   | Yes    | No | Not applicable | Note No. Comment/ Annexure |
| 19.5.2      | 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 8) must be completed. |        |    |                |                            |
| 19.6        | Are you also the compliance officer appointed in terms of section 43(b) of FICA? If the answer is NO, the identity number of the compliance officer so appointed must be supplied in the Statistical Information Sheet (Section 8).   |        |    |                |                            |
| 19.7        | Do you have any issues 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.  |        |    |                |                            |
| <b>20</b>   | <b>Monitoring</b>   |        |    |                |                            |
| <b>20.1</b> | <b>Indicate the type of monitoring that you (compliance officer) performed during the reporting period:</b>   |        |    |                |                            |
| 20.1.1      | Financial products in which the FSP renders financial services.   |        |    |                |                            |
| 20.1.2      | Representatives under supervision.  |        |    |                |                            |
| 20.1.3      | Juristic representatives  |        |    |                |                            |
| 20.1.4      | Disclosure documents to check compliance with sections 4, 5 and 7 of the General Code of Conduct.   |        |    |                |                            |
| 20.1.5      | Risk management plan  |        |    |                |                            |
| 20.1.6      | Furnishing of advice and record of advice.  |        |    |                |                            |
| 20.1.7      | Receipt of funds and/or collection of premiums.   |        |    |                |                            |
| 20.1.8      | Waiver of rights.   |        |    |                |                            |
| 20.1.9      | Money laundering control procedures.  |        |    |                |                            |

| Question                                   |  | Column |    |                |                            |
|--|--|--------|----|----------------|----------------------------|
|  |  | 1      | 2  | 3              | 4                          |
|  |  | Yes    | No | Not applicable | Note No. Comment/ Annexure |
| 20.1.10                                    | Policies and procedures.   |        |    |                |                            |
| 20.1.11                                    | Conflict of interest management policy   |        |    |                |                            |
| 20.1.12                                    | Direct marketer's telesales script and/or telesales voice recordings to check compliance with section 15 of the General Code of Conduct.   |        |    |                |                            |
| 20.1.13                                    | Other. Please provide details on other monitoring done in a separate annexure and indicate the annexure number in column 4.  |        |    |                |                            |
| 20.2                                       | 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.   |        |    |                |                            |
| 20.3                                       | Did you (compliance officer) conduct sampling during the reporting period?   |        |    |                |                            |
| <b>SECTION 6 – HEALTH SERVICE BENEFITS</b> |  |        |    |                |                            |
| <b>21</b>                                  | <b>Accreditation under section 65(3) of Medical Schemes Act, 1998</b><br><i>Section 8(7)(e) of Act</i>   |        |    |                |                            |
| 21.1                                       | Is the FSP licensed to render financial services relating to health service benefits?  |        |    |                |                            |
| 21.2                                       | <b><i>If the answer to question 21.1 is YES – questions 21.2.1 to 21.2.4 must be answered</i></b>  |        |    |                |                            |
| 21.2.1                                     | Was the accreditation of the FSP in terms of section 65(3) of the Medical Schemes Act, 1998, during the reporting period suspended or withdrawn, or did it lapse? Please provide details of any such suspensions, withdrawals or lapses as an annexure to the report and indicate the annexure number in column 4. |        |    |                |                            |
| 21.2.1.1                                   | <i>If the answer to Question 21.2.1 is YES –</i><br>Was a profile change request submitted to the Registrar in order for the health services subcategory to be removed from the FSPs licence?  |        |    |                |                            |
| 21.2.2                                     | The details of the accreditation with the Council for Medical Schemes (ORG numbers for   |        |    |                |                            |

| Question |   | Column |    |                |                            |
|----------|---|--------|----|----------------|----------------------------|
|          |   | 1      | 2  | 3              | 4                          |
|          |   | Yes    | No | Not applicable | Note No. Comment/ Annexure |
|          | entities and BR numbers for key individuals) must be completed on the Statistical Information Sheet (Section 8).  |        |    |                |                            |
| 22.2.3   | Does the FSP have any corporate clients? If the answer is YES, the Statistical Information Sheet (Section 8) must be completed.                                     |        |    |                |                            |
| 22.2.4   | In a separate annexure, provide a list of product suppliers that the FSP utilises in respect of health services benefits. Indicate the annexure number in column 4. |        |    |                |                            |

| SECTION 7 – ATTACHMENTS |          |   |
|-------------------------|----------|---|
| Question number         | Comments | Additional Information attached Annexure reference no |
|                         |          |   |
|                         |          |   |
|                         |          |   |
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## SECTION 8 – STATISTICAL INFORMATION SHEET

| <b>8.1 REPRESENTATIVES AT REPORTING DATE</b>   |                                 |  |
|--|---------------------------------|--|
| <b>TYPE OF INFORMATION REQUIRED</b>  | <b>RELEVANT QUESTION NUMBER</b> | <b>NUMBER OF REPRESENTATIVES/KEY INDIVIDUALS</b> |
| Number of representatives rendering services under supervision as contemplated in Paragraph 3 of the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008 | 17.7.2.2                        |  |
| Number of key individuals and representatives that acted as supervisors in respect of services under supervision   | 17.7.2.2                        |  |

| <b>8.2 TYPE OF INSURANCE COVER</b>  | <b>RELEVANT QUESTION NUMBER</b> | <b>CURRENCY</b> | <b>EXTENT OF COVER (NUMERICAL AMOUNT)</b> |
|---|---------------------------------|-----------------|---|
| 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 in terms as contemplated in section 13 of the General Code of Conduct                    | 6.3                             |                 |   |

| <b>8.3 DETAIL OF CLAIMS</b> | <b>RELEVANT QUESTION NUMBER</b> |
|-----------------------------|---------------------------------|
|                             | <b>6.5</b>                      |
| Number of claims            |                                 |
| Rand value of claims        |                                 |
| Reason                      |                                 |
| Outcome                     |                                 |

| <b>8.3 COMPLIANCE FUNCTION</b>   |                                 |                |
|--|---------------------------------|----------------|
| <b>TYPE OF INFORMATION REQUIRED</b>  | <b>RELEVANT QUESTION NUMBER</b> | <b>DETAILS</b> |
| Number of reports issued to the FSP on the rendering of financial services.  | 19.3                            |                |
| Total number of business premises, business units and / or branches in respect of the FSP.   | 19.5.1                          |                |
| 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                   | 19.5.1                          |                |
| Total number of business premises, business units and / or branches in respect of the representatives of the FSP.  | 19.5.2                          |                |
| 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 | 19.5.2                          |                |
| Identity Number of the compliance officer appointed in terms of section 43(b) of FICA.   | 19.6                            |                |

| <b>11.5 COMPLIANCE FUNCTION</b>  |  |                        |  |
|--|--|------------------------|--|
| <b>NAME AND SURNAME OF PERSON TO WHOM COMPLIANCE SERVICES ARE DELEGATED TO</b> | <b>RELEVANT QUESTION NUMBER<br/>19.2.1</b> | <b>IDENTITY NUMBER</b> | <b>CATEGORY (i.e. CAT I AND/OR CAT II)</b> |
|  |  |                        |  |
|  |  |                        |  |



| <b>8.5 HEALTH SERVICE BENEFITS</b>   |                                 |                |
|--|---------------------------------|----------------|
| <b>TYPE OF INFORMATION REQUIRED</b>  | <b>RELEVANT QUESTION NUMBER</b> | <b>DETAILS</b> |
| Key individual accreditation number with the Council for Medical Schemes [BR number] | 21.2.2                          |                |
| FSP accreditation number with the Council for Medical Schemes (ORG number)           | 21.2.2                          |                |
| Percentage of client base that is corporate clients                                  | 22.2.3                          |                |

| <b>8.6 MONEY LAUNDERING CONTROL PROCEDURES</b>   | <b>RELEVANT QUESTION NUMBER</b> | <b>FSP NUMBER (IF APPLICABLE)</b> | <b>FSP NAME / ACCOUNTABLE INSTITUTION</b> |
|--|---------------------------------|-----------------------------------|---|
| Details of accountable institution/s on whose behalf identification and verification of clients is performed.  | 18.11                           |                                   |   |
| Details of other accountable institution that FSP relies on for the identification and verification of clients | 18.12                           |                                   |   |

**COMPLETED AND SIGNED BY COMPLIANCE OFFICER(S):**

---

Name(s) of compliance officer(s) of FSP .....

ID number(s) of 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 .....

**COMPLETED AND SIGNED BY A KEY INDIVIDUAL OF THE FSP IN THE CASE OF A JURISTIC ENTITY, OR THE SOLE PROPRIETOR IN THE CASE OF A NATURAL PERSON TO ACKNOWLEDGE THAT THEY ARE AWARE THAT THE COMPLIANCE REPORT WILL BE FORWARDED TO THE REGISTRAR**

---

Name of FSP .....

FSP number .....

Name of key individual/sole proprietor .....

ID number of the key individual/sole proprietor .....

Date appointed as key individual .....

Signature .....

Date .....

**DECLARATION COMPLETED AND SIGNED BY COMPLIANCE OFFICER(S) SUBMITTING COMPLIANCE REPORT**

**Name(s) of compliance officer(s):** \_\_\_\_\_

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 \_\_\_\_\_ hereby report as follows as regards compliance by \_\_\_\_\_ (insert full names of FSP and FSP number) and any representatives of the FSP with the Act, for the reporting period.

Having completed the attached annual compliance report for the abovementioned 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)** \_\_\_\_\_ **(month)** \_\_\_\_\_ **(year).**

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