

FAIS NOTICE 85 OF 2016

FINANCIAL SERVICES BOARD

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

BI-ANNUAL COMPLIANCE REPORT FOR CATEGORY III FINANCIAL SERVICES PROVIDERS, 2016

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

- (a) Written reports for the reporting periods, by completing the attached schedule, or by electronically completing the schedule on the web site of the Financial Services Board (www.fsb.co.za), must be submitted one month after the reporting date.
- (b) Answers must not be provided in columns that are shaded in grey in the schedule.
- (c) In this Notice, unless the context indicates otherwise –
 - (i) any word or expression shall have the meaning that it was assigned in the Act;
 - (ii) “**Code of Conduct for Administrative FSPs**” means the Code of Conduct for Administrative FSPs, 2003;
 - (iii) “**Determination of Fit and Proper Requirements**” means the Determination of Fit and Proper Requirements for Financial Services Providers, 2008;
 - (iv) “**FICA**” means the Financial Intelligence Centre Act, 2001;
 - (v) “**FSP**”, “**financial services provider**” or “**provider**” means an authorised financial services provider, and includes, where applicable, any representative of the provider;
 - (vi) “**General Code of Conduct**” or “**General Code**” means the Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003;
 - (vii) “**key individual**” means a key individual as defined in section 1(1) of the Act, and a sole proprietor as defined in section 1(1) of the Fit and Proper Requirements, 2008;
 - (viii) “**Regulations**” means the Financial Advisory and Intermediary Services Regulations, 2003;

- (ix) **“reporting date”** means 30 June 2016 and 31 December 2016;
- (x) **“reporting period”** means the period from the latter of-
 - (aa) the date of authorisation as financial services provider in terms of section 8 of the Act;
 - (bb) the first day of the month following the reporting period for the previous compliance report submitted; or
 - (cc) where a compliance officer is appointed, the date of appointment of the compliance officer of the FSP,

until the reporting date.

Repeal of FAIS Notice 52 of 2016

FAIS Notice 85 of 2016 published on the official web site of the Financial Services Board on 17 May 2016 is hereby repealed.

Short title and commencement

This Determination is called the Bi-Annual Compliance Report for Categories III FSPs, 2016, and comes into operation on 1 July 2016.



CD DA SILVA
Deputy Registrar of Financial Services Providers

DATE OF NOTICE: 30 June 2016

SCHEDULE

Bi-Annual Compliance Report for Category III FSPs for the reporting periods ended 30 June 2016 and 31 December 2016

Scope

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

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	SECTION 1 – GENERAL				
1	Conditions and restrictions by Registrar <i>Sections 7 and 8(4)(a) and (5)(b) of Act</i>				
1.1	Does the FSP have procedures in place to ensure that it is able to comply with condition 1 of the licensing conditions requiring the FSP to update its business information within 15 days of any change/s occurring?				
1.2	Does the FSP verify in all instances that any other FSP that it gives an instruction to, or receives an instruction from, is authorised to render the relevant financial services without any restrictions in the licence in relation to a specific financial product?				
1.3	Financial products in respect of which FSP renders financial services <i>Condition 5 imposed by Registrar in terms of section 8(4) of Act</i>				
1.3.1	Is the FSP regulated in terms of any other law (within or outside South Africa)? (Please note that this does not include membership of professional bodies.)				
1.3.2	<i>If the answer to Question 1.3.1 is YES -</i> Provide details of the Regulator (Name of Regulator and registration and/or licensing				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	number/s with the Regulator, if applicable) in a separate annexure and indicate the annexure number in column 4.				
1.3.3	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?				
1.3.4	<i>If the answer to Question 1.3.3 is YES – Questions 1.3.4.1 to 1.3.4.3 must be answered</i>				
1.3.4.1	Provide details of the services on any products concerned in a separate annexure and indicate the annexure number in column 4				
1.3.4.2	Does the FSP disclose in writing, to clients that these financial products are not regulated in terms of the FAIS Act?				
1.3.4.3	Does the FSP conduct due diligence on these products and on the product suppliers who offer or issue them before providing any service to clients?				
1.4	Financial products in respect of which FSP renders financial services <i>Authorisation in terms of licence</i>				
1.4.1	Does the FSP have procedures in place to ensure that the rendering of financial services is done within the limitation on categories and sub-categories for which it is licensed?				
1.4.2	Did any non-compliance occur in respect of the limitation on categories and sub-categories during the reporting period?				
1.4.3	If the answer to question 1.4.2 was YES, did you report the irregularity in terms of section 17(1)(c) of the FAIS Act?				
1.4.3.1	<i>If the answer to Question 1.4.3 is NO -</i> Provide details of such non-compliance as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure and indicate the annexure number in column 4.				
1.5	Functions performed by FSP				
1.5.1	During the reporting period did the FSP render services as a pension fund administrator in terms of section 13B of the Pension Funds Act, 1956?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
2	Group structure				
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.				
3	Key individuals <i>Section 8(1) and (4)(b) of Act and Determination of Fit and Proper Requirements</i>				
3.1	Are all persons involved in the managing/overseeing function in relation to the rendering of financial services, approved as key individuals?				
3.2	In a separate annexure, provide information on the structure with regards to key individuals (what is their position in the organisation, where are they situated). Indicate the annexure number in column 4.				
3.3	Does the FSP have procedures in place to ensure that it complies with section 8(4)(b) of the Act in the case of replacement of key individuals?				
3.4	Fit and Proper Requirements for key individuals <i>Determination of Fit and Proper Requirements</i>				
3.4.1	Did any changes occur in the personal circumstances of any key individual during the reporting period that adversely affected the fitness and propriety of the person, with reference to Part II of the Determination of Fit and Proper Requirements?				
3.4.2	<i>If the answer to Question 3.4.1 is YES –</i> Provide full details thereof in a separate annexure and indicate the annexure number in column 4.				
3.4.3	Is the key individual able to maintain the operational ability to fulfill the responsibilities imposed by the Act on FSPs, including (where applicable) oversight of the financial services rendered by the representative of the FSP?				
4	Operational ability and financial soundness Parts VIII and IX of the Determination of Fit and Proper Requirements and section 19 of the Act				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
4.1	Did the assets of the FSP (excluding goodwill, other intangible assets and investments in related parties) at all times exceed the FSP's liabilities (excluding loans validly subordinated in favour of all other creditors) by at least R3 million?				
4.2	Did the FSP at all times maintain current assets which were at least sufficient to meet the current liabilities of the FSP?				
4.3	Did the FSP at all times maintain liquid assets equal to or greater than 13/52 weeks of annual expenditure?				
4.4	Does the FSP maintain monthly accounting records as contemplated in section 19 of the Act?				
4.5	Does the FSP prepare audited financial statements on an annual basis, irrespective of the FSP's legal status?				
4.6	Has the FSP notified the Registrar of the details of the approved auditor in terms of section 19 of the Act?				
4.7	Has the FSP changed auditors during the reporting period?				
4.8	<i>If the answer to Question 4.7 is YES -</i> Did the FSP submit a profile change request to the Registrar in respect of the change of auditors?				
4.9	Did you (compliance officer) have unrestricted access to view the accounting records of the FSP at all times during the reporting period?				
4.9.1	<i>If the answer to question 4.9 is NO -</i> In a separate annexure, give an explanation as to the reasons provided by the FSP for denying access to the accounting records. Indicate the annexure number in column 4.				
4.10	Does the FSP have internal procedures and controls in place to ensure that the requirements as described in section 8(3) of the Determination of Fit and Proper Requirements are complied with?				
4.10.1	<i>If the answer to question 4.10 is NO –</i> In a separate annexure, indicate the steps that will be taken to ensure that the relevant				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	controls and procedures are put in place. Indicate the annexure number in column 4.				
	SECTION 2 – GENERAL CODE OF CONDUCT				
5	General Code of Conduct				
5.1	General provisions <i>Sections 3 and 3A of General Code of Conduct</i>				
5.1.1	Has the FSP adopted, maintained and implemented a conflict of interest management policy as contemplated in section 3A(2)(a) of the General Code?				
5.1.2	Are the employees, representatives and, where appropriate clients and associates aware of the conflict of interest management policy?				
5.1.3	If applicable, did the FSP and / or its representative(s) disclose to clients in writing any conflict of interest in respect of the client?				
5.1.4	Does the FSP have procedures and internal controls in place to ensure that it does not, without obtaining written consent from the client, disclose any confidential information acquired from a client, unless it is required in terms of any other legislation?				
6.	Insurance cover <i>Sections 5(e) and 13 of the General Code of Conduct and Board Notice 123 of 2009</i>				
6.1	Does the FSP have professional indemnity cover? If yes, the Statistical Information Sheet (Section 09) must be completed.				
6.1.1	<i>If the answer to Question 6.1 is YES –</i> Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.				
6.2	Does the FSP have fidelity insurance cover? If yes, the Statistical Information Sheet (Section 9) must be completed.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
6.2.1	<i>If the answer to Question 6.2 is YES – Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.</i>				
6.3	Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct? If yes, the Statistical Information Sheet (Section 9) must be completed.				
6.3.1	<i>If the answer to Question 6.3 is YES – Attach a copy of the latest guarantee in a separate annexure and indicate the annexure number in column 4.</i>				
6.4	Does the FSP disclose to clients in terms of section 5(e) of the General Code of Conduct whether it holds guarantees or professional indemnity or fidelity insurance cover?				
6.5	Did the FSP have any claims against their professional indemnity cover, fidelity insurance cover or guarantees during the reporting period? If yes, the Statistical Information Sheet (Section 9) must be completed.				
7	Disclosure requirements <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?				
8	Custody of financial products and funds <i>Section 10 of General Code of Conduct</i>				
8.1	Does the FSP receive or hold funds on behalf of clients in accounts other than separate bank accounts in the name of clients; or receive or hold financial products other than financial products held in safe custody by a custodian appointed by the client?				
8.2	<i>If the answer to question 8.1 is YES – questions 8.2.1 to 8.2.2 must be answered</i>				
8.2.1	Does the FSP issue written confirmation of receipts to clients when funds are received from				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	clients without the mediation of a bank?				
8.2.2	In a separate annexure, provide a list of products (sub-categories of licence) in respect of which the FSP receives funds . Indicate the annexure number in column 4.				
9	Risk management <i>Sections 11 and 12 of General Code of Conduct</i>				
9.1	Does the FSP have and employ appropriate risk management resources, procedures, systems and controls as described in sections 11 and 12 of the General Code of Conduct?				
10	Advertising <i>Section 14 of General Code of Conduct</i>				
10.1	Does the FSP advertise its financial services?				
10.2	<i>If the answer to Question 10.1 is YES - questions 10.2.1 to 10.2.2 must be answered</i>				
10.2.1	Does the FSP have procedures in place to ensure that advertisements and advertising communications and material comply with section 14 of the General Code of Conduct?				
10.2.2	Was reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period?				
11	Complaints <i>Sections 16 to 19 of General Code of Conduct</i>				
11.1	Does the FSP have a complaint policy and resolution system in place that complies with sections 16 to 19 of the General Code of Conduct?				
11.2	Were any complaints against the FSP referred to the FAIS Ombud during the reporting period?				
11.2.1	<i>If the answer to Question 11.2 is YES – Provide the following details: number of complaints referred to the FAIS Ombud, type of complaint (what the complaint was about) as well as outcome of the complaint. Indicate the annexure number in column 4.</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
12	Maintenance of records <i>Section 18 of the Act and General Code of Conduct</i> Section 22 of FICA				
12.1	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?				
12.2	Can all documents be inspected by the Registrar within 7 days from the date of request?				
12.3	Are all records stored in a manner that ensures that it will be safe from destruction?				
12.4	Does the FSP have a process in place to reasonably ensure that records are kept for a period of five years, after termination of the product concerned or, in any other case, after the rendering of the financial service concerned?				
12.5	Does the FSP have electronic back-ups for all electronic records?				
12.6	<i>If the answer to Question 12.5 is YES – questions 12.6.1 and 12.6.2 must be answered</i>				
12.6.1	Does the FSP have procedures (e.g. disaster recovery procedures) in place to ensure that back-ups are tested on a sample basis in order to reasonably ensure that records can be retrieved in a proper manner?				
12.6.2	In a separate annexure, indicate the last time such back-ups were tested and the result of the test. Indicate the annexure number in column 4.				
13	Termination of agreement or business <i>Section 20 of General Code of Conduct</i>				
13.1	Does the FSP have procedures in place to ensure compliance with section 20 of the General Code of Conduct?				
13.2	Does the FSP have a business continuity plan and procedures in place to ensure that the clients will be serviced if the business is terminated for any reason?				
13.3	<i>If the answer to question 13.2 is NO –</i> In a separate annexure, provide an explanation as to what steps will be taken to put a plan in				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	place. Indicate the annexure number in column 4.				
14	Waiver of rights <i>Section 21 of the General Code of Conduct</i>				
14.1	Does the FSP have procedures in place to ensure that clients are not requested or induced to waive any right or benefit conferred on the client by the General Code of Conduct? Provide details of any instances of non-compliance found as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure and indicate the annexure number in column 4.				
SECTION 3 - REPRESENTATIVES					
15	Representatives <i>Sections 13 and 14 of the Act and section 8(8) of Determination of Fit and Proper Requirements</i>				
15.1	Does the FSP have representatives?				
15.1.1	<i>If the answer to Question 15.1 is YES, questions 15.1.1.1 and 15.1.1.2 must be answered.</i>				
15.1.1.1	Does the FSP have procedures in place (including documentation) to enable representatives to provide clients with confirmation, certified by the provider, of their status as representatives as provided for in section 13(1)(b)(i) of the Act?				
15.1.1.2	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?				
15.2	Does the FSP have any juristic representatives?				
15.2.1	<i>If the answer to Question 15.2 is YES, questions 15.3 to 15.5 must be answered</i>				
15.3	Are all employees of the juristic representative, who renders financial services on behalf of the provider, appointed as representatives of the provider in terms of section 13 of the Act?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
15.4	Does the FSP have a written mandate with each juristic representative?				
15.5	Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to clients?				
15.6	Competency of representatives <i>Section 13(2)(a) of Act, Parts II, III and VI of Determination of Fit and Proper Requirements and Board Notice 151 of 2008</i>				
15.6.1	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?				
15.6.2	<i>If the answer to Question 15.6.1 is YES-</i> Does the FSP have adequate processes in place to monitor whether all representatives have passed the First Level Regulatory examination by the applicable date?				
15.7	Representatives rendering services under supervision <i>Board Notice 104 of 2008</i>				
15.7.1	Does the FSP have representatives who, on the reporting date, render financial services under supervision as contemplated in paragraph 3 of the Exemption in respect of Services under Supervision?				
15.7.2	<i>If the answer to question 15.7.1 is YES –questions 15.7.2.1 to 15.7.2.5 must be answered</i>				
15.7.2.1	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 9).				
15.7.2.2	Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 4(7)(a) to (f) of the Exemption in respect of Services under Supervision? If YES, attach a copy of the procedures as a separate annexure and indicate the annexure number in column 4.				
15.7.2.3	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?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
15.7.2.4	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?				
15.7.2.5	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.				
15.8	Representatives' compliance with Codes of Conduct <i>Section 13(2)(b) of Act, Board Notice 58 of 2010 and section 5(f) of General Code of Conduct</i>				
15.8.1	During the reporting period did any representatives of the FSP receive any financial interest for giving preference to the quantity of business secured for the provider to the exclusion of the quality of financial service rendered to clients as contemplated in section 3A(1)(b)(i) of the General Code of Conduct?				
15.8.2	During the reporting period did any representatives of the FSP receive any financial interest for giving preference to a specific product supplier, where the representative may have recommended more than one product supplier to a client as contemplated in section 3A(1)(b)(ii) of the General Code of Conduct?				
15.8.3	During the reporting period did any representatives of the FSP receive any financial interest for giving preference to a specific product of a product supplier, where the representative was able to recommend more than one product of that product supplier to the client as contemplated in section 3A(1)(b)(iii) of the General Code of Conduct?				
15.9	Debarment of representatives <i>Section 14 of Act</i>				
15.9.1	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 competency requirements set out in Parts II and V of the Determination of Fit and Proper Requirements?				
15.9.2	Has the FSP taken steps to debar representatives who have not complied with Column Two of Table E in Part X of the Determination of Fit and Proper Requirements?				
15.9.3	<i>If the answer to question 15.9.2 is YES –</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	In a separate annexure, provide full details thereof. Indicate the annexure number in column 4.				
	SECTION 4 – MONEY LAUNDERING CONTROL PROCEDURES				
16	Money laundering control procedures				
16.1	Is the FSP an accountable institution referred to in Schedule 1 of FICA?				
16.2	<i>If the answer to question 16.1 is YES, Questions 16.3 to 16.13 must be answered–</i>				
16.3	Has the FSP registered with the Financial Intelligence Centre in terms of section 43B of FICA?				
16.4	Does the FSP have all the necessary policies, procedures and systems in place to ensure full compliance with FICA and other applicable anti-money laundering or terrorist financing legislation as required in terms of paragraph 8(1)(e) of the Determination of Fit and Proper Requirements?				
16.5	Was this reporting period the FSP's first year of business?				
16.5.1	<i>If the answer to question 16.5 is YES –</i> Provide a copy of the internal rules used by the FSP as a separate annexure and indicate the annexure number in column 4.				
16.6	If this reporting period was not the FSP's first year of business, did the FSP amend/revise the internal rules during the reporting period?				
16.6.1	<i>If the answer to question 16.6 is YES –</i> Provide a copy of the amended rules in a separate annexure and indicate the annexure number in column 4.				
16.7	Does the FSP establish and verify the identity of clients as required in terms of FICA?				
16.7.1	<i>If the answer to question 16.7 is NO –</i> In a separate annexure provide details of why such verification was not done as well as the steps taken to reasonably address this non-compliance. Indicate the annexure number in column 4.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
16.8	Did the FSP provide employees with ongoing or refresher training during the reporting period as recommended by the Financial Intelligence Centre?				
16.9	Does the FSP have procedures in place to report property associated with terrorist and related activities in terms of section 28A of FICA?				
16.10	Does the FSP have procedures in place to ensure that its staff is able to identify suspicious transactions and report such transactions accordingly?				
16.11	Does the FSP perform identification and verification of clients on behalf of another accountable institution, as envisaged in paragraph 4 of the Exemptions in terms of FICA (GNR. 1596 of 2002)? If yes, provide details of the accountable institution on whose behalf this function is performed under the Statistical Information Sheet (Section 9)				
16.12	Does the FSP rely on a third party (any other institution) for the identification and verification of clients in terms of paragraph 4 of the Exemptions in terms of FICA (GNR. 1596 of 2002)? If yes, provide details of the accountable institution that performs this function on your behalf under the Statistical Information Sheet (Section 9).				
16.13	Does the FSP have procedures in place to ensure it can submit cash threshold reports in terms of section 28 of FICA?				
16.14	<i>If the answer to question 16.1 is NO – questions 16.14.1 to 16.14.4 must be answered</i>				
16.14.1	Is the FSP a reporting institution referred to in Schedule 3 of FICA?				
16.14.1.1	<i>If the answer to question 16.14.1 is YES-</i> Has the FSP registered with the Financial Intelligence Centre in terms of section 43B of FICA?				
16.14.2	Does the FSP have procedures in place to ensure that its staff is able to identify suspicious transactions and report such transactions accordingly?				
16.14.3	Does the FSP have procedures in place to ensure that it remains up to date with the requirements of the Financial Intelligence Centre in respect of identifying and reporting suspicious and unusual transactions?				
16.14.4	Does the FSP have procedures in place to ensure submission of cash threshold reports in				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	terms of section 28 of FICA?				
SECTION 5 – COMPLIANCE FUNCTION					
17	Compliance function <i>Section 17 of Act and Chapter IV of Regulations and Board Notice 127 of 2010</i>				
17.1	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?				
17.2	Have you delegated the rendering of compliance services to another person? If the answer is YES, the statistical information sheet (section 9) must be completed.				
17.3	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 9) must be completed.				
17.4	Does the FSP operate from only one business premises?				
17.5	<i>If the answer to Question 17.4 is NO – Questions 17.5.1 and 17.5.2 must be answered.</i>				
17.5.1	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 10) must be completed.				
17.5.2	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 9) must be completed.				
17.6	Are you also the compliance officer appointed in terms of section 43(b) of FICA? If the answer is NO, the name of the compliance officer so appointed must be supplied in the Statistical Information Sheet (Section 9).				
17.7	Do you have any issues with regard to the FSP that are not covered by this report that you				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Annexure number
	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.				
18	Monitoring				
18.1	Indicate whether you monitored the following during the reporting period:				
18.1.1	Financial products with regard to which the FSP renders financial services.				
18.1.2	Representatives under supervision.				
18.1.3	Juristic representatives				
18.1.4	Disclosure documents to verify compliance with sections 4, 5 and 7 of the General Code of Conduct.				
18.1.5	Risk management plan				
18.1.6	Receipt of funds				
18.1.7	Waiver of rights.				
18.1.8	Money laundering control procedures.				
18.1.9	Exchange control regulations (in case of a forex FSP).				
18.1.10	Policies and procedures.				
18.1.11	Mandates and application forms.				
18.1.12	Conflict of interest management policy				
18.1.13	Other. Please provide details of other type of monitoring in a separate annexure and indicate the annexure number in column 4.				
18.1.14	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				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	column 4.				
18.1.15	Did you conduct file sampling during the reporting period?				
	SECTION 6 – DISCRETIONARY FSPs (To be completed by all FSPs authorised as Category II FSPs)				
19	Particular duties/obligations relating to discretionary FSPs				
19.1	Prohibitions and duties of discretionary FSP <i>Section 3 of Code of Conduct for Discretionary FSPs</i>				
19.1.1	Does the FSP have procedures in place to ensure that it does not:				
19.1.1.1	Without the relevant client's written approval, sell or provide a third party with the client's detail, unless obliged by, or in terms of, any law to do so?				
19.1.1.2	Directly or indirectly, sell any financial products owned by the FSP, to any client or buy for own account, any financial product owned by the client?				
19.1.1.3	Directly or indirectly, engage in the netting of transactions?				
19.1.1.4	Did the FSP exercise a vote in a ballot conducted by a collective investment scheme or exercise voting rights on behalf of a client to gain control of a listed or unlisted company?				
19.1.1.5	If question 19.1.1.4 is answered YES, did the FSP have the client's prior written approval?				
19.2	Mandate <i>Section 5 of Code of Conduct for Discretionary FSPs</i>				
19.2.1	Did the Registrar approve all specimen mandate/s used by the FSP?				
19.2.2	Does the FSP have procedures in place to ensure that the FSP only renders intermediary services to clients in respect of whom signed mandates, which comply with section 5 of the Code, have been obtained?				
19.2.3	Does the FSP have procedures in place to ensure that all cash, assets and documents of title				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	are returned to clients on termination of their mandate?				
19.2.4	Does the FSP have procedures in place to ensure that clients are issued with final statement accounts on termination of the clients' mandates?				
19.2.5	Does the FSP have procedures in place to ensure that clients' investments are managed in terms of their mandates?				
19.2.6	Did the FSP invest any funds of clients in companies and/or structures in which the FSP or any associated group or entity of the FSP have an interest?				
19.2.6.1	<i>If the answer to Question 19.2.6 is YES - Provide full details of such instances in a separate annexure and indicate the annexure number in column 4.</i>				
19.3	Reporting to clients <i>Section 6 of Code of Conduct for Discretionary FSPs</i>				
19.3.1	Does the FSP have procedures in place to ensure that reports are furnished to clients within the periods required by section 6?				
19.3.2	Did the FSP comply with the requirements of section 6 in all instances?				
19.3.2.1	<i>If the answer to Question 19.3.2 is NO – Provide details of any instances of non-compliance found as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure and indicate the annexure number in column 4.</i>				
19.4	Administration				
19.4.1	Did the FSP manage funds on behalf of clients during the reporting period?				
19.4.2	<i>If the answer to Question 19.4.1 is YES questions 19.4.3 to 19.4.6 must be answered –</i>				
19.4.3	As a separate annexure, submit an organogram of the FSP and details of the FSP's administrative system that is utilised for managing client assets. Indicate the annexure number in column 4.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
19.4.4	Does the FSP outsource any of its functions? If YES, provide details of the outsourced functions (type of functions as well as whom it has been outsourced to) in a separate annexure and indicate the annexure number in column 4.				
19.4.5	Does the FSP manage assets on behalf of retirement funds and/or insurance companies?				
19.4.5.1	<i>If the answer to Question 19.4.5 is YES –</i> Does the FSP have procedures in place to ensure that the assets are held in the name of the client or in the name of an approved nominee company?				
19.4.6	Does the FSP maintain separate bank accounts in the name of the clients?				
19.5	Assets under management				
19.5.1	Did the FSP have assets under management as at the reporting date? If the answer is YES, the Statistical Information Sheet (Section 9) must be completed.				
19.6	Nominee companies <i>Section 8 of General Code of Conduct for Discretionary FSPs</i>				
19.6.1	Does the FSP hold client investments?				
19.6.2	If the answer to Question 19.6.1 is YES – questions 19.6.2.1 to 19.6.2.3 must be answered				
19.6.2.1	Does the FSP hold client investments in its own nominee company approved by the Registrar as required in terms of regulation 6 of the Regulations?				
19.6.2.2	Does the FSP make use of another approved nominee company to hold client assets?				
19.6.2.3	As a separate annexure, attach a list of nominee companies that the FSP make use of to hold client assets. Also indicate whether the nominee company holds assets on behalf of pension funds, long-term insurers or short-term insurers. Indicate the annexure number in column 4.				
19.7	General functions				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
19.7.1	Does the FSP manage clients' funds in wrap funds or structured funds on an administrative FSP's platform?				
19.7.2	Is the FSP authorised to render financial service in respect of long-term insurance products?				
19.7.2.1	<i>If the answer to Question 19.7.2 is YES -</i> In a separate annexure, list the names of product suppliers that the FSP utilises. Indicate the annexure number in column 4.				
19.7.3	Does the FSP render financial services as a Multi Manager?				
19.7.3.1	<i>If the answer to question 19.7.3 is YES-</i> Did the FSP conduct a due diligence investigation on each of the underlying managers?				
SECTION 7 – ADMINISTRATIVE FSPs					
20	Particular duties relating to administrative FSPs				
20.1	Prohibitions and duties of administrative FSPs <i>Section 3 of Code of Conduct for Administrative FSPs</i>				
20.1.1	Does the FSP have procedures in place to ensure that it does not, directly or indirectly engage in the netting of transactions?				
20.1.2	Does the FSP have procedures in place to ensure that it does not, directly or indirectly, sell any financial product owned by the FSP to any client, or buy for own account, any financial product owned by any client?				
20.1.3	Did the FSP exercise a vote in a ballot conducted by a collective investment scheme on behalf of clients?				
20.2	General functions <i>Section 4 of Code of Conduct for Administrative FSPs</i>				
20.2.1	Does the FSP have procedures in place to ensure that prior to it accepting instructions from a person who is providing intermediary services on behalf of a client, that such person is an				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	authorised financial services provider?				
20.2.2	Does the FSP offer wrap funds on its platform?				
20.2.3	Does the FSP offer structured funds on its platform?				
20.2.4	Does the FSP offer hedge funds on its platform?				
20.2.5	Does the FSP have procedures in place to ensure that the FSP verifies in all instances that any other FSP that it receives an instruction from is authorised to render the specific financial service without any licence restriction in relation to the specific financial product?				
20.3	Relationship with clients <i>Sections 5 and 6 of Code of Conduct for Administrative FSPs</i>				
20.3.1	Did the Registrar approve all application forms and mandates used by the FSP?				
20.3.2	Did the FSP amend any of its application forms and/or mandates during the reporting period?				
20.3.2.1	<i>If the answer to question 20.3.2 is YES –</i> Did the Registrar approve all substantial/material amendments before it was used?				
20.3.3	Does the FSP have procedures in place to ensure that it only deals with clients in respect of whom application forms (which comply with section 5 of the Code) have been obtained?				
20.3.4	Does the FSP have procedures in place to ensure notification of an increase in costs within 14 days of the receipt of the notification from the product supplier?				
20.3.5	Does the FSP have procedures in place to deal with the termination of a relationship with a client as contemplated in section 6 of the Code?				
20.4	Record-keeping <i>Section 7 of Code of Conduct for Administrative FSPs</i>				
20.4.1	Are client records maintained to identify the specific financial product owned by each client?				
20.5	Independent nominee <i>Section 9 of Code of Conduct for Administrative FSPs</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
20.5.1	Does the FSP ensure that the independent nominee is approved in terms of the Requirements imposed by the Financial Services Board for nominees to operate in South Africa (Board Notice 63 of 2007)?				
20.5.2	Did the Registrar approve the written agreement between the FSP and the independent nominee as required by regulation 8 of the Regulations?				
20.5.3	Does the FSP have procedures in place to ensure that all bank and unit reconciliations are up to date?				
20.5.4	Does the FSP report to the independent nominee on the investment bank account status (cash and assets held)? If YES, the Statistical Information Sheet (Section 9) must be completed.				
20.5.5	During the reporting period did the FSP furnish the independent nominee's board of directors with reconciliation reports? If YES, the Statistical Information Sheet (Section 9) must be completed.				
20.5.6	Did the nominee hold a fidelity guarantee at the reporting date? If YES, the Statistical Information Sheet (Section 9) must be completed. ?				
20.5.7	Did the nominee hold professional indemnity insurance at the reporting date? If YES, the Statistical Information Sheet (Section 9) must be completed.				
20.5.8	Did the directors of the independent nominee hold meetings during the reporting period? If YES, indicate the number of meetings on the Statistical Information Sheet (section 9)				
20.5.9	Are more than 50 percent of the directors, trustees or other persons responsible for management and control of the independent nominee, independent from the administrative FSP, as well as from companies within the same group of the FSP?				
20.5.10	Indicate in whose name the nominee bank account is being held on the Statistical Information Sheet (Section 9)				
20.6	Reporting to clients <i>Section 10 of Code of Conduct for Administrative FSPs</i>				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Annexure number
20.6.1	Does the FSP have procedures in place to ensure that a report referred to in section 10(2) of the Code is submitted to the client within 3 months of the FSP's financial year end?				
20.7	Information systems				
20.7.1	Does the FSP have a business continuity plan in place?				
20.7.2	Did the FSP have any system developments and/or changes that affected bank and asset holding reconciliations in any way?				
20.7.3	Does the FSP have access controls to information systems in place?				
20.7.4	Does the FSP have anti-virus software in place?				
20.7.5	Does the FSP have a firewall in place to protect the network?				
20.8	Assets under administration				
20.8.1	Did the FSP have assets under administration at reporting date? If YES, the Statistical Information Sheet (Section 9) must be completed.				
20.8.2	If separate accounts are held in the name of the clients, indicate whether or not such accounts are audited.				
20.8.3	If separate accounts are not held, indicate in a separate annexure in whose names the assets are held. Indicate the annexure number in column 4.				

SECTION 8 – ATTACHMENTS		
Question number	Comments	Annexure number

SECTION 9 – STATISTICAL INFORMATION SHEET

9.1 REPRESENTATIVES AT REPORTING DATE		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	NUMBER OF REPRESENTATIVES/KEY INDIVIDUALS
Number of representatives rendering services under supervision as contemplated in paragraph 3 of the Exemption with respect of Services under Supervision	15.7.2.1	
Number of key individuals and representatives that acted as supervisors in respect of services under supervision	15.7.2.1	

9.2 INSURANCE COVER	RELEVANT QUESTION NUMBER	CURRENCY	EXTENT OF COVER (NUMERIC AMOUNT)
Professional Indemnity Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	6.1		
Fidelity Insurance Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	6.2		
Guarantees as contemplated in section 13 of the General Code of Conduct	6.3		

9.3 DETAIL OF CLAIMS	RELEVANT QUESTION NUMBER
	6.5
Number of claims	
Rand value of claims	
Reason	
Outcome	

9.4 MONEY LAUNDERING CONTROL PROCEDURES	RELEVANT QUESTION NUMBER	FSP NUMBER (IF APPLICABLE)	FSP NAME / ACCOUNTABLE INSTITUTION
Details of accountable institution/s on whose behalf identification and verification of clients is performed.	16.11		
Details of other accountable institution that FSP relies on for the identification and verification of clients	16.12		

9.5 COMPLIANCE FUNCTION		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	DETAILS
Number of reports issued to the FSP on the rendering of financial services	17.3	
Total number of business premises, business units and / or branches in respect of the FSP.	17.5.2	
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	17.5.2	
Identity Number of compliance officer appointed in terms of section 43(b) of FICA.	17.6	

9.6 COMPLIANCE FUNCTION			
NAME AND SURNAME OF PERSON TO WHOM COMPLIANCE SERVICES ARE DELEGATED TO	RELEVANT QUESTION NUMBER 17.2	IDENTITY NUMBER	CATEGORY (i.e. CAT I AND/OR CAT II)

9.7 ASSETS UNDER MANAGEMENT (DISCRETIONARY FSPs):**RELEVANT QUESTION NO. 19.5.1****TYPE OF CLIENT**

Total market value of assets under management for the following type of clients:	Local (Rand amount)	Foreign (Rand amount)	Total (Rand amount)
Private clients (individuals or entities not listed below)			
Retirement funds			
Collective Investment Schemes			
Long-term Insurers			
Short Term Insurers			
Hedge fund clients			
Other (Please specify)			

ASSETS UNDER MANAGEMENT (DISCRETIONARY FSPs):**RELEVANT QUESTION NO. 19.5.1****TYPE OF ASSETS**

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

9.8 ASSETS UNDER ADMINISTRATION (ADMINISTRATIVE FSP)**RELEVANT QUESTION NO. 20.8.1**

Total Market Value of assets under administration at the reporting date for the following type of clients:	Local (Rand amount)	Foreign (Rand amount)	Total (Rand Amount)
Private clients (individuals not listed below)			
Retirement funds			
Collective investment schemes			
Long-term insurers			
Short-term insurers			
Hedge fund clients			
Other (Please specify)			

9.9 ADMINISTRATIVE FSP - INDEPENDENT NOMINEE

TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	CURRENCY	EXTENT OF COVER (NUMERIC AMOUNT)
Number of reports the FSP made to the independent nominee on the investment bank account reconciliation status during the reporting period.	20.5.4		
Number of reconciliation reports that the FSP furnished to the independent nominee's board of directors during the reporting period	20.5.5		
Extent of fidelity guarantee held by independent nominee	20.5.6		
Extent of professional indemnity insurance held by nominee	20.5.7		
Number of Board/Trustee meetings	20.5.8		
In whose name is the Nominee bank account held	20.5.10		

COMPLIANCE REPORT COMPLETED AND SIGNED BY FSP

Name of FSP _____

FSP number _____

Name of key individual _____

ID number of key individual _____

Date appointed as key individual _____

Signature _____

Date _____

COMPLIANCE REPORT COMPLETED AND SIGNED BY COMPLIANCE OFFICER(S)

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

ID number(s) of the compliance officer(s) _____

Name(s) of the compliance practice(s) (if applicable) _____

Reference number(s) of compliance officer(s)/practice(s) _____

Signature(s) of compliance officer(s) _____

Date _____

Telephone number _____

Fax number _____

E-mail address _____

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

DECLARATION SIGNED BY COMPLIANCE OFFICER(S) SUBMITTING COMPLIANCE REPORT

Compliance report in terms of section 17(4) of the Act by compliance Officer(s) for the reporting period _____ (insert date) until _____ (insert reporting date).

I/we _____ compliance officer(s)) hereby report as follows as regards compliance by _____ (insert full name of FSP and FSP number) and any representative of the FSP with the Act, for the reporting period.

Having completed the attached annual compliance report for the FSP, I/we hereby confirm that, to the best of my/our knowledge and ability all the information contained in the attached annual compliance report is true and correct.

I/we are aware that the information contained in the attached annual compliance report may be subject to verification by the Registrar of Financial Services Providers, and should I/we knowingly submit false, incorrect or misleading information to the Registrar, this may impact on my/our compliance with the fit and proper requirements with regard to personal character qualities of honesty and integrity as determined by section 8(1) of the Act.

Signed on _____ (day) of _____ (month) _____ (year).

Name(s) of compliance officer(s): _____

Signature(s): _____