

FAIS NOTICE 33 OF 2014

FINANCIAL SERVICES BOARD

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

COMPLIANCE REPORT FOR A CATEGORY I FINANCIAL SERVICES PROVIDER WITHOUT A COMPLIANCE OFFICER, 2014

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 the compliance report by a Category I Financial Services Provider without a compliance officer must be submitted and the matters which the report must have regard to.

- (a) A written report for the reporting period, by completing the attached schedule , or by electronically completing, the schedule on the web site of the Financial Services Board (www.fsb.co.za), must be submitted to the Registrar by 28 February 2015.
- (b) No answers may be provided in columns that are shaded in grey in the schedule.
- (c) In this Notice, unless the context indicates otherwise—
 - (i) any word or expression shall have the meaning that it was assigned in the Act;
 - (ii) **“Determination of Fit and Proper Requirements”** means the Determination of Fit and Proper Requirements for Financial Services Providers, 2008;
 - (iii) **“FICA”** means the Financial Intelligence Centre Act, 2001;
 - (iv) **“Forex Investment Business Code of Conduct”** means the Code of Conduct for Authorised Financial Services Providers, and their Representatives, involved in Forex Investment Business, 2004;
 - (v) **“FSP”, “financial services provider” or “provider”** means an authorised Category I FSP and includes, where applicable, any representative of such provider; excluding a category I FSP that renders financial services in respect of financial products belonging to long-term insurance sub-category A and/or friendly society benefits only;
 - (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 the Act, and a sole proprietor as defined in section 1 of the Fit and Proper Requirements, 2008;

- (viii) **“Regulations”** means the Financial Advisory and Intermediary Services Regulations, 2003;
- (ix) **“reporting date”** means 31 December 2014;
- (x) **“reporting period”** means the period from the latest of –
 - (aa) the date of authorisation as financial services provider in terms of section 8 of the Act; or
 - (bb) the first day of the month following the reporting period for the previous compliance report submitted,until the reporting date.

This Determination is called the Compliance Report for Category I FSPs without a Compliance Officer, 2014, and comes into operation on 1 June 2014.



CD DA SILVA
Deputy Registrar of Financial Services Providers

DATE OF NOTICE: 29 MAY 2014

SCHEDULE

Compliance Report for Category I FSPs without a compliance officer for the reporting period ended 31 December 2014

Scope

In accordance with section 17(4) of the Act, I (key individual or sole proprietor) hereby report as follows as regards compliance with the Act by (full name of the FSP and the FSP Number) for the reporting period (date reporting period started) to 31 December 2014.

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 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	Did the FSP change legal status (e.g. from CC to (Pty) Ltd) as an entity during the reporting period?				
1.3	<i>If the answer to Question 1.2 is YES -</i> Did the FSP obtain a new licence as contemplated in section 8 of the Act after the change?				
1.4	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 specific financial services without any licence restriction in relation to a specific financial product?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
1.5	Financial products in respect of which an FSP renders financial services <i>Condition 5 imposed by the Registrar in terms of section 8(4) of the Act</i>				
1.5.1	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).				
1.5.2	<i>If the answer to Question 1.5.1 is YES -</i> Provide details of the Regulator (Name of Regulator and registration and licensing number with the Regulator if applicable) in a separate annexure and indicate the annexure number in column 4.				
1.5.3	Does the FSP render financial services on any financial product that is not specifically defined in the Act or regulated in terms of any other legislation (e.g. a hedge fund, depending on structure)?				
1.5.4	<i>If the answer to Question 1.5.3 is YES – Questions 1.5.4.1 to 1.5.4.4 must be answered</i>				
1.5.4.1	Provide details of the financial products concerned in a separate annexure and indicate the annexure number in column 4.				
1.5.4.2	Does the FSP disclose in writing, to clients that these financial products are not regulated in terms of the FAIS Act?				
1.5.4.3	Does the FSP conduct due diligence on these financial products and on the product suppliers who offer or issue them?				
1.5.4.4	Does the FSP provide clients with details of the unregulated financial products?				
1.6	Financial products in respect of which FSP renders financial services <i>Authorisation in terms of licence</i>				
1.6.1	Does the FSP have procedures in place to ensure that it only renders the financial services within the limitation on categories and subcategories of its licence?				
1.6.2	Did any non-compliance occur in respect of the limitation on categories and subcategories during the reporting period?				
1.6.3	<i>If the answer to question 1.6.2 is YES -</i> Provide details of such non-compliance as well as steps taken to reasonably ensure that non-compliance in this regard does not occur again in a separate annexure and indicate the annexure				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Annexure number
	number in column 4.				
1.7	Functions performed by FSP				
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 financial services as a pension fund administrator in terms of section 13B of the Pension Funds Act, 1956?				
1.7.3	Did the FSP act as an asset consultant (advisor) to a pension fund during the reporting period?				
1.7.4	Did the FSP act as a promoter of unlisted shares and debentures (property syndicator) during the reporting period?				
1.7.5	Is the FSP also a licensed credit provider in terms of the National Credit Act, 2005?				
1.7.6	Does the FSP manage investment deposit accounts and / or interest bearing deposit accounts in the name of clients e.g. corporate saver accounts or cash management accounts?				
1.7.6.1	<i>If the answer to question 1.7.6 is YES –</i> Were all transactions concluded based upon instructions from the client in whose name the account is in?				
1.7.7	Does the FSP render financial services to a private equity fund?				
1.7.8	Does the FSP have third party named portfolio (white label) agreements in place with managers of collective investment schemes?				
1.7.9	Does the FSP provide corporate financing services to its clients?				
1.8	Indicate whether the following form part of the main business of the FSP:				
1.8.1	Authorised user as defined in the Financial Markets Act, No 19 of 2012				
1.8.2	Bank as defined in the Banks Act, 1990				
1.8.3	Pension fund administrator as contemplated in section 13B(1) of the Pension Funds Act, 1956				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
1.8.4	Long-term Insurer as defined in the Long-term Insurance Act, 1998				
1.8.5	Short-term Insurer as defined in the Short-term Insurance Act, 1998				
1.8.6	Collective Investment Scheme manager as defined in the Collective Investment Schemes Control Act, 2002				
1.8.7	Motor dealership				
1.8.8	Retail store				
1.8.9	Accounting or auditing services				
2	Group structure				
2.1	Does the FSP form part of a group of companies? If YES, provide full details of the group (including an organogram or diagram as well as the FSP's relation to the group of companies) in a separate annexure and indicate the annexure number in column 4.				
2.2	<i>If the answer to question 2.1 is YES –</i> Does the FSP have service level agreements in place with other FSPs within the group?				
3	Key individuals <i>Section 8(1) and (4)(b) of the Act and Determination of Fit and Proper Requirements</i>				
3.1	Did any change occur in the personal circumstances of the 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?				
3.2	<i>If the answer to Question 3.1 is YES -</i> Provide details thereof in a separate annexure and indicate the annexure number in column 4.				
3.3	Has the key individual passed the first level regulatory examination?				
4	Staff complement				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
4.1	Does the FSP have any employees that are assisting the FSP in the rendering of financial services?				
4.2	<i>If the answer to question 4.1 is YES – In a separate annexure provide the number of employees assisting the FSP in the rendering of financial services. Also explain the roles and responsibilities of these employees. Indicate the annexure number in column 4.</i>				
5	Operational ability and financial soundness <i>Parts VIII and IX of Determination of Fit and Proper Requirements</i>				
5.1	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?				
5.2	Does the FSP prepare monthly accounting records in terms of section 19 of the Act?				
5.3	Does the FSP have internal controls and procedures in place to ensure that the operational ability requirements as described in section 8(3) of the Determination of Fit and Proper Requirements are complied with?				
5.3.1	<i>If the answer to question 5.3 is NO - In a separate annexure, indicate the steps that will be taken to ensure that the relevant controls and procedures are implemented. Indicate the annexure number in column 4.</i>				
SECTION 2 – GENERAL CODE OF CONDUCT					
6	General Code of Conduct				
6.1	General provisions <i>Section 3 of General Code of Conduct</i>				
6.1.1	Has the FSP adopted, maintained and implemented a conflict of interest management policy as contemplated in section 3A(2)(a) of the General Code?				
6.1.2	<i>If the answer to Question 6.1.1 is YES – Questions 6.1.3 to 6.1.7 must be answered</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
6.1.3	Was this reporting period the FSP's first year of business?				
6.1.3.1	<i>If the answer to question 6.1.3 is YES – Provide a copy of the conflict of interest management policy of the FSP as a separate annexure. Indicate the annexure number in column 4.</i>				
6.1.4	If this reporting period was not the FSP's first year of business, did the FSP amend or revise the conflict of interest management policy during the reporting period?				
6.1.4.1	<i>If the answer to question 6.1.4 is YES – Provide a copy of the amended conflict of interest policy as a separate annexure. Indicate the annexure number in column 4.</i>				
6.1.5	Are the employees and, where appropriate, associates of the FSP aware of the conflict of interest management policy?				
6.1.6	Has appropriate training and educational material been provided to the employees and, where appropriate, associates?				
6.1.7	Has the conflict of interest management policy been published in appropriate media and is the policy easily accessible for public inspection at all reasonable times?				
6.1.8	During the reporting period did the FSP or any of its employees receive or offer any immaterial financial interest to or from a third party?				
6.1.8.1	<i>If the answer to Question 6.1.8 is YES- Were there any instances of non-compliance i.e. where the monetary value of the financial interest exceeded an aggregate of R1 000 during the calendar year?</i>				
6.1.9	If applicable, did the FSP disclose to clients in writing any conflict of interest in respect of the client?				
6.1.10	Does the FSP have procedures and internal controls in place to ensure that it does not disclose any confidential information acquired from clients without obtaining written consent from the clients, or unless it is required to do so in terms of any legislation?				
7	Insurance cover <i>Sections 5(e) and 13 of General Code of Conduct and Board Notice 123 of 2009</i>				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Annexure number
7.1	Does the FSP have professional indemnity cover? If yes, the Statistical Information Sheet (Section 8) must be completed.				
7.1.1	<i>If the answer to Question 7.1 is YES –</i> Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.				
7.2	Does the FSP have fidelity insurance cover? If yes, the Statistical Information Sheet (Section 8) must be completed.				
7.2.1	<i>If the answer to Question 7.2 is YES –</i> Attach a copy of the latest insurance schedule in a separate annexure and indicate the annexure number in column 4.				
7.3	Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct? If yes, the Statistical Information Sheet (Section 8) must be completed.				
7.3.1	<i>If the answer to Question 7.3 is YES –</i> Attach a copy of the latest guarantee in a separate annexure and indicate the annexure number in column 4.				
7.4	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?				
7.5	Did the FSP have any claims against its professional indemnity cover, fidelity insurance cover or guarantees during the reporting period that were as a result of financial services rendered? If yes, the Statistical Information Sheet (Section 8) must be completed.				
8	Disclosure requirements <i>Sections 4, 5 and 7 of General Code of Conduct</i>				
8.1	Does the FSP have procedures and internal controls in place to ensure that its disclosure documentation complies with sections 4 and 5 of the General Code of Conduct?				
8.2	Does the FSP provide clients with financial services in respect of financial products of only one specific product supplier?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
8.3	Does the FSP disclose the following information in terms of section 7(1)(c) of General Code of Conduct to the client in writing:				
8.3.1	The name, class or type of financial product concerned;				
8.3.2	The nature, extent and frequency of any incentive, remuneration, consideration, commission, fee or brokerage which will or may become payable to the provider, directly or indirectly, by any product supplier or any other person as a result of the financial service concerned;				
8.3.3	Any material risk and where applicable investment risk associated with the product concerned;				
8.3.4	Extent of monetary obligations assumed by the client, the frequency thereof and consequences of non-compliance concerned.				
9	Direct marketing <i>Section 15 of General Code of Conduct</i>				
9.1	Does the FSP act as a direct marketer as defined in section 1 of the General Code of Conduct?				
9.2	<i>If the answer to Question 9.1 is YES – questions 9.2.1 to 9.2.3 must be answered</i>				
9.2.1	Does the FSP have recording systems in place to record all telephonic conversations with clients in the course of direct marketing?				
9.2.2	Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?				
9.2.3	Does the FSP have procedures in place to ensure that the FSP complies with section 15 (read with sections 4, 5 and 7) of the General Code of Conduct?				
9.2.3.1	<i>If the answer to Question 9.2.3 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>				
10	Furnishing of advice and record of advice <i>Section 8 and 9 of General Code of Conduct</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
10.1	Did the FSP furnish advice as a regular feature of its business during the reporting period?				
10.2	<i>If the answer to question 10.1 is YES – questions 10.2.1 to 10.2.4 must be answered</i>				
10.2.1	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 given?				
10.2.1.1	<i>If the answer to Question 10.2.1 is NO - In a separate annexure, provide details on how these procedures will be put in place. Indicate the annexure number in column 4.</i>				
10.2.2	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?				
10.2.3	Did the FSP conclude any 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.				
10.2.4	Did the FSP keep a record of advice and provide it to its clients in accordance with section 9 of the General Code of Conduct? Provide details of all instances of 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.				
11	Custody of financial products and funds <i>Section 10 of General Code of Conduct and Board Notice 193 of 2011</i>				
11.1	Has the FSP registered for the exemption from audited financial statement requirements in terms of Board Notice 193 of 2011?				
11.1.1	<i>If the answer to Question 11.1 is YES –</i> Has the FSP notified the Registrar of the details of the accounting officer, if applicable?				
11.2	Does the FSP receive or hold financial products or funds of or on behalf of clients when rendering financial services,				
11.2.1	<i>If the answer to question 11.2 is YES - questions 11.2.2 to 11.2.6 must be answered</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
11.2.2	Has the FSP changed auditors or accounting officers during the reporting period?				
11.2.2.1	<i>If the answer to Question 11.2.2. is YES – Did the FSP submit a profile change request to the Registrar?</i>				
11.2.3	Does the FSP issue written confirmation of receipts to clients when funds and/or premiums are received from clients without the mediation of a bank?				
11.2.4	In a separate annexure, provide a list of the products (subcategories of licence) in respect of which the FSP receive funds and/or premiums from clients. Indicate the annexure number in column 4.				
11.2.5	Does the FSP have procedures in place to ensure that clients' funds and/or premiums can be readily/clearly distinguished from the private assets or funds of the FSP?				
11.2.6	Does the FSP maintain a separate bank account designated for client funds?				
11.2.7	Does the FSP collect premiums in accordance with the provisions stipulated in section 45 of the Short-term Insurance Act, 1998?				
11.3	<i>If the answer to question 11.2.7 is YES – questions 11.3.1 and 11.3.2 must be answered</i>				
11.3.1	Does the FSP have an IGF Guarantee in terms of section 45 of the Short-term Insurance Act, 1998?				
11.3.2	<i>If the answer to Question 11.3.1 is YES - Provide a copy of the IGF cover schedule as a separate annexure and indicate the annexure number in column 4.</i>				
12	Risk management <i>Sections 11 and 12 of General Code of Conduct</i>				
12.1	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?				
12.2	Does the FSP have a documented Risk Management Plan?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
12.3	In a separate annexure, provide details as to how the Risk Management Plan is monitored. Indicate the annexure number in column 4.				
13	Advertising <i>Section 14 of General Code of Conduct</i>				
13.1	Does the FSP advertise its financial services?				
13.2	<i>If the answer to Question 13.1 is YES – questions 13.2.1 to 13.2.3 must be answered</i>				
13.2.1	Does the FSP have procedures in place to ensure that all advertisements and advertising communications and material comply with section 14 of the General Code of Conduct?				
13.2.2	If the FSP advertised any of its financial services by telephone during the reporting period, did the FSP maintain an electronic, voice logged record of all communications?				
13.2.3	Was the fact that a licence is held contained in all advertisements used by the FSP during the reporting period?				
14	Complaints <i>Section 16 to 19 of General Code of Conduct</i>				
14.1	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?				
14.2	Were any complaints against the FSP referred to the FAIS Ombud during the reporting period?				
14.2.1	<i>If the answer to Question 14.2 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>				
15	Maintenance of records <i>Section 18 of the Act and General Code of Conduct</i> <i>Section 22 of FICA</i>				
15.1	Does the FSP have appropriate procedures and systems in place to record the information				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	contemplated in section 18 of the Act and section 3(2) of the General Code of Conduct?				
15.2	Can all documents be inspected by the Registrar within seven days from the date of request?				
15.3	Are all records stored in a manner that reasonably ensures that such records will be safe from destruction? In a separate annexure, provide details on how records are kept. Indicate the annexure number in column 4.				
15.4	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?				
15.5	Does the FSP make electronic back-ups of all electronic records?				
15.6	<i>If the answer to Question 15.5 is YES – questions 15.6.1 and 15.6.2 must be answered</i>				
15.6.1	Have you tested the back-ups to ensure that records can be retrieved in a proper manner?				
15.6.2	In a separate annexure, indicate the last time you tested your back-ups and the result thereof. Indicate the annexure number in column 4.				
16	Termination of agreement or business <i>Section 20 of General Code of Conduct</i>				
16.1	Does the FSP have procedures in place to ensure that it complies with section 20 of the General Code of Conduct?				
16.2	Does the FSP have a business continuity plan and procedures in place to ensure that clients will be serviced if the business is terminated for any reason?				
16.2.1	<i>If the answer to Question 16.2 is NO –</i> 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.				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
17	Waiver of rights <i>Section 21 of General Code of Conduct</i>				
17.1	Does the FSP have procedures in place to ensure that it does not request or induce a client to waive any right or benefit conferred on the client by, or in terms of, any provision of the General Code of Conduct? Provide full details of any non-compliance with section 21 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.				
SECTION 3 – MONEY LAUNDERING CONTROL PROCEDURES					
18	Money laundering control procedures				
18.1	Is the FSP an accountable institution referred to in 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 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 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> Provide a copy of the internal rules contemplated in section 42 of FICA used by the FSP as a separate annexure. Indicate the annexure number in column 4.				
18.6	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?				
18.6.1	<i>If the answer to question 18.6 is YES –</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	Provide a copy of the amended internal rules as a separate annexure. Indicate the annexure number in column 4.				
18.7	Does the FSP make use of a standard internal rules document supplied by a third party?				
18.7.1	<i>If the answer to question 18.7 is YES –</i> Was the document customised to apply to the specific FSP?				
18.8	Does the FSP establish and verify the identity of clients as required in terms of FICA?				
18.8.1	<i>If the answer to question 18.8 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 the non-compliance. Indicate the annexure number in column 4.				
18.9	Did the FSP provide employees with ongoing or refresher training as recommended by the Financial Intelligence Centre during the reporting period?				
18.9.1	<i>If the answer to question 18.9 is YES –</i> Did the training include an assessment to determine the employees' level of understanding?				
18.10	Does the FSP have procedures in place to report property associated with terrorist and related activities in terms of section 28A of FICA?				
18.11	Does the FSP have procedures in place to ensure that its staff is able to identify suspicious transactions and report such transactions accordingly?				
18.12	Does the FSP have procedures in place to rate its clients in order to establish which clients pose a higher risk of money laundering and financing terrorism?				
18.13	Does the FSP perform the identification and verification of clients function 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 8)				
18.14	Does the FSP rely on another accountable institution for the identification and verification of clients in terms of paragraph 4 of 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				

		Column			
Question		1	2	3	4
		Yes	No	Not applicable	Annexure number
	the Statistical Information Sheet (Section 8).				
18.15	Does the FSP have procedures in place to ensure submission of cash threshold reports in terms of section 28 of FICA?				
18.16	<i>If the answer to Question 18.1 is NO – questions 18.16.1 to 18.16.4 must be answered</i>				
18.16.1	Is the FSP a reporting institution in terms of Schedule 3 of FICA?				
18.16.1.1	<i>If the answer to question 18.16.1 is YES-</i> Has the FSP registered with the Financial Intelligence Centre in terms of section 43B of FICA?				
18.16.2	Does the FSP have procedures in place to ensure that its staff is able to identify suspicious transactions and report such transactions accordingly?				
18.16.3	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?				
18.16.4	Does the FSP have procedures in place to ensure submission of cash threshold reports in terms of section 28 of FICA?				
18.17	Is the FSP authorised for short term insurance and / or health service benefits only?				
18.17.1	If the answer to question 18.17 is YES – Is the FSP aware of its obligations in terms of section 29 of FICA to report suspicious transactions to the Financial Intelligence Centre?				
	SECTION 4: COMPLIANCE FUNCTION				
19	Compliance function <i>Section 17 of Act and Chapter IV of the Regulations</i>				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
19.1	As the person responsible for your compliance function, do you confirm that the compliance function exists and forms part of the risk management framework of the business in terms of section 17(3) of the Act and Regulation 5?				
19.2	Did you indicate any aspect, for the previous reporting period, as a “Developmental Area”?				
19.2.1	<i>If the answer to question 19.2 is YES –</i> In a separate annexure, provide details thereof, and the progress / outcome thereof. Indicate the annexure number in column 4.				
SECTION 5 – CATEGORY I FOREX FSPs <i>The Forex Investment Business Code of Conduct regulates forex investments which are investments in a financial product referred to in paragraph (e) of the definition of “financial product” in section 1(1) of the Act.</i>					
20	Particular duties relating to Category I Forex FSPs				
20.1	Is the FSP licensed as a Category I Forex FSP?				
20.2	If the answer is to Question 20.1 is YES - Questions 20.3 to 20.20 must be answered.				
20.3	In a separate annexure, provide details of the clearing firm that the FSP deals with as well as the name and contact details of the Regulator in whose jurisdiction the clearing firm is located. Indicate the annexure number in column 4.				
20.4	Did the FSP provide clients with the name and contact details of the clearing firm?				
20.5	Did the FSP provide clients with the name and contact details of the Regulator under whose jurisdiction the activity of the clearing firm falls?				
20.6	Does the FSP act as a forex investment advisor as defined in the Forex Investment Business Code of Conduct in respect of managed accounts and/or self-directed accounts?				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
20.7	<i>If the answer to Question 20.6 is YES – questions 20.7.1 to 20.7.3 must be answered</i>				
20.7.1	In a separate annexure, provide a copy of a written application form utilised for clients that was approved by the Registrar. Indicate the annexure number in column 4.				
20.7.2	In the case of self-directed accounts provide full details in a separate annexure on how the FSP ensures that clients are sophisticated and have the necessary trading skills to start trading themselves. Indicate the annexure number in column 4.				
20.7.3	Does the FSP provide regular training sessions to educate and assist the clients' trading skills?				
20.8	Did the FSP make any substantial/material changes to this application form without the prior approval of the Registrar?				
20.9	Does the FSP take reasonable steps to ensure that the forex investment is suitable for the client?				
20.9.1	<i>If the answer to Question 20.9 is YES –</i> In a separate annexure, provide full details of the procedures that the FSP has in place to ensure that the client's objectives, risk appetite, financial situation and foreign investment experience are obtained in order to act in the client's interest at all times. Indicate the annexure number in column 4.				
20.10	In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure that risks associated with forex investment (including currency fluctuations), are disclosed to clients. Indicate the annexure number in column 4. If standard disclosure documents are used, please include a copy thereof as part of the annexure.				
20.11	Does the FSP have procedures in place to ensure that the forex investment intermediary to whom clients are referred is an authorised FSP?				
20.12	Does the FSP have an appropriate written agreement in place to govern the relationship with forex intermediaries to whom clients are referred?				
20.13	Does the FSP ensure that clients comply with exchange control legislation (including tax legislation) when giving advice on forex investment business? If any instances of non-compliance were found, please provide full details thereof as well as steps taken to reasonably ensure that such non-compliance does not occur again as a separate annexure and indicate annexure number in column				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	4.				
20.14	Does the FSP advise clients to invest by means of margin trading?				
20.14.1	<i>If the answer to Question 20.14 is YES –</i> In a separate annexure, provide full details of the procedure that the FSP has put in place to ensure that the minimum leverage required does not exceed widely used industry norms. Indicate the annexure number in column 4.				
20.15	In a separate annexure, provide details of the procedure that the FSP has put in place to ensure all fees, charges, costs and commission payable to the different stakeholders involved in the investment process are fully and adequately disclosed. Indicate the annexure number in column 4.				
20.16	Does the FSP directly obtain reports and statements from the clearing firm or foreign forex services provider and make them available to clients in a hard copy format or by electronic means?				
20.17	If the reports and statements referred to in question 20.16 above are generated by the clearing firm or foreign forex service provider, can the contents of the statements be altered by the FSP before being made available to clients or viewed online?				
20.18	In a separate annexure, provide a full explanation setting out how client funds which are held offshore will be treated if the FSP is wound up, liquidated or ceases to conduct business for any reason. Indicate the annexure in column 4.				
20.19	Does the FSP ensure that a foreign forex service provider which holds investments on behalf of clients maintains insurance cover to guard against risk of loss due to fraud, dishonesty and negligence?				
20.20	Is the FSP a forex spot trader? If YES - provide full details of the clearing firm as well as the Regulator in a separate annexure and indicate the annexure number in column 4.				
SECTION 6 – HEALTH SERVICES BENEFITS					
21	Accreditation under section 65(3) of Medical Schemes Act, 1998				

Question		Column			
		1	2	3	4
		Yes	No	Not applicable	Annexure number
	<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	<i>If the answer to question 21.1 is YES – questions 21.2.1 to 21.2.4 must be answered</i>				
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.				
21.2.2.1	<i>If the answer to Question 21.2.1 is YES –</i> Was a profile change request submitted to the Registrar in order for the health services subcategory to be removed from the FSP's licence?				
21.2.2	The details of the accreditation with the Council for Medical Schemes (ORG numbers for entities and BR numbers for key individuals) must be completed on the Statistical Information Sheet (Section 8).				
21.2.3	Does the FSP have any corporate clients? If the answer is YES, the Statistical Information Sheet (Section 8) must be completed.				
21.2.4	In a separate annexure, provide a list of product suppliers that the FSP utilises. Indicate the annexure number in column 4.				

SECTION 8 – STATISTICAL INFORMATION SHEET

8.1 TYPE OF INSURANCE COVER	RELEVANT QUESTION NUMBER	CURRENCY	EXTENT OF COVER (NUMERICAL AMOUNT)
Professional Indemnity Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	7.1		
Fidelity Insurance Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	7.2		
Guarantees in terms as contemplated in section 13 of the General Code of Conduct	7.3		

8.2 DETAIL OF CLAIMS	RELEVANT QUESTION NUMBER 7.5
Number of claims	
Rand value of claims	
Reason	
Outcome	

8.3 MONEY LAUNDERING CONTROL PROCEDURES	RELEVANT QUESTION NUMBER	FSP NUMBER (IF APPLICABLE)	FSP NAME / ACCOUNTABLE INSTITUTIONS
Details of accountable institution/s on whose behalf identification and verification of clients is performed.	18.13		
Details of other accountable institution that FSP relies on for the identification and verification of clients	18.14		

8.4 FURNISHING OF ADVICE AND RECORD OF ADVICE		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	PERCENTAGE
Provide the percentage of new financial transactions concluded as contemplated in section 8(4)(a) of the General Code of Conduct.	10.2.3	

8.5 HEALTH SERVICE BENEFITS		
TYPE OF INFORMATION REQUIRED	RELEVANT QUESTION NUMBER	DETAILS
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 are corporate clients	21.2.3	

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

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