

**BOARD NOTICE 48 OF 2009****FINANCIAL SERVICES BOARD****FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002  
(ACT NO. 37 OF 2002)****DETERMINATION OF COMPLIANCE REPORT FOR CATEGORIES II, IIA AND  
FOREX AUTHORISED FINANCIAL SERVICES PROVIDERS, 2009**

In terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) ("the Act"), I, Dube Phineas Tshidi, Registrar of Financial Services Providers, by this notice with its schedule, determine the manner in which the compliance report of Categories II, IIA and Forex Authorised Financial Services Providers must be submitted, and the matters which it must have regard to. This determination was made after consultation with the Advisory Committee on Financial Services Providers.

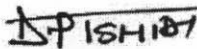
- (a) A written report for the reporting period, conforming to the schedule attached hereto, or in the prescribed electronic format determined by the Registrar, must be submitted by 31 October 2009.
- (b) Answers should not be provided in columns that are shaded in grey in the schedule.
- (c) In this 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 (including any measure contemplated in the definitions of "this Act" as defined in section 1(1) of the Act);
  - (ii) "Code of Conduct" means any Code published under section 15 of the Act;
  - (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 (Act No. 38 of 2001);
  - (v) "Forex Investment Business Code of Conduct" means the Code of Conduct for Authorised Financial Service Providers, and their Representatives, involved in Forex Investment Business, 2004;
  - (vi) "FSP" and "financial services provider" means an authorised financial services provider, and includes, where applicable, any representative of the provider;
  - (vii) "General Code of Conduct" or "General Code" means the Code of

Conduct for Authorised Financial Services Providers and their Representatives, 2003;

- (viii) "Regulations" means the Financial Advisory and Intermediary Services Regulations, 2003;
- (ix) "reporting date" means 31 August 2009;
- (x) "reporting period" means the period from-
  - (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 2008 compliance report,

whichever is the later date, until the reporting date.

This Determination is called the Determination of Compliance Report for Categories II, IIA and Forex Authorised Financial Services Providers, 2009, and comes into operation on the date of publication thereof.



**D P TSHIDI,**  
Registrar of Financial Services Providers

**SCHEDULE**

**Compliance Report in terms of section 17(4) of the  
Financial Advisory and Intermediary Services Act, 2002 (Act No 37 of 2002) ("the Act")  
by Compliance Officers of Categories II, IIIA and Forex Authorised Financial Services Providers for reporting period ended  
31 August 2009**

**Scope**

In accordance with section 17(4) of the Act, I/we ..... (the approved Compliance Officer(s) of the Financial Services Provider ("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 2009.

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>SECTION 1 – GENERAL</b>					
<b>1. Conditions and restrictions imposed, made, given or issued by Registrar</b> <i>Section 8(4)(a) and 8(5)(b) of the Act</i>					
1.1 Does the FSP have procedures in place to ensure that it can comply with condition 1 of the licensing conditions?					
1.2 Did the FSP change its legal status (e.g. CC to (Pty) Ltd) as an entity since obtaining its licence?					
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?					
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 restrictions in its licence in relation to the specific financial product?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
<p><b>1.5 Financial Products in respect of which FSP renders financial services</b>  <i>Condition 5 imposed by the Registrar in terms of section 8(4) of the Act</i></p> <p>1.5.1. Is the FSP regulated in terms of any other Act (locally or overseas)? (Please note that this does not include membership of professional bodies.)</p> <p>1.5.2. <i>If the answer to Question 1.5.1 is YES -</i>                      Provide details of the Regulators (Name of Regulator and registration and/or licensing number with Regulator, if applicable) in a separate annexure and indicate the annexure number in column 5.</p> <p>1.5.3. Does the FSP render financial service on any financial product that is not specifically defined in the Act or regulated in terms of any other legislation?</p> <p>1.5.4. <i>If the answer to Question 1.5.3 is YES -</i>                      Provide details of the financial products concerned in a separate annexure and indicate the annexure number in column 5.</p>					
<p><b>1.6 Financial Products in respect of which FSP renders financial services</b>  <i>Authorisation in terms of the licence of the FSP</i></p> <p>1.6.1. Does the FSP have procedures in place to ensure that the rendering of financial services are done within the limitation on categories and sub-categories for which the licence is issued?</p> <p>1.6.2. Did any non-compliance occur in respect of the limitation on categories and sub-categories during the reporting period?</p> <p>1.6.3. <i>If the answer to Question 1.6.2 is YES -</i>                      Provide details of non-compliance in a separate annexure and indicate the annexure number in column 5.</p>					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>2. Group structure</b>					
2.1 Does the FSP form part of a group of companies and/or have service level agreements with other financial services providers within the group? Provide full details of the group (organogram or diagram as well as relation to one another) in a separate annexure and provide the annexure number in column 5.					
<b>3. Key individuals</b>					
<i>Section 8(1) and 8(4)(b) of Act and Determination of Fit and Proper Requirements for Financial Services Providers</i>					
3.1 Are all people involved in the managing/overseeing function in relation to the rendering of financial services, appointed 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 5.					
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 Fit and Proper Requirements for key individuals</b>					
<i>Determination of Fit and Proper Requirements for Financial Services Providers</i>					
3.4.1. Did any changes occur in the personal circumstances of any key individual during the reporting period that adversely affected the Fit and Proper Requirements of the person?					
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 5.					
3.4.3. Do all the key individuals meet the Table E Column 2 requirements on reporting date?					
3.4.4. <i>If the answer to Question 3.4.3 is NO -</i> In a separate annexure, provide full details of procedures that the FSP have in place to assist key individuals to meet the Table E Column 2 requirements within the timeframe specified in the Fit and Proper Requirements. Indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/Annexure
<b>4. Representatives</b> <i>Sections 13 and 14 of the Act</i>					
4.1 Does the FSP have representatives? If YES, questions 4.2 to 4.7 must be answered.					
4.2 Provide the number of representatives in column 5.					
4.3 Does the FSP have any juristic representatives?					
4.3.1 <i>If the answer to Question 4.3 is YES -</i> Does the FSP have an agreement with each juristic representative?					
4.3.2 Are all employees of the juristic representative that are rendering financial services on behalf of the provider, appointed as representatives of the provider in terms of section 13 of the Act?					
4.4 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 representative as provided for in section 13(1)(b) (i) of the Act?					
<b>4.5 Competency of representatives</b> <i>Section 13(2)(a) of the Act</i>					
4.5.1 Does the FSP have procedures in place to ensure that representatives, and key individuals of representatives are competent in terms of their personal character qualities of honesty and integrity; as well as competence to render financial services to its clients?					
4.5.2 Does the FSP have procedures in place to ensure that juristic representatives are competent in terms of their operational ability to render financial services to its clients?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
4.5.3. Does the FSP have representatives that, on the reporting date, are rendering financial services under supervision as contemplated in paragraph 3 of the <i>Exemption of Financial Services Providers as regards Representatives, Board Notice 104 of 2008</i> ?					
4.5.4. <b>If the answer to question 4.5.3 is YES –</b>					
4.5.4.1. Provide the number of representatives in column 5 that, on the reporting date, are rendering services under supervision as contemplated in paragraph 3 of the <i>Exemption of Financial Services Providers as regards Representatives, Board Notice 104 of 2008</i> .					
4.5.4.2. Provide the number of key individuals and representatives that acted as supervisors in respect of services under supervision on reporting date in column 5.					
4.5.4.3. Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 4(7)(a) to (f) of the Exemption mentioned in Question 4.5.4.1? Attach a copy of the procedure as an annexure and indicate the annexure number in column 5.					
4.5.4.4. Does the FSP have procedures in place to ensure that there is a supervision plan in place for representatives that are rendering services under supervision?					
4.5.4.5. Does the FSP have procedures in place to ensure that it is disclosed to clients the fact that a representative is rendering financial services under supervision?					
4.5.4.6. If any non-compliance was found in terms of representatives under supervision, submit full details of such non-compliance in a separate annexure and indicate the annexure number in column 5.					
4.6 <b>Representatives' compliance with the Code of Conduct</b> <i>Section 13(2)(b) of the Act and Section 5(f) of the General Code of Conduct</i>					
4.6.1. Does the FSP have procedures in place to determine whether representatives adhered to the requirements stipulated in the Codes of Conduct applicable to the FSP?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
4.6.2. <i>If the answer to Question 4.6.1 is YES –</i> In a separate annexure, describe the procedures that the FSP have in place to determine whether the representatives adhered to the said requirements. Indicate the annexure number in column 5.					
<b>4.7 Debarment of representatives</b> <i>Section 14 of the Act</i>					
4.7.1. Does the FSP have procedures in place to debar a representative, if necessary?					
<b>5. Insurance cover</b> <i>Sections 5(e) and 13 of the General Code of Conduct</i>					
5.1 Does the FSP have professional indemnity cover? If yes, provide the extent (numeric amount) of the cover in column 5.					
5.2 Does the FSP have fidelity insurance cover? If yes, provide the extent (numeric amount) of the cover in column 5.					
5.3 Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct? If yes, provide the extent (numeric amount) of the guarantees in column 5.					
5.4 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?					
<b>6. Compliance function</b> <i>Section 17 of the Act and Chapter IV of the Regulations</i>					
6.1 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?					
6.2 Do you (compliance officer) provide written reports on the compliance monitoring and recommendations relating to the FSP on a regular basis in terms of regulation 5(3) of the Regulations?					
6.3 In the case where you (compliance officer) are not in the full time employ of the FSP, indicate in column 5 the number of visits to the FSP in order to perform monitoring procedures during the reporting period.					



Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/ Annexure
6.4 Do you (compliance officer) 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 5.					
<b>7. Maintenance of records</b> <i>Section 18 of the Act and the General Code of Conduct</i>					
7.1 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?					
7.2 Can all documents be inspected by the Registrar within 7 days from the date of request?					
7.3 Are all records stored in a manner that ensures that it will be safe from destruction?					
7.4 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?					
7.5 Does the FSP have electronic back-ups for all electronic records?					
<b>8. General Code of Conduct</b>					
<b>8.1 General provisions</b> <i>Section 3 of the General Code of Conduct</i>					
8.1.1. Does the FSP have an internal policy/policies with regard to conflict of interest (as described in section 3 of the General Code of Conduct)?					
8.1.2. <i>If the answer to Question 8.1.1 is NO --</i> As a separate annexure, provide details on the steps that will be taken to put a policy/policies in place. Indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/ Annexure
8.1.3. Did the FSP or any of its employees receive non-cash incentives and other indirect considerations in terms of the internal policy/ies from product suppliers?					
8.1.4. Did the FSP disclose to its clients any non-cash incentives and other indirect considerations received where applicable in terms of the internal policy/ies?					
<b>8.2 Disclosure requirements</b> <i>Sections 4, 5 and 7 of the General Code of Conduct</i>					
8.2.1. Is the FSP authorised for Category 1? If the answer is <b>YES</b> , questions 8.2.2 to 8.2.4 must be answered.					
8.2.2. Does the FSP have procedures in place to ensure that the disclosure documentation complies with sections 4 and 5 of the General Code of Conduct?					
8.2.3. Does the FSP have procedures in place to ensure that the disclosure documentation complies with section 7 of the General Code of Conduct?					
8.2.4. Does the FSP disclose the following information in terms of section 7(1) (c) of the General Code of Conduct to the client in writing: 8.2.4.1 The name, class or type of financial product concerned; 8.2.4.2 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; 8.2.4.3 Any material or investment risk associated with the product concerned;					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Developmental area	5 Note No. Comment/ Annexure
8.2.4.4 Extent of monetary obligations assumed by the client, the frequency thereof and consequences of non-compliance concerned.					
<b>8.3 Direct marketing</b> <i>Section 15 of the General Code of Conduct</i>					
8.3.1. Is the FSP authorised for Category 1? If the answer is <b>YES</b> , Question 8.3.2 must be answered.					
8.3.2. Does the FSP act as a direct marketer as defined in the General Code of Conduct?					
<b>8.3.3. If the answer to Question 8.3.2 is YES -</b>					
8.3.3.1. Does the FSP have recording systems in place to record all telephonic conversations with clients in the course of direct marketing?					
8.3.3.2. Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?					
8.3.3.3. Does the FSP have procedures in place to ensure that it complies with section 15 (read with sections 4, 5 and 7) of the General Code of Conduct?					
8.3.3.4. <i>If the answer to Question 8.3.3 is NO -</i> In a separate annexure, provide details on how such procedures will be put in place. Indicate the annexure number in column 5.					
<b>8.4 Furnishing of advice and record of advice</b> <i>Sections 8 and 9 of the General Code of Conduct</i>					
8.4.1. Is the FSP licensed to furnish advice?					
8.4.2. Did the FSP render advice as a regular feature of its business during the reporting period?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
8.4.3. <b>If the answer to question 8.4.2 is YES –</b>					
8.4.3.1. Does the FSP have procedures in place to ensure that an analysis of the client's financial situation and objectives are performed before advice is furnished?					
8.4.3.2. <i>If the answer to Question 8.4.3.1 is NO -</i> In a separate annexure, provide details on how these procedures will be put in place. Indicate the annexure number in column 5.					
8.4.3.3. 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 ?					
8.4.3.4. Does 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 non-compliance in a separate annexure and provide the annexure number in column 5.					
8.5 <b>Custody of financial products and funds</b> <i>Section 10 of the General Code of Conduct</i>					
8.5.1. Does the FSP receive or hold financial products or funds of or on behalf of clients when rendering financial services?					
8.5.2. <b>If the answer to question 8.5.1 is YES –</b>					
8.5.2.1. Has the FSP notified the Registrar of the details of the approved auditor in terms of section 19 of the Act?					
8.5.2.2. Has the FSP changed auditors during the reporting period?					
8.5.2.3. <i>If the answer to Question 8.5.2.2 is YES -</i> Did the FSP inform the Registrar of the change of auditors?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
8.5.2.4. 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?					
8.5.3. Does the FSP collect short term insurance premiums from clients in accordance with section 45 of the Short-term Insurance Act, 1998 (Act No. 53 of 1998)?					
8.5.4. Does the FSP have IGF Guarantee in terms of Section 45 of the Short-term Insurance Act?					
8.5.5. <b>If the answer to Question 8.5.4 is YES-</b>					
8.5.5.1. Provide a copy of the IGF schedule as a separate annexure and submit the annexure number in column 5.					
8.5.6. Does the FSP have procedures in place to ensure that the client's financial products can be readily distinguished from private assets of the FSP?					
<b>8.6 Risk management</b> <i>Sections 11 and 12 of the General Code of Conduct</i>					
8.6.1. 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?					
8.6.2. Does the FSP have a documented Risk Management Plan?					
8.6.3. In a separate annexure, provide details as to how the Risk Management Plan is monitored. Indicate the annexure number in column 5.					
<b>8.7 Advertising</b> <i>Section 14 of the General Code of Conduct</i>					
8.7.1. Does the FSP advertise its financial services?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>8.7.2. If the answer to Question 8.7.1 is YES-</b>					
8.7.2.1. Does the FSP have procedures in place to ensure that all advertisements and advertising communications and/or material comply with section 14 of the General Code of Conduct?					
8.7.2.2. If the FSP advertised any of its services by telephone during the reporting period, did the FSP maintain an electronic, voice logged record of all communications?					
8.7.2.3. Is a reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period?					
<b>8.8 Complaints</b> <i>Sections 16 to 19 of the General Code of Conduct</i>					
8.8.1. 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?					
8.8.2. Provide the following details on complaints referred to the Ombud during the reporting period: number of complaints referred to the Ombud, type of complaint (what the complaint was about) as well as the outcome of the complaint. Indicate the annexure number in column 5.					
<b>8.9 Termination of agreement or business</b> <i>Section 20 of the General Code of Conduct</i>					
8.9.1. Does the FSP have procedures in place to ensure that it complies with section 20 of the General Code of Conduct?					
8.9.2. 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?					
<b>8.10 Waiver of rights</b> <i>Section 21 of the General Code of Conduct</i>					
8.10.1. Does the FSP have procedures in place to ensure that they do 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 details of any non-compliance as a separate annexure and indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
8.10.2. Does the FSP have procedures in place to ensure that it complies with the provisions of Section 21 of the General Code of Conduct?					
<b>9. Money laundering control procedures</b>					
9.1 Is the FSP an accountable institution in terms of Schedule 1 of FICA?					
9.2 <b>If the answer to question 9.1 is YES, Questions 9.3 to 9.8 must be answered—</b>					
9.3 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 of Fit and Proper Requirements for Financial Services Providers, 2008?					
9.4 Does the FSP obtain client information as required in terms of FICA?					
9.4.1. <i>If the answer to question 9.4 is YES –</i> Provide details of non-compliance in a separate annexure and indicate the annexure number in column 5.					
9.5 Did the FSP provide employees with ongoing or refresher training as required by FICA during the reporting period?					
9.6 Does the FSP have procedures in place to ensure that their staff is able to identify suspicious transactions and report it accordingly?					
9.7 Does the FSP have procedures in place to risk rate the clients in order to establish which clients pose a higher risk to the entity?					
9.8 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?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Note No. Comment/ Annexure
<b>10. Financial soundness</b>					
10.1 Did the FSP comply with the solvency requirements as required in terms of paragraph 9 of the Fit and Proper requirements for Financial Services Providers at all times during the reporting period?					
10.2 Does the FSP prepare monthly accounting records in terms of section 19 of the Act?					
<b>11. Monitoring</b>					
11.1 <b>Please indicate the type of monitoring that you (compliance officer) performed:</b>					
11.1.1 Financial products in which the FSP renders financial service.					
11.1.2 Representatives under supervision.					
11.1.3 Disclosure documents to check compliance with sections 4 and 5 of the General Code of Conduct.					
11.1.4 Disclosure documents to check compliance with section 7 of the General Code of Conduct.					
11.1.5 Furnishing of advice and record of advice.					
11.1.6 Receipt of funds and/or collection of premiums.					
11.1.7 Waiver of rights.					
11.1.8 Money laundering control procedures.					



Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
11.1.9 Exchange control regulations (in case of a forex FSP).					
11.1.10 Policies and procedures.					
11.1.11 Mandates and application forms.					
11.1.12 Other. Please provide details of other type of monitoring in a separate annexure and indicate the annexure number in column 5.					
11.1.13 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 5.					
<b>SECTION 2 – DISCRETIONARY FSPs</b>					
<b>12 Particular duties/obligations relating to discretionary FSPs</b>					
<b>12.1 Prohibitions and duties of discretionary FSP</b> <i>Section 3 of the Code of Conduct for Discretionary FSPs, 2003</i>					
12.1.1 Does the FSP have procedures in place to ensure that it does not:					
12.1.1.1 sell or provide a third party with clients' detail, unless obliged by, or in terms of, any law to do so?					
12.1.1.2 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?					
12.1.1.3 directly or indirectly, engage in the netting of transactions?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
12.1.2 Did the FSP exercise a vote in a ballot conducted by a collective investment scheme or exercise voting rights on behalf of clients without relevant client's prior approval?					
<b>12.2 Mandate</b> <i>Section 5 of the Code of Conduct for Discretionary FSPs, 2003</i>					
12.2.1 Did the Registrar approve all specimen mandate/s used by the FSP?					
12.2.2 Does the FSP have procedures in place to ensure that the FSP only deals with clients in respect of whom mandates, which comply with paragraph 5 of the said Code, have been obtained?					
12.2.3 Does the FSP have procedures in place to ensure that all cash, assets and documents of title are returned to the clients on termination of the mandate?					
12.2.4 Does the FSP have procedures in place to ensure that the clients are issued with final statement accounts?					
12.2.5 Does the FSP have procedures in place to ensure that the client's investments are managed in terms of the mandates?					
12.2.6 Did the FSP invest any funds of clients in terms of the mandate into companies and/or structures in which the FSP or any associated group or entity have an interest in?					
12.2.7 <i>If the answer to Question 12.2.6 is YES -</i> Provide full details of such instances in a separate annexure and indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>12.3 Reporting to clients</b> <i>Section 6 of the Code of Conduct for Discretionary FSPs, 2003</i>					
12.3.1 Does the FSP have procedures in place to ensure that reports are sent to clients within the periods as required by the said section 6?					
12.3.2 Did the FSP comply with the requirements of the said section 6 in all instances?					
12.3.3 <i>If the answer to Question 12.3.2 is NO -</i> Provide details of any non-compliance in a separate annexure and indicate the annexure number in column 5.					
<b>12.4 Administration</b>					
12.4.1 Does the FSP hold and/or manage funds on behalf of clients?					
12.4.2 <b><i>If the answer to Question 12.4.1 is YES -</i></b> 12.4.2.1 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 5.					
12.4.2.2 As a separate annexure, submit details of the computer software packages and/or programmes that the FSP utilises in the administration process. Indicate the annexure number in column 5.					
12.4.3 Does the FSP outsource any of its functions? 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 5.					
12.4.4 Does the FSP manage assets on behalf of retirement funds and/or insurance companies?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
12.4.5 <i>If the answer to Question 12.4.4 is YES –</i> Does the FSP have procedures in place to establish whether the assets are held in the name of the client or in the name of an approved Nominee Company?					
12.4.6 Does the FSP hold separate accounts in the name of the clients?					
<b>12.5 Assets under management</b>					
12.5.1 Provide the amount of assets under management on the reporting date in column 5.					
<b>12.6 Nominee companies</b> <i>Section 8 of the General Code of Conduct for Discretionary FSPs, 2003</i>					
12.6.1 Does the FSP hold client investments?					
12.6.2 <b>If the answer to Question 12.6.1 is YES -</b> 12.6.2.1 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? 12.6.2.2 Does the FSP make use of another approved Nominee company to hold client assets?					
12.6.2.3 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 and/or long-term insurers and/or short-term insurers. Indicate the annexure number in column 5.					
<b>12.7 General functions</b>					
12.7.1 Does the FSP manage client's funds in wrap funds or structured funds on an administrative FSPs platform?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
12.7.2 <i>If the answer to question 12.7.1 is YES -</i> In a separate annexure, provide details of the funds and underlying assets in the wrap funds or structured funds. Provide the annexure number in column 5.					
12.7.3 Is the FSP authorised to render financial service for Long-term Insurance products?					
12.7.3.1 <i>If the answer to Question 12.7.3 is YES -</i> In a separate annexure, list the names of product suppliers that the FSP utilise. Indicate the annexure number in column 5.					
<b>SECTION 3 – FOREX FSPs</b> <i>The Forex code covers 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>					
<b>13 Particular duties/obligations relating to forex FSPs</b>					
<b><i>If the FSP is licensed for subcategory 1.15 Questions 13.1 to 13.20 must be answered.</i></b>					
13.1 Is the FSP licensed to give advice as a forex service provider?					
13.2 In a separate annexure, provide details of the clearing firm as well as the name and contact details of the Regulator. Indicate the annexure in column 5.					
13.3 Did the FSP provide clients with the name and contact details of the clearing firm?					
13.4 Did the FSP provide clients with the name and contact details of the Regulator under whose jurisdiction the activity of the clearing firm falls?					
13.5 Does the FSP act as a forex advisor in respect of managed accounts and/or self directed accounts?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
13.5.1 <i>If the answer to Question 13.5 is YES –</i> In a separate annexure, provide a copy of a written application form utilised for clients' purposes that was approved by the Registrar. Indicate the annexure number in column 5.					
13.5.2 In respect 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 5.					
13.5.3 Does the FSP provide regular training sessions to educate and assist the clients to optimise their trading skills?					
13.6 Did the FSP make any substantial changes to this application form without prior approval of the Registrar?					
13.7 Does the FSP take reasonable steps to ensure that the forex investment to be advised on is suitable for the client?					
13.8 <i>If the answer to Question 13.7 is YES –</i> In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure that the client's objectives, risk appetite, financial situation and foreign investment product experience are obtained in order to act in their best interests at all times. Indicate the annexure number in column 5.					
13.9 In a separate annexure, provide full details of the procedures that the FSP have put in place to ensure that risks associated with forex investments (including currency fluctuations), are disclosed to clients? Indicate the annexure number in column 5.					
13.10 Does the FSP have procedures in place to ensure that the forex investment intermediary, to whom clients are referred to, is an authorised FSP?					
13.11 Does the FSP have an appropriate written agreement in place to govern the relationship with forex intermediaries to whom clients are referred?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
13.12 Does the FSP ensure that clients comply with exchange control regulations (including tax legislation) when giving advice on forex investment business? If any non-compliance were found, please provide full details thereof as a separate annexure and indicate annexure number in column 5.					
13.13 Does the FSP advise clients to invest by means of margin trading?					
13.14 <i>If the answer to Question 13.13 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 5.					
13.15 In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure all fees, charges, costs and commission payable to the different stakeholders involved in the forex investment process are fully and adequately disclosed.					
13.16 Does the FSP directly obtain reports and statements from the clearing firm or foreign forex services provider and make them available to clients in hard copy format or by electronic means?					
13.17 If the reports and statements referred to in question 13.16 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?					
13.18 In a separate annexure, provide a full explanation setting out how client's funds held offshore will be treated if the FSP is wound up, liquidated or ceases to conduct business. Indicate the annexure number in column 5.					
13.19 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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/Annexure
13.20 Is the FSP a forex spot trader as defined in the Forex investment Business Code of Conduct? Provide full details of the clearing firm as well as the Regulator in a separate annexure and indicate the annexure number in column 5.					
<b>13.21 If the FSP is licensed for subcategory 2.13 Question 13.21.1 must be answered</b>					
<b>13.21.1 Special prohibitions applying to forex investment intermediaries</b> <i>Section 5 of the Forex Investment Business Code of Conduct</i>					
13.21.1.1 Does the FSP render forex investment intermediary services?					
13.21.1.2 Provide full details of the clearing firms the FSP deals with as well as the name and contact details of the Regulator in a separate annexure and indicate annexure number in column 5.					
13.21.1.3 In a separate annexure, provide a list of the product suppliers and the countries they are domiciled in as a separate annexure and indicate annexure number in column 5.					
13.21.1.4 Does the FSP deal on behalf of clients by means of margin trading?					
13.21.1.5 <i>If the answer to Question 13.21.1.4 is YES -</i> In a separate annexure, provide full details of the procedures 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 5.					
13.21.1.6 Did the FSP amend the specimen mandate/s substantially during the reporting period without prior written approval of the Registrar?					
13.21.1.7 If the FSP amended any of its specimen mandates during the reporting period, did the Registrar approve such substantial amendments?					



Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
13.21.1.8 Does the FSP have procedures in place to ensure that it only deals with clients in respect of whom mandates, which comply with section 5 of the said Code, have been obtained?					
13.21.1.9 In a separate annexure, provide full details of the trading system or platform that the FSP utilises, and provide the annexure number in column 5.					
13.21.1.10 Does the FSP have procedures in place to ensure that client accounts are not churned?					
13.21.1.11 Does the FSP have clients in respect of managed accounts?					
13.21.1.12 <i>If the answer to Question 13.21.1.11 is YES -</i> Provide the number of clients that the FSP has in respect of managed accounts in column 5.					
13.21.1.13 Does the FSP take reasonable steps to ensure that the forex investment product to be intermediated on is suitable for clients?					
13.21.1.14 <i>If the answer to Question 13.21.1.13 is YES -</i> In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure that the client's financial situation, financial product experience and objectives are obtained. Indicate the annexure number in column 5.					
13.21.1.15 In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure that clients are provided, in a comprehensible and timely manner, with information regarding investments made, market practices and the inherent risks of forex investment products including currency fluctuations. Indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/Annexure
13.21.1.16 In a separate annexure, provide full details of the procedures that the FSP has put in place to ensure all fees, charges, costs and commission payable to the different stakeholders involved in the investment/trading process are fully and adequately disclosed. Indicate the annexure number in column 5.					
13.21.1.17 Did the FSP comply with Exchange Control Legislation (including Tax Laws) when dealing with forex investment business?					
13.21.1.18 <i>If the answer to Question 13.21.1.17 is NO –</i> Provide full details of any instances of non-compliance in a separate annexure. Indicate the annexure number in column 5.					
13.21.1.19 Is the FSP licensed to render financial services relating to investments in foreign products issued by foreign product suppliers and held foreign currency?					
13.21.1.20 Did the FSP provide clients with the name and contact details of the clearing firm?					
13.21.1.21 Did the FSP provide clients with name and contact details of the Regulator under whose jurisdiction the trading activity of the clearing firm or foreign forex service provider takes place?					
13.21.1.22 In a separate annexure, provide full details of the trading system or platform that the FSP utilises, and provide the annexure number in column 5.					
13.21.1.23 Does the FSP directly obtain reports and statements from the clearing firm and make them available to clients in hard copy or by electronic means?					
13.21.1.24 If the statements referred to above are generated by clearing firm, can the contents thereof be altered by the FSP before being made available to clients or viewed online?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/Annexure
13.21.1.25 In a separate annexure, provide a full explanation setting out how clients' funds held offshore will be treated if the FSP is wound up, liquidated or ceases to conduct business. Indicate the annexure number in column 5.					
13.21.1.26 Did the FSP, through a Power of Attorney or discretionary dealing authority, receive or handle clients' funds on behalf of a clearing firm during the reporting period?					
13.21.1.27 <i>If the answer to Question 13.21.1.26 is YES –</i> Were clients' funds held separately from own funds and were they easily identifiable at all times during the reporting period?					
13.21.1.28 Does the FSP have a full discretion to trade or intermediate client's trading accounts?					
13.21.1.29 <i>If the answer to Question 13.21.1.28 is YES –</i> In a separate annexure, provide a copy of a written specimen mandate approved by the Registrar in a separate annexure. Indicate annexure number in column 5.					
13.21.1.30 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?					
<b>SECTION 4 – HEALTH SERVICES BENEFITS</b>					
<b>14 Accreditation under section 65(3) of the Medical Schemes Act, 1998</b> Section 8(7)(e) of the Act					
14.1 Is the FSP licensed to render financial services relating to health services benefits?					
14.2 <b><i>If the answer to Question 14.1 is YES –</i></b> 14.2.1 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 suspensions, withdrawals or lapses as an Annexure to the report and indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/ Annexure
14.2.2 In a separate annexure, provide full details of the accreditation with the Council for Medical Schemes (ORG numbers for entities and BR numbers for Key Individuals as well as the expiry date of accreditation) and indicate the annexure number in column 5. Please also indicate whether all key individuals have been fully accredited and/or is an apprentice broker.					
14.2.3 Does the FSP have any corporate clients?					
14.2.4 If the answer to Question 14.2.3 is YES – Provide percentage of client base that are corporate clients in column 5.					
<b>SECTION 5 – HEDGE FUND FINANCIAL SERVICES PROVIDERS</b>					
15 Does the FSP manage assets of a hedge fund? If the answer is YES, Questions 16.1 to 22.9 must be answered.					
<b>16 Key individuals and/or representatives</b>					
16.1 Has there been a change in key individuals and/or representatives involved in rendering financial service to hedge funds since the FSP obtained approval as Hedge Fund FSP?					
16.2 If the answer to Question 16.1 is YES – In a separate annexure, provide details of the changes. Indicate the annexure number in column 5.					
<b>17 Determination of Fit and Proper Requirements, 2008</b>					
17.1 In a separate annexure, list the names and experience of the Key Individuals, representatives and juristic representatives in respect of their particular hedge fund strategy. In the case of juristic representatives, list the key individuals of the juristic representatives and all natural persons rendering financial services on behalf of the juristic representative). Indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
17.2 Does the FSP have procedures in place to ensure that representatives and key individuals of representatives are competent to render financial services to hedge fund portfolios, taking into account the requirements of the Determination of Fit and Proper Requirements for Financial Services Providers, 2008?					
17.3 In a separate annexure, list the names and identity numbers of the key individual/s. Include full details of their experience in the management of hedge fund portfolios as well as experience in managing particular hedge fund strategies. Indicate the annexure number in column 5.					
<b>18 Amendment Notice on Codes of Conduct for Administrative and Discretionary FSPs</b> <i>Board Notice 89 of 2007 and Board Notice 571 of 2008</i>					
18.1 Did you (compliance officer) perform monitoring procedures to ensure that the hedge fund FSP complied with paragraph 8.A.1 to 8.A.4 of the said Board Notice 89 of 2007 for the reporting period?					
18.2 Did you (compliance officer) perform monitoring procedures to ensure that the risk disclosure document as stipulated in paragraph 8.4.2(b) of BN 89 of 2007 and BN 571 of 2008 has been included in the mandate?					
<b>19 Financial products and underlying assets</b>					
19.1 In a separate annexure, list all financial products that comprise the hedge fund portfolios of the FSP. Indicate the annexure number in column 5.					
19.2 Provide the total market value of assets under management for the following type of hedge fund clients in column 5:					
19.2.1 Trusts					
19.2.2 Partnerships					
19.2.3 Companies					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/Annexure
19.2.4 Other					
19.3 Provide the total market value of assets under management for the following type of investors invested in hedge funds:					
19.3.1 Individuals					
19.3.2 Retirement funds					
19.3.3 Trusts					
19.3.4 Partnerships					
19.3.5 Companies (excluding long-term and short-term insurers)					
19.3.6 Long-term insurers					
19.3.7 Short-term insurers					
19.3.8 Other					
19.3.9 Managers own seed capital					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>20 Structure of Hedge Fund FSP</b>					
20.1 In a separate annexure, provide details on the structures that are used to contain or house the hedge fund portfolio(s). Indicate the annexure number in column 5.					
20.2 In a separate annexure, outline the process followed in respect of flow of funds from the time when the client makes a deposit to when the funds are utilised by the portfolio manager. Indicate the annexure number in column 5.					
<b>21 Risk management</b>					
Part IX of the General Code of Conduct for authorised Financial Services Providers and Representatives					
21.1 Does the Hedge Fund FSP have a risk management plan in place in accordance with Part IX of the General Code of Conduct for authorised FSPs and representatives describing the risk management process in respect of the hedge fund management business?					
21.1.1 If the answer to Question 21.1 is NO – In a separate annexure, indicate the steps that the FSP has taken to put the risk management plan in place. Indicate the annexure number in column 5.					
21.2 Did the FSP disclose the risks as published in Board Notice 571 of 2008 in respect of hedge funds to its investors in the hedge fund portfolios at all times during the reporting period?					
21.3 In a separate annexure, provide details (Names, ID numbers, qualifications and experience) of the person(s) responsible for risk management of hedge fund portfolios. If the function is outsourced, provide full details of the entity to whom it is outsourced as well as the details of the responsible persons within the outsourced company. Indicate the annexure number in column 5.					
<b>22 General</b>					
22.1 In a separate annexure, provide full details (names, ID numbers, qualifications and experience) of the person(s) responsible for the administration of the hedge fund portfolio. If the function is outsourced, provide full details of the entity to whom it is outsourced as well as details of the responsible person(s) at the outsourced party. Indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
22.2 In a separate annexure, provide details (Names, ID numbers, qualifications and experience) of the person(s) responsible for the valuation of the hedge fund portfolios. If the function is outsourced, provide full details of the entity to whom it is outsourced, as well as details of responsible person(s) at the outsourced party. Indicate the annexure number in column 5.					
22.3 Did the FSP provide valuations for any instruments to the fund administrators which, to the best of the FSPs knowledge, are relied upon by the administrator in valuating the fund?					
22.4 In a separate annexure, indicate the name(s) of the auditing firm(s) that signed the most recent audit opinion. Indicate the annexure number in column 5.					
22.5 In a separate annexure, indicate the name(s) of prime broker(s). Indicate the annexure number in column 5.					
22.6 In a separate annexure, indicate the name(s) of third party administrator(s). Indicate the annexure number in column 5.					
22.7 Have any changes occurred in the operational ability of the FSP since approval as hedge fund FSP?					
22.8 If the answer to Question 22.7 is YES – In a separate annexure, attach an updated Form 15B, clearly indicating the changes in operational ability.					
22.9 Did the Registrar approve all specimen mandate/s of the hedge fund portfolios?					
22.9.1 If the answer to Question 22.9 is NO – Attach a copy of the mandate/s to be approved as a separate annexure and indicate the annexure number in column 5.					





To be completed and signed by the compliance officer

Name of compliance officer of FSP

ID number of the compliance officer

Name of the compliance practice (if applicable)

Reference number of compliance officer/practice

Signature of the compliance officer

Date

Address

Telephone number

Fax number

E-mail address

To be completed and signed by one of the key individuals of the FSP to acknowledge that they are aware that the report will be forwarded to the Registrar

Name of the FSP

FSP Number

Name of key individual

ID number of the key individual

Date appointed as key individual

Signature

Date

Please note that reports that have not been signed by BOTH the Compliance Officer and one of the Key Individuals, will be regarded as "Not Submitted".

**DECLARATION TO BE SIGNED BY THE COMPLIANCE OFFICER**

Compliance Report in terms of section 17(4) of the Financial Advisory and Intermediary Act, 2002 (Act No 37 of 2002) ("the Act") by Compliance Officers/Financial Services Providers for the financial year-ends between \_\_\_\_\_ (insert period) and \_\_\_\_\_ (insert period).

In accordance with section 17(4) of the Act, I/we \_\_\_\_\_ (being the approved Compliance Officer(s) of the Financial Services Provider ("the FSP") hereby report as follows as regards compliance by \_\_\_\_\_ (insert full names of FSP and FSP number) and any representatives and/Key Individuals of the FSP with the Act, for the period \_\_\_\_\_ (insert period).

Having completed the attached annual compliance report for the above-mentioned FSP, I/we hereby confirm without any reservations that, to the best of my/our knowledge and ability all the information contained in the attached annual compliance report is both true and correct in all respects/aspects.

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 (the Registrar) at any time, and should such information be found to be false, incorrect, misleading or in any manner not to be to the satisfaction of 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 this the \_\_\_\_\_ day of \_\_\_\_\_ (month) \_\_\_\_\_ (year).

Name of compliance officer: \_\_\_\_\_

Signature: \_\_\_\_\_