

**BOARD NOTICE 49 OF 2009****FINANCIAL SERVICES BOARD****FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002  
(ACT NO. 37 OF 2002)****DETERMINATION OF COMPLIANCE REPORT FOR CATEGORY III  
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 Category III 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.

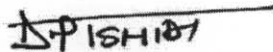
- (a) A written report for the reporting period, conforming to the schedule attached hereto, or in the prescribed electronic format determined by the Registrar, must be submitted by 31 October 2009.
- (b) Answers should not be provided in columns that are shaded in grey in the schedule.
- (c) In this 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 Category III 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 Category III 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 as an entity (e.g. from CC to (Pty) Ltd) 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 receives an instruction from is authorised to render financial services without any restrictions in its license 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
<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>					
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).					
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.					
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?					
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.					
<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>					
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?					
1.6.2. Did any non-compliance occur in respect of the limitation on categories and sub-categories during the reporting period?					
1.6.3. <i>If the answer to Question 1.6.2 is YES -</i> Provide details of any non-compliance in a separate annexure and indicate the annexure number in column 5.					
<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 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>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 a managing/overseeing function relating 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 If the answer to Question 3.4.1 is YES - Provide full details thereof in a separate annexure and indicate the annexure number in column 5.					
3.4.3 Do all the key individuals meet the Table E Column 2 requirements on reporting date?					
3.4.4 If the answer to Question 3.4.3 is NO - 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.					
<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.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
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?					
4.5 <b>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 clients?					
4.5.2 Does the FSP have procedures in place to ensure that juristic representatives are competent in terms of their competence to render financial services to clients?					
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><i>If the answer to question 4.5.3 is YES -</i></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> .					



Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/Annexure
<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					
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?					



Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/Annexure
7.2 Can all documents be inspected by the Registrar within seven days from the date of request?					
7.3 Are all records stored in a manner that reasonably ensures that it will be safe from destruction?					
7.4 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?					
7.5 Does the FSP have electronic back-ups of 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.					
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/policies 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/policies?					
<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.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
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; 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> Section 15 of the General Code of Conduct					
8.3.1. Is the FSP authorised for Category I? 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?					
8.3.3. <b>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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
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 together with sections 4, 5 and 7) of the General Code of Conduct?					
8.3.3.4. <i>If the answer to Question 8.3.3.3 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</b> <b>Furnishing of advice and record of advice</b> <i>Section 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?					
<b>8.4.3. 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 indicate the annexure number in column 5.					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Developmental area	5 Note No. Comment/ Annexure
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 or accounting officer 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. <b>If the answer to Question 8.5.2.2 is YES –</b> Did the FSP inform the Registrar of the change of auditors?					
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 cover schedule as a separate annexure and indicate 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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>8.6 Risk management</b> <i>Sectons 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 an explanation 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?					
<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 financial 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 license is held contained in all advertisements that were placed during the reporting period?					
<b>8.8 Complaints</b> <i>Sectons 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.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<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 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 details of any non-compliance as a separate annexure and indicate the annexure number in column 5.					
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 for Fit and Proper Requirements for Financial Services Providers, 2008?					
9.4 Does the FSP obtain client information as required in terms of FICA in all instances?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Developmental area	5 Note No. Comment/ Annexure
9.4.1. <i>If the answer to Question 9.4 is NO – Provide details of non-compliance in a separate annexure and indicate the annexure number in column 5.</i>					
9.5 Did the FSP provide employees with ongoing and 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?					
<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>					
<b>11.1 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.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
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.					
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 on other monitoring in a separate annexure and indicate the annexure number in column 5.					
11.2 In a separate annexure, provide an explanation as to how you did the monitoring (methodology). Please also include the extent of monitoring. Indicate the annexure number in column 5.					



Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/Annexure
<b>SECTION 2 – ADMINISTRATIVE FSPS</b>					
<b>12. Particular duties/obligations relating to administrative FSPs</b>					
<b>12.1 Prohibitions and duties of administrative FSPs</b> <i>Section 3 of the Code of Conduct for Administrative FSPs</i>					
12.1.1 Does the FSP have procedures in place to ensure that it does not, directly or indirectly engage in the netting of transactions?					
12.1.2 Does the FSP have procedures in place to ensure that it does not, directly or indirectly, sell any financial products owned by the FSP to any client, or buy for own account, any financial product owned by any client?					
12.1.3 Did the FSP exercise a vote in a ballot conducted by a collective investment scheme on behalf of clients?					
<b>12.2 General Functions</b> <i>Section 4 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.2.1 Does the FSP have procedures in place to ensure that prior to accepting instructions from a person who is providing intermediary services on behalf of a client, that such person is an authorised financial services provider?					
12.2.2 Does the FSP offer wrap funds?					
12.2.3 Does the FSP offer structured funds on its platform?					
12.2.4 <i>If the answer to question 12.2.2 and/or 12.2.3 is YES – Please provide full details of the funds and underlying assets in the wrap or structured fund in a separate annexure. Provide the annexure number in column 5.</i>					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Developmental area	5 Note No. Comment/ Annexure
12.2.5 Does the FSP offer hedge funds on its platform?					
12.2.6 <i>If the answer to question 12.2.5 is YES –</i> Please provide full details of the fund as well as the underlying assets of the fund in a separate annexure. Provide the annexure number in column 5.					
12.2.7 Does the FSP have procedures in place to ensure that the FSP verifies in all instances that any other FSP that it receives an instruction from is authorised to render the specific financial services without any restrictions in its license in relation the specific financial product?					
<b>12.3 Relationship with clients</b> <i>Sections 5 and 6 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.3.1 Did the Registrar approve all specimen application form/s and specimen mandates used by the FSP?					
12.3.2 Did the FSP amend any of its application forms and/or mandates during the reporting period?					
12.3.3 <i>If the answer to question 12.3.2 is YES –</i> Did the Registrar approve all substantial amendments before it was used?					
12.3.4 Does the FSP have procedures in place to ensure that it only deals with clients in respect of whom application forms (which comply with section 5 of the said Code) have been obtained?					
12.3.5 Does the FSP have procedures in place to ensure that it notifies clients of an increase in costs within 14 days of the receipt of the notification from the product supplier?					
12.3.6 Does the FSP have procedures in place to deal with the termination of a relationship with a client as contemplated in section 6 of the said code?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>12.4 Record keeping</b> Section 7 of the Code of Conduct for Administrative FSPs, 2003					
12.4.1 Are client records maintained to identify the specific financial product owned per client?					
<b>12.5 Independent Nominee</b> Section 9 of the Code of Conduct for Administrative FSPs, 2003					
12.5.1 Does the FSP ensure that the independent nominee is approved in terms of the Requirements imposed by the Financial Services Board for Nominees to operate in South Africa (Board Notice 63 of 2007)?					
12.5.2 Did the Registrar approve the written agreement between the FSP and the independent nominee as required by regulation 8 of the Regulations?					
12.5.3 Does the FSP have procedures in place to ensure that all bank and unit reconciliations are up to date?					
12.5.4 Provide the extent of fidelity guarantee and professional indemnity insurance held by the nominee, in column 5.					
12.5.5 Is the nominee structured in such a way that clients' investments are at all times protected from its creditors or those of the administrative FSP and any one else, as required in the Regulations?					
12.5.6 Are regular board or trustee meetings held by the directors or trustees of the independent nominee?					
12.5.7 Are more than 50 percent of the directors, trustees or other persons responsible for management and control of the independent nominee, independent from the administrative FSP, as well as from companies within the same group of the FSP?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>12.6 Reporting to clients</b> Section 10 of the Code of Conduct for Administrative FSPs, 2003					
12.6.1 Does the FSP have procedures in place to ensure that the FSP send the client reports as required within the period as stipulated by the said section 10?					
<b>12.7 Information systems</b>					
12.7.1 Does the FSP have a business continuity plan in place?					
12.7.2 Did the FSP have any system developments and/or changes that affected bank and asset holding reconciliations in any way?					
12.7.3 Does the FSP have access controls to information systems in place?					
12.7.4 Does the FSP have anti-virus software in place?					
12.7.5 Does the FSP have a firewall in place to protect the network?					
<b>12.8 Assets under administration</b>					
12.8.1 Provide the amount of assets under administration on reporting date in column 5.					
12.8.2 If separate accounts are held in the name of the clients, indicate whether or not such accounts are audited.					
12.8.3 If separate accounts are not held, indicate in a separate annexure in whose names the assets are held. Indicate the annexure number in column 5.					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Developmental area	5 Note No. Comment/ Annexure
<b>SECTION 3 – DISCRETIONARY FSPS</b>					
<b>13. Particular duties/obligations relating to discretionary FSPs</b>					
<b>13.1 Prohibitions and duties of discretionary FSP</b> <i>Section 3 of the Code of Conduct for Discretionary FSPs</i>					
13.1.1 Does the FSP have procedures in place to ensure that it does not:					
13.1.1.1 sell or provide to a third party with clients' detail, unless obliged by, or in terms of, any law to do so?					
13.1.1.2 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?					
13.1.1.3 directly or indirectly, engage in the netting of transactions?					
13.1.2 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>13.2 Mandate</b> <i>Section 5 of the Code of Conduct for Discretionary FSPs, 2003</i>					
13.2.1 Did the Registrar approve all specimen mandates used by the FSP?					
13.2.2 Does the FSP have procedures in place to ensure that the FSP only deals with clients in respect of whom mandates, which complies with section 5 of the said code, have been obtained?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/Annexure
13.2.3 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?					
13.2.4 Does the FSP have procedures in place to ensure that clients are issued with final statement of accounts?					
13.2.5 Does the FSP have procedures in place to ensure that clients' investments are managed in terms of the mandates?					
13.2.6 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?					
13.2.7 <i>If the answer to question 13.2.6 is YES – Provide full details of such instances in a separate annexure and indicate the annexure number in column 5.</i>					
<b>13.3 Reporting to clients</b> <i>Section 6 of the Code of Conduct for Discretionary FSPs, 2003</i>					
13.3.1 Does the FSP have procedures in place to ensure that reports are sent to clients within the periods required in terms of the said section 6?					
13.3.2 Did the FSP comply with the requirements of the said section 6 in all instances?					
13.3.3 <i>If the answer to Question 13.3.2 is NO – Provide details of any non-compliance in a separate annexure and indicate the annexure number in column 5.</i>					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/Annexure
<b>13.4 Administration</b>					
13.4.1 Does the FSP hold and/or manage funds on behalf of clients?					
13.4.2 <b>If the answer to Question 13.4.1 is YES -</b>					
13.4.2.1 As a separate annexure, submit an organogram of the FSP and details of the FSPs administrative system that is utilised for managing client assets and indicate the annexure number in column 5.					
13.4.2.2 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.					
13.4.3 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.					
13.4.4 Does the FSP manage assets on behalf of retirement funds and/or insurance companies?					
13.4.5 <b>If the answer to Question 13.4.4 is YES -</b> 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?					
13.4.6 Does the FSP hold separate accounts in the name of clients?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
<b>13.5 Assets under management</b>					
13.5.1 Provide the amount of assets under management on the reporting date in column 5.					
<b>13.6 Nominee Companies</b> <i>Section 8 of the General Code of Conduct for Discretionary FSPs, 2003</i>					
13.6.1 Does the FSP hold client investments?					
13.6.2 <b>If the answer to Question 13.6.1 is YES -</b>					
13.6.2.1 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?					
13.6.2.2 Does the FSP make use of another approved Nominee to hold client assets?					
13.6.2.3 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>13.7 General functions</b>					
13.7.1 Does the FSP manage client's funds in wrap funds or structured funds on an administrative FSPs platform?					
13.7.2 <i>If the answer to question 13.7.1 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.					



Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
13.7.3 Is the FSP authorised to render financial services in respect of Long-term insurance products?					
13.7.3.1 <i>If the answer to Question 13.7.3 is YES – In a separate annexure, list the name of product suppliers that the FSP utilizes. Indicate the annexure number in column 5.</i>					
<b>SECTION 4 – HEALTH SERVICES BENEFITS</b>					
<b>14 Accreditation under section 65(3) of the Medical Schemes Act, 1998</b> <i>Section 8(7)(e) of the Act</i>					
14.1 Is the FSP licensed to render financial services relating to health services benefits?					
14.2 <b>If the answer to question 14.1 is YES -</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.					
14.2.2 In a separate annexure, provide full details of the accreditation with 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 the key individuals have been fully accredited and/or an apprentice broker.					
14.2.3 Does the FSP have any corporate clients?					
14.2.4 <i>If the answer to Question 14.2.3 is YES –</i> Provide the percentage of the client base that is corporate clients in column 5.					





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:** \_\_\_\_\_