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**PART 1 OF 2**

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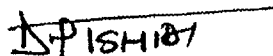
**BOARD NOTICE 77 OF 2010****FINANCIAL SERVICES BOARD****FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002  
(ACT NO. 37 OF 2002)****DETERMINATION OF COMPLIANCE REPORT FOR CATEGORY I  
AUTHORISED FINANCIAL SERVICES PROVIDERS WITH A COMPLIANCE  
OFFICER, 2010**

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 I Financial Services Providers with a compliance officer 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, by completing the schedule attached hereto, or by completing electronically, online the schedule on the web site of the Financial Services Board ([www.fsb.co.za](http://www.fsb.co.za)), must be submitted by 15 August 2010.
- (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) "Developmental area" means any control, process or compliance issue that has been identified during the monitoring of compliance as an area in respect of which the need for improvement of such control, process or compliance issue has been identified by the provider, and plans are in place to effect such improvements within a reasonable time;
  - (v) "FICA" means the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001);

- (vi) "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;
- (vii) "FSP" and "financial services provider" means an authorised financial services provider, and includes, where applicable, any representative of the provider;
- (viii) "General Code of Conduct" or "General Code" means the Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003;
- (ix) "Regulations" means the Financial Advisory and Intermediary Services Regulations, 2003;
- (x) "reporting date" means 31 May 2010;
- (xi) "reporting period" means the period from the latter of-
  - (aa) the date of authorisation as financial services provider in terms of section 8 of the Act;
  - (bb) the first day of the month following the reporting period for the 2009 compliance report; or
  - (cc) the date of appointment of the compliance officer of the FSP,until the reporting date.

This Determination is called the Determination of Compliance Report for Category I Financial Services Providers with a Compliance Officer, 2010, 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 I Financial Services Providers for reporting period ended 31 May 2010**

**Scope**

In accordance with section 17(4) of the Act, I/we ..... (the approved Compliance Officer(s) of the Financial Services Provider hereby report as follows as regards compliance with the Act by ..... (full name of the FSP and the FSP Number) and any representatives of the FSP, for the reporting period ..... (date reporting period started) to 31 May 2010.

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 the 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 requiring the FSP to update its business information as provided during the application stage within 15 days of any change/s occurring?					
1.2 Did the FSP change its legal status (e.g. from a 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 restriction/s in its licence in relation to the specific financial product/s?					

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 an FSP renders financial services Condition 5 imposed by the Registrar in terms of section 8(4) of the Act</b></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. If the answer to Question 1.5.1 is YES - Provide details of the Regulators (Name of Regulator/s and registration and/or licensing number/s with Regulator/s, 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 (e.g. a hedge fund, depending on the structure)?</p> <p>1.5.4. If the answer to Question 1.5.3 is YES - 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 Authorisation in terms of the licence of the FSP</b></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 license 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. If the answer to Question 1.6.2 is YES - Provide full details of such non-compliance as well as steps taken to reasonably ensure that such non-compliance does not occur again, in a separate annexure. Indicate the annexure number in column 5.</p>					
<p><b>1.7 Functions performed by an FSP</b></p> <p>1.7.1. Is the FSP authorised to render financial services in respect of Short-term Insurance Personal Lines and/or Short-term Insurance Commercial Lines?</p>					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
1.7.2. <i>If the answer to question 1.7.1 is YES -</i> Did the FSP provide services as an underwriter during the reporting period?					
<b>2. Group structure</b>					
2.1 Does the FSP form part of a group of companies? If YES, provide full details of the group (including an organogram or diagram as well as such FSP's relation to one another) in a separate annexure and indicate the annexure number in column 5.					
2.2 <i>If the answer to question 2.1 is YES -</i> Does the FSP have service level agreements in place with other FSPs in the group?					
<b>3. Key individuals</b>					
Section 8(1) and 8(4)(b) of Act and <i>Determination of Fit and Proper Requirements for Financial Services Providers</i>					
3.1 Are all people involved in a 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 their position is 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</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, as it relates to the requirements of Part II of the Determination of Fit and Proper Requirements?					
3.4.2. <i>If the answer to Question 3.4.1 is YES -</i> Provide full details thereof in a separate annexure and indicate the annexure number in column 5.					
3.4.3. Did all the key individuals meet the qualification requirements as described in Column 2 of Table E by 31 December 2009, where it applied?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
3.4.4. <i>If the answer to Question 3.4.3 is NO –</i> In a separate annexure, provide full details of the procedures that the FSP followed regarding key individuals that did not meet the qualifications requirements described in Column 2 of Table E on 31 December 2009. 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, the Statistical Information Sheet (Section 5) must be completed.					
<b>If the answer to Question 4.1 is YES, questions 4.2 to 4.7 must be answered</b>					
4.2 Does the FSP have any juristic representatives?					
4.2.1 <i>If the answer to Question 4.2 is YES -</i> Does the FSP have an agreement with each juristic representative?					
4.2.2 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?					
4.2.3 Does the FSP have procedures in place to ensure that juristic representatives have the necessary operational ability to render financial services to its clients?					
4.3 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?					
4.4 Is the key individual/s able to maintain the operational ability to execute his/her duties regarding representatives (Section 8(8) of the Determination of Fit and Proper Requirements?)					
<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 comply with the personal character qualities of honesty and integrity and the competency requirements as set out in Parts II and					



Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
Ill respectively, of the Determination of Fit and Proper Requirements?					
4.5.2 Does the FSP have representatives that, on the reporting date, are rendering financial services under supervision as contemplated in paragraph 3 of the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008.?					
4.5.3 <i>If the answer to question 4.5.2 is YES –</i>					
4.5.3.1 Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 4(7)(a) to (f) of the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008. If YES, attach a copy of the procedures as a separate annexure and indicate the annexure number in column 5.					
4.5.3.2 Does the FSP have procedures in place to ensure that there is a formal, documented supervision plan in place for representatives that are rendering services under supervision?					
4.5.3.3 Does the FSP have procedures in place to ensure that the fact that a representative is rendering financial services under supervision is disclosed to clients?					
4.5.3.4 if any non-compliance in terms of representatives under supervision was found, submit full details of such non-compliance as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure. Indicate the annexure number in column 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?					
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.					

		Column				
Question		1	2	3	4	5
		Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
4.7	<b>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 the representative does not comply with the personal character qualities of honesty and integrity and the qualifications as set out in Parts II and V of the Determination of Fit and Proper Requirements?					
4.7.2.	Has the FSP taken steps to debar representatives in respect of non-compliance with Column Two of Table E of the Determination of Fit and Proper Requirements?					
4.7.2.1.	<i>If the answer to question 4.7.2 is YES –</i> In a separate annexure, provide full details thereof. Indicate the annexure number in column 5.					
5.	<b>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, the Statistical Information Sheet (Section 5) must be completed.					
5.2	Does the FSP have fidelity insurance cover? If yes, the Statistical Information Sheet (Section 5) must be completed.					
5.3	Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct? If yes, the Statistical Information Sheet (Section 5) must be completed.					
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?					
5.5	If the FSP holds guarantees, professional indemnity cover or fidelity insurance cover, attach a copy or copies of the latest insurance schedule/s in a separate annexure and indicate the annexure number in column 5.					
6.	<b>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					

Question		Column				
		1	2	3	4	5
		Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
compliance with section 17(3) of the Act and regulation 5 of the Regulations?						
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	Are you (compliance officer) in the full time employ of the FSP? If the answer is NO, the Statistical Information Sheet (Section 5) must be completed.					
6.4	Are you (compliance officer) also the compliance officer appointed in terms of Section 43(b) of FICA? If the answer is NO, the Statistical Information Sheet (Schedule 5) must be completed.					
6.5	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.					
6.6	Did you (compliance officer) indicate any aspect in this report as a "Developmental Area" (Column 4) that was also indicated as a developmental area in the compliance report for the previous reporting period?					
6.6.1.	<i>If the answer to question 6.6 is YES –</i> In a separate annexure, provide details thereof, the reasons for continued non-compliance, and corrective actions taken. 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> <i>Section 22 of FICA</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 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?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Note No. Comment/ Annexure
7.5 Does the FSP have electronic back-ups of all electronic records?					
7.5.1. <i>If the answer to question 7.5 is YES –</i> Does the FSP have procedures (e.g. disaster recovery procedures) in place to ensure that back ups are tested on a sample basis in order to reasonably ensure that records can be retrieved in a proper manner?					
7.5.1.1. <i>If the answer to question 7.5.1 is YES –</i> In a separate annexure, indicate the last time such back-ups were tested and the result of the test. Indicate the annexure number in column 5.					
8. General Code of Conduct					
8.1 General provisions Section 3 of the General Code of Conduct					
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 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 from product suppliers in terms of the internal policy/policies of the FSP during the reporting period?					
8.1.4 If applicable, 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 of the FSP?					
8.1.5 Does the FSP have procedures and internal controls in place to ensure that it does not disclose any confidential information acquired from clients without obtaining written consent from the clients, unless it is required in terms of any other legislation?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<b>8.2 Disclosure requirements</b> <i>Sections 4, 5 and 7 of the General Code of Conduct</i>					
8.2.1. 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?					
8.2.2. Does the FSP have procedures in place to ensure that the disclosure documentation complies with section 7 of the General Code of Conduct?					
8.2.3. 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:					
8.2.3.1 The name, class or type of financial product concerned;					
8.2.3.2 The nature, extent and frequency of any incentive, remuneration, consideration, commission, fee or brokerage which will or may become payable to the provider, directly or indirectly, by any product supplier or any other person as a result of the financial service concerned;					
8.2.3.3 Any material risk and where applicable, investment risk associated with the product concerned;					
8.2.3.4 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. Does the FSP act as a direct marketer as defined in the General Code of Conduct?					
8.3.2. <b>If the answer to Question 8.3.1 is YES -</b>					
8.3.2.1. Does the FSP have recording systems in place to record all telephonic conversations with clients in the course of direct marketing?					
8.3.2.2. Does the FSP have appropriate procedures and systems in place to store and retrieve recordings?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
8.3.2.3. Does the FSP have procedures in place to ensure that the FSP complies with section 15 (read together with sections 4, 5 and 7) of the General Code of Conduct?					
8.3.2.4. <i>If the answer to Question 8.3.2.3 is NO -</i> In a separate annexure, provide details on how and when (provide a specific time frame) such procedures will be put in place. Indicate the annexure number in column 5.					
8.4 <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?					
8.4.3 <i>If the answer to question 8.4.2 is YES -</i>					
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 all instances of non-compliance found as well as steps that will be taken to reasonably ensure that such non-compliance does not occur again in a separate annexure. Indicate the annexure number in column 5.					
8.4.3.5 Did the FSP do any new financial transactions during the reporting period as a single needs analysis? If the answer is YES, the Statistical Information Sheet (Section 5) must be completed.					

Column				
1	2	3	4	5
Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
Question				
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 read with the exemptions published in Exemption of certain Authorised Financial Services Providers from Requirements pertaining to Audited Financial Statements, 2004 and/or Exemption of certain Authorised Financial Services Providers from Requirements pertaining to Audited Financial Statements (2), 2004?				
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?				
8.5.2.5.				
In a separate annexure, provide a list of the products (sub-categories of licence) in respect of which the FSP receives funds and/or premiums. Indicate the annexure number in column 5.				
8.5.2.6.				
Does the FSP have procedures in place to ensure that the client's funds and/or premiums can be readily/clearly distinguished from private assets or funds of the FSP?				
8.5.3.				
Does the FSP collect short-term insurance premiums from clients on behalf of product suppliers?				
8.5.3.1.				
<b>If the answer to question 8.5.3 is YES -</b>				
Does the FSP collect the premiums in accordance to the provisions stipulated in section 45 of the Short-term Insurance Act?				
8.5.4.				
Does the FSP have IGF Guarantee in terms of Section 45 of the Short-term Insurance Act?				

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Note No. Comment/ Annexure
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/clearly distinguished from private assets of the FSP?					
8.6 <b>Risk management</b> Sections 11 and 12 of the General Code of Conduct					
8.6.1. Does the FSP have and effectively employ risk management resources, procedures, systems and controls as described in sections 11 and 12 of the General Code of Conduct?					
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.					
8.7 <b>Advertising</b> Section 14 of the General Code of Conduct					
8.7.1. Does the FSP advertise its financial services?					
8.7.2. <b>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 licence is held contained in all advertisements that were placed during the reporting period?					



Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
<b>8.8</b>					
<b>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 outcome of the complaint. Indicate the annexure number in column 5.					
<b>8.9</b>					
<b>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 client will be serviced if the business is terminated for any reason?					
8.9.3. <i>If the answer to question 8.9.2 is NO</i> – In a separate annexure, provide an explanation as to steps taken to put a plan in place (include time frame as well). Indicate the annexure number in column 5.					
<b>8.10</b>					
<b>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. 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?					

Question		Column				
		1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No, Comment/ Annexure
<b>9. Money laundering control procedures</b>						
9.1	Is the FSP an accountable institution in terms of Schedule 1 of FICA?					
9.2	<i>If the answer to question 9.1 is YES, questions 9.3 to 9.13 must be answered –</i>					
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?					
9.4	Was this reporting period the FSP's first year of business?					
9.4.1.	<i>If the answer to question 9.4 is YES -</i> Provide a copy of the internal rules used by the FSP as a separate annexure and indicate the annexure number in column 5.					
9.5	Did the FSP amend/revise the internal rules during the reporting period?					
9.5.1.	<i>If the answer to question 9.5 is YES -</i> Provide a copy of the amended rules in a separate annexure and indicate the annexure number in column 5.					
9.6	Does the FSP make use of a standard internal rules document supplied by a third party?					
9.6.1.	<i>If the answer to question 9.6 is YES -</i> Was the document modified to apply to your specific FSP?					
9.7	Does the FSP establish and verify identity of clients as required in terms of FICA in all instances?					
9.7.1	<i>If the answer to question 9.7 is NO -</i> Provide details of any instances of non-compliance as well as steps taken to reasonably ensure that such non-compliance does not occur again, in a separate annexure and indicate the					

Question		Column				
		1 Yes	2 No	3 Not applicable	4 Develop - mental area	5 Note No. Comment/ Annexure
annexure number in column 5.						
9.8	Did the FSP provide employees with ongoing or refresher training during the reporting period as recommended by the Financial Intelligence Centre?					
9.8.1	<i>If the answer to Question 9.8 is YES --</i> Did the training include an assessment to determine the employees' understanding?					
9.9	Does the FSP have procedures in place to ensure that their staff is able to identify suspicious transactions and report it accordingly?					
9.10	Does the FSP have procedures in place to report property associated with terrorist and related activities in terms of Section 28A of FICA?					
9.11	Does the FSP have procedures in place to risk rate the clients in order to establish which clients pose a higher risk associated with the combating of money laundering and financing terrorism to the entity?					
9.12	Does the FSP perform the identification and verification of clients on behalf of another accountable institution, as envisaged in Exemption 4 under FICA?					
9.13	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?					
9.14	<i>If the answer to question 9.1 is NO --</i>					
9.14.1	Does the FSP have policies and procedures in place to ensure that the staff is able to identify suspicious transactions and report it accordingly?					
9.14.2	Does the FSP have procedures in place to ensure that it remains up to date with the requirements of the Financial Intelligence Centre in respect of identifying and reporting suspicious and unusual transactions?					

Column					
1	2	3	4	5	5
Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure	
<b>10. Operational ability and Financial soundness Parts VIII and IX of the Determination of Fit and Proper Requirements</b>					
10.1 Did the FSP comply with the solvency requirements as required in terms of paragraph 9 of the Fit and Proper Requirements at all times during the reporting period?					
10.2 Does the FSP prepare monthly accounting records in terms of section 19 of the Act?					
10.3 Did you (compliance officer) have unrestricted access to view the accounting records of the FSP at all times during the reporting period?					
10.3.1 <i>If the answer to question 10.3 is NO –</i> In a separate annexure, give an explanation as to the reasons for the FSP denying access to the accounting records. Indicate the annexure number in column 5.					
10.4 Does the FSP have internal controls, procedures and controls in place to ensure that the requirements as described in section 8(3) of the Determination of Fit and Proper Requirements are complied with?					
10.4.1 <i>If the answer to question 10.4 is NO –</i> In a separate annexure, indicate the steps taken to ensure that the relevant controls and procedures are put in place. Indicate the annexure number in column 5.					
<b>11. Monitoring</b>					
11.1 Please indicate the type of monitoring that you (compliance officer) performed:					
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.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
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 forex FSP).					
11.1.10					
Policies and procedures.					
11.1.11					
Direct marketer's telesales script and/or telesales voice recordings to check compliance with section 15 of the General Code of Conduct.					
11.1.12					
Other. Please provide details on other monitoring done 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.					
<b>SECTION 2 – 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>					
12.					
Particular duties/obligations relating to forex FSPs					
12.1					
Is the FSP licensed to give advice and/or render intermediary services as a forex services provider? <b>If the answer is YES, Questions 12.2 to 12.20 must be answered.</b>					
12.2					
In a separate annexure, provide details of the clearing firm that the FSP deals with as well as name and contact details of the Regulator. Indicate the annexure number in column 5.					
12.3					
Did the FSP provide clients with the name and contact details of the clearing firm?					

	Column				
	1	2	3	4	5
Question	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
12.4 Did the FSP provide clients with the name and contact details of the Regulator under whose jurisdiction the activity of the clearing firm falls?					
12.5 Does the FSP act as a forex advisor in respect of managed accounts and/or self directed accounts?					
12.5.1 <i>If the answer to question 12.5 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.					
12.5.2 In the case of self-directed accounts, provide full details in a separate annexure on how the FSP ensures that clients are sophisticated and have the necessary trading skills to start trading themselves. Indicate the annexure number in column 5.					
12.5.3 Does the FSP provide regular training sessions to educate and assist their trading skills?					
12.6 Did the FSP make any substantial/material changes to the application form without the prior approval of the Registrar?					
12.7 Does the FSP take reasonable steps to ensure that the forex investment to be advised on is suitable for the client?					
12.8 <i>If the answer to Question 12.7 is YES -</i> In a separate annexure, provide full details of the procedures that the FSP has in place to ensure that the client's objectives, risk appetite, financial situation and foreign investment experience are obtained in order to act in their best interests at all times. Indicate the annexure number in column 5. If a standard disclosure document is used, include a copy thereof as part of the annexure.					
12.9 In a separate annexure, provide full details of the procedures that the FSP have put in place to ensure that risks associated with forex investment (including currency fluctuations), are disclosed to clients? Indicate the annexure number in column 5.					
12.10 Does the FSP have procedures in place to ensure that the forex investment intermediary, to whom clients					

Column						
Question	1		2	3	4	5
	Yes	No	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
are referred to, is an authorised FSP?						
12.11 Does the FSP have an appropriate written agreement in place to govern the relationship with forex intermediaries to whom clients are referred?						
12.12 Does the FSP ensure that clients comply with exchange control regulations (including tax legislation) when giving advice on forex investment business? If any instances of non-compliance were found, please provide full details thereof as well as steps taken to reasonably ensure that such non-compliance does not occur again as a separate annexure and indicate annexure number in column 5.						
12.13 Does the FSP advise clients to invest by means of margin trading?						
12.14 If the answer to Question 12.13 is YES – 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.						
12.15 In a separate annexure, provide full details of the procedure/s that the FSP has put in place to ensure all fees, charges, costs and commission payable to the different stakeholders involved in the investment process are fully and adequately disclosed. Indicate the annexure number in column 5.						
12.16 Does the FSP directly obtain reports and statements from the clearing firm or foreign forex services provider and make it available to clients in a hard copy format or by electronic means?						
12.17 If the reports and statements referred to in question 12.16 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?						
12.18 In a separate annexure, provide a full explanation setting out how client's funds which are held offshore will be treated if the FSP is wound up, liquidated or ceases to conduct business for any reason. Indicate the annexure number in column 5.						
12.19 Does the FSP ensure that a foreign forex service provider which holds investments on behalf of clients maintain insurance cover to guard against risk of loss due to fraud, dishonesty and negligence?						

		Column				
Question		1	2	3	4	5
		Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
12.20	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>SECTION 3 – HEALTH SERVICE BENEFITS</b>						
13.	<b>Accreditation under section 65(3) of the Medical Schemes Act, 1998</b> <i>Section 8(7)(e) of the Act</i>					
13.1	Is the FSP licensed to render financial services relating to health service benefits?					
13.2	<i>If the answer to question 13.1 is YES -</i>					
13.2.1	Was the accreditation of the FSP in terms of section 65(3) of the Medical Schemes Act, 1998, during the reporting period suspended, or withdrawn, or did it lapse? Please provide details of any such suspensions, withdrawals or lapses as an Annexure to the report and indicate the annexure number in column 5.					
13.2.2	In a separate annexure, provide the 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 the key individual has been fully accredited and/or is an apprentice broker.					
13.2.3	Does the FSP have any corporate clients? If the answer is YES, the Statistical Information Sheet (Section 5) must be completed?					





**SECTION 5 - STATISTICAL INFORMATION SHEET**

5.1 REPRESENTATIVES AT REPORTING DATE		
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO	NUMBER OF REPRESENTATIVES/KEY INDIVIDUALS
Number of representatives	4.1	
Number of representatives rendering services under supervision as contemplated in Paragraph 3 of the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008		
Number of Key Individuals and Representatives that acted as supervisors in respect of services under supervision		

5.2 INSURANCE COVER			
INSURANCE COVER	QUESTION NUMBER IT RELATES TO	CURRENCY	EXTENT OF COVER (NUMERIC AMOUNT)
Professional Indemnity Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	5.1		
Fidelity Insurance Cover as contemplated in sections 5(e) and 13 of the General Code of Conduct	5.2		
Guarantees as contemplated in section 13 of the General Code of Conduct	5.3		

5.3 COMPLIANCE FUNCTION	
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO
Number of visits to the FSP during the reporting period in order to perform monitoring procedures	6.3
Name of compliance officer appointed in terms of Section 43(b) of FICA.	6.4
Identity Number of compliance officer appointed in terms of Section 43(b) of FICA	6.4

5.4 FURNISHING OF ADVICE AND RECORD OF ADVICE	
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO
Provide the percentage (%) of new financial transactions done as a single needs analysis.	8.4.3.5

5.5 HEALTH SERVICE BENEFITS	
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO
Percentage of client base that are corporate clients	13.2.3

**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 in the case of a juristic entity, or the sole proprietor in the case of a natural person to acknowledge that they are aware that the 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 all reports that have not been signed by BOTH the Compliance Officer and one of the Key Individuals in the case of a juristic entity OR the sole proprietor in the case of a natural person , will be regarded as "Not Submitted"

**DECLARATION TO BE COMPLETED AND SIGNED BY THE COMPLIANCE OFFICER SUBMITTING THE REPORT****Name of compliance officer:** \_\_\_\_\_

Compliance Report in terms of section 17(4) of the Financial Advisory and Intermediary Act, 2002 (Act No. 37 of 2002) by Compliance Officers/Financial Services Providers for the reporting period \_\_\_\_\_ (insert date) until \_\_\_\_\_ (insert reporting date).

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

Having completed the attached annual compliance report for the abovementioned FSP, I/we hereby confirm 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 at any time, and should I/we in my capacity as compliance officer knowingly submit false, incorrect or misleading information to the Registrar, this may impact on my/our compliance with the fit and proper requirements with regard to personal character qualities of honesty and integrity as determined by section 8(1) of the Act.

**Signed on this the** \_\_\_\_\_ **day of** \_\_\_\_\_ **(month)** \_\_\_\_\_ **(year)**.**Signature:** \_\_\_\_\_