



Government Gazette Staatskoerant

REPUBLIC OF SOUTH AFRICA
REPUBLIEK VAN SUID-AFRIKA

Vol. 539

Pretoria, 31 May
Mei 2010

No. 33238

PART 2 OF 2

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BOARD NOTICE 81 OF 2010**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, 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 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, 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), must be submitted by 31 July 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 30 June 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 previous compliance report submitted; 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 III Financial Services Providers, 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 III Financial Services Providers for reporting period ended
30 June 2010**

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 30 June 2010

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
SECTION 1 – GENERAL					
1. Conditions and restrictions imposed, made, given or issued by the Registrar <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 the 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 as an entity (e.g. from a 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					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Developmental area	Note No. Comment/Annexure
render financial services without any restrictions in its license in relation to the specific financial product/s?					
1.5 Financial products in respect of which FSP renders financial services Condition 5 imposed by the Registrar in terms of section 8(4) of the Act					
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. 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.					
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 (i.e. hedge fund, depending on the structure)?					
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.					
1.6 Financial products in respect of which FSP renders financial services Authorisation in terms of the licence of the FSP					
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. If the answer to Question 1.6.2 is YES - Provide details of any such non-compliance as well as steps taken to reasonably ensure that such non-compliance does not occur again, in a separate annexure and indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
1.7 Functions performed by the FSP					
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?					
1.7.2. If the answer to question 1.7.1 is YES - Did the FSP render services as an underwriter during the reporting period?					
2. Group structure					
2.1 Does the FSP form part of a group of companies and/or have service level agreements in place with other financial services providers within the group? 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.					
3. Key individuals <i>Section 8(1) and 8(4)(b) of Act and Determination of Fit and Proper Requirements</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?					
3.4 Fit and Proper Requirements for key individuals <i>Determination of Fit and Proper Requirements</i>					
3.4.1. Did any changes occur in the personal circumstances of any key individual during the reporting period that adversely affected the Fit and Proper Requirements of the person, as it relates to the requirements of Part II of the Determination of Fit and Proper Requirements?					

Column					
Question	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
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?					
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 qualification requirements described in Column 2 of Table E within the timeframe specified in the Fit and Proper Requirements. Indicate the annexure number in column 5.					
3.5 Are all the key individuals, in respect of the FSP, able to maintain the operational ability to fulfil the responsibilities imposed by the Act on FSPs, including oversight of the financial services provided by representatives of the FSP?					
4. Representatives <i>Sections 13 and 14 of the Act</i>					
4.1 Does the FSP have representatives? If YES, the Statistical Information Sheet (Section 6) must be completed.					
If the answer to question 4.1 is YES, questions 4.2 to 4.6 must be answered					
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)?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
(b) (i) of the Act?					
4.4 Competency of representatives <i>Section 13(2)(a) of the Act</i>					
4.4.1. Does the FSP have procedures in place to ensure that representatives, comply with the personal character qualities of honesty and integrity and the competency requirements as set out in Parts II and III of the Determination of Fit and Proper Requirements?					
4.4.2. 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?					
4.4.3. <i>If the answer to question 4.4.2 is YES –</i>					
4.4.3.1. 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 procedure as a separate annexure and indicate the annexure number in column 5.					
4.4.3.2. 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?					
4.4.3.3. 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?					
4.4.3.4. If any non-compliance in terms of services under supervision was found, submit full details of such non-compliance 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.					

	Question	Column				
		1	2	3	4	5
		Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
4.5	Representatives' compliance with the Code of Conduct <i>Section 13(2)(b) of the Act and Section 5(f) of the General Code of Conduct</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 III respectively, of the Determination of Fit and Proper Requirements?					
4.5.2.	<i>If the answer to Question 4.5.1 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.					
4.6	Debarment of representatives <i>Section 14 of the Act</i>					
4.6.1.	Does the FSP have procedures in place to debar a representative in terms of Honesty and Integrity as well as Competency, in relation to Parts II and V of the Determination of Fit and Proper Requirements, if necessary?					
4.6.2.	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?					
4.6.2.1.	<i>If the answer to question 4.6.2 is YES –</i> In a separate annexure, provide full details thereof. Indicate the annexure number in column 5.					
5.	Insurance cover <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 6) must be completed.					
5.2	Does the FSP have fidelity insurance cover? If yes, the Statistical Information Sheet (Section 6) must be completed.					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
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 6) 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 or professional indemnity or fidelity insurance cover, attach the latest copy/copies of the insurance schedule/s in a separate annexure and indicate the annexure number in column 5.					
6. Compliance function <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 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 6) 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 (Section 6) 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. If the answer to question 6.6 is YES – In a separate annexure, provide details thereof, the reasons for continued non-compliance and corrective actions to be taken. 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
7. Maintenance of records <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 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?					
7.5.1.	<i>If the answer to question 7.5 is YES –</i> Does the FP have procedures (e.g. disaster recovery procedures) in place to ensure that back ups are tested on a sample basis 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 <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)?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
8.1.2. <i>If the answer to Question 8.1.1 is NO - 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.</i>					
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 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?					
8.2 Disclosure requirements <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 YES, 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;					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/Annexure
8.2.4.3 Any material risk and where applicable 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.					
8.3 Direct marketing Section 15 of the General Code of Conduct					
8.3.1. Is the FSP authorised for Category I? If the answer is YES, 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. If the answer to Question 8.3.2 is YES –					
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 together with sections 4, 5 and 7) of the General Code of Conduct?					
8.3.3.4. If the answer to Question 8.3.3.3 is NO - In a separate annexure, provide details on how and when (provide specific time frame) such procedures will be put in place. 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
8.4 Furnishing of advice and record of advice <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 non-compliance in a separate annexure and indicate the annexure number in column 5.					
8.5 Custody of financial products and funds <i>Section 10 of the General Code of Conduct</i>					
8.5.1. Does the FSP receive or hold funds on behalf of clients in accounts other than separate bank accounts in the name of clients, or receive or hold financial products other than financial products held in safe custody by a custodian appointed by the client?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
8.5.2. <i>If the answer to Question 8.5.1 is YES -</i>					
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. <i>If the answer to Question 8.5.2.2 is YES -</i> 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 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. <i>If the answer to question 8.5.3 is YES -</i> Does the FSP collect 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?					
8.5.5. <i>If the answer to Question 8.5.4 is YES-</i>					
8.5.5.1. Provide a copy of the IGF cover schedule 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
8.5.6. 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 Risk management <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 an explanation as to how the Risk Management Plan is monitored. Indicate the annexure number in column 5.					
8.7 Advertising <i>Section 14 of the General Code of Conduct</i>					
8.7.1. Does the FSP advertise its financial services?					
<i>If the answer to Question 8.7.1 is YES-</i>					
8.7.1.1. 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?					
8.7.1.2. 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?					
8.7.1.3. Is a reference to the fact that a license is held contained in all advertisements that were placed during the reporting period?					

CONTINUES ON PAGE 162—PART 2

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
<p>8.8 Complaints Sections 16 to 19 of the General Code of Conduct</p> <p>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?</p> <p>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.</p>					
<p>8.9 Termination of agreement or business Section 20 of the General Code of Conduct</p> <p>8.9.1. Does the FSP have procedures in place to ensure that it complies with section 20 of the General Code of Conduct?</p> <p>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?</p> <p>8.9.3. If the answer to question 8.9.2 is NO – In a separate annexure, provide an explanation as to what steps will be taken to put a plan in place. Indicate the annexure number in column 5.</p>					
<p>8.10 Waiver of rights Section 21 of the General Code of Conduct</p> <p>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 instances of non-compliance found as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure and indicate the annexure number in column 5.</p> <p>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?</p>					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
9. Money laundering control procedures					
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 for Fit and Proper Requirements for Financial Services Providers?					
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 the 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 full details of instances of non-compliance as well as steps taken to reasonably ensure that					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
such non-compliance does not occur again in a separate annexure and indicate the annexure number in column 5.					
9.8 Did the FSP provide employees with ongoing and 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 report property associated with terrorist and related activities in terms of Section 28A of FICA?					
9.10 Does the FSP have procedures in place to ensure that their staff is able to identify suspicious transactions and report it accordingly?					
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 rely on a third party (any other institution) for the identification and verification of clients in terms of Exemption 4 under FICA?					
9.13 Does the FSP perform the identification and verification of clients function on behalf of another accountable institution, as envisaged in Exemption 4 under FICA?					
9.14 <i>If the answer to question 9.1 is NO –</i>					
9.14.1. Does the FSP have 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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
10. Operational ability and Financial soundness Part VIII and IX of the Determination of Fit and Proper Requirements for Financial Services Providers					
10.1 Did the FSP comply with the solvency requirements as required in terms of paragraph IX 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?					
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 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 that will be taken to ensure that the relevant controls and procedures are put in place. Indicate the annexure number in column 5.					
11. Monitoring					
11.1 Please indicate the type of monitoring that you (compliance officer) performed:					
11.1.1 Financial products in which the FSP renders financial services.					
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.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
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 Direct marketer's telesales and script and/or telesales voice recordings to check compliance with section 15 of the General Code of Conduct.					
11.1.13 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					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
include the extent of monitoring. Indicate the annexure number in column 5.					
SECTION 2 – ADMINISTRATIVE FSPS					
12. Particular duties/obligations relating to administrative FSPs, 2003					
12.1 Prohibitions and duties of administrative FSPs <i>Section 3 of the Code of Conduct for Administrative FSPs, 2003</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?					
12.2 General Functions <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?					
12.2.2.1 <i>If the answer to question 12.2.2 is YES -</i> In a separate annexure, provide full details of the funds and the underlying assets in the wrap fund. 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
12.2.3 Does the FSP offer structured funds on its platform?					
12.2.3.1 <i>If the answer to question 12.2.3 is YES –</i> Please provide full details of the funds and underlying assets in the structured fund in a separate annexure. Provide the annexure number in column 5.					
12.2.4 Does the FSP offer hedge funds on its platform?					
12.2.4.1 <i>If the answer to question 12.2.4 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.					
12.2.5 Does the FSP have procedures in place to ensure that the FSP verifies in all instances that any other FSP that it receives an instruction from is authorised to render the specific financial services without any restrictions in its license in relation to the specific financial product?					
12.3 Relationship with clients <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/material 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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
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?					
12.4 Record-keeping 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?					
12.5 Independent Nominee 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 Did the Nominee hold fidelity guarantee at the reporting date? If YES, the Statistical Information Sheet (Section 6) must be completed. ?					
12.5.5 Did the nominee hold professional indemnity insurance at the reporting date? If YES, the Statistical Information Sheet (Section 6) must be completed.					
12.5.6 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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
12.5.7 Are regular board or trustee meetings held by the directors or trustees of the independent nominee?					
12.5.8 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?					
12.6 Reporting to clients 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?					
12.7 Information systems					
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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop- mental area	Note No. Comment/ Annexure
12.8 Assets under administration					
12.8.1 Did the FSP have assets under administration at reporting date? If YES, the Statistical Information Sheet (Section 6) must be completed.					
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.					
SECTION 3 – DISCRETIONARY FSPS					
13. Particular duties/obligations relating to discretionary FSPs					
13.1 Prohibitions and duties of discretionary FSP <i>Section 3 of the Code of Conduct for Discretionary FSPs, 2003</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?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
13.2 Mandate <i>Section 5 of the Code of Conduct for Discretionary FSPs, 2003</i>					
13.2.1 Did the Registrar approve all specimen mandate/s 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?					
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 –</i> Provide full details of such instances in a separate annexure and indicate the annexure number in column 5.					
13.3 Reporting to clients <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?					

Question	Column				
	1 Yes	2 No	3 Not applicable	4 Develop- mental area	5 Note No. Comment/ Annexure
13.3.3 <i>If the answer to Question 13.3.2 is NO –</i> Provide details of any non-compliance found as well as steps taken to reasonably ensure that such non-compliance does not occur again in a separate annexure and indicate the annexure number in column 5.					
13.4 Administration					
13.4.1 Did the FSP hold and/or manage funds on behalf of clients during the reporting period?					
13.4.2 <i>If the answer to Question 13.4.1 is YES, questions 13.4.2.1 to 13.7.3.1 must be answered-</i>					
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? If YES, provide details of the outsourced functions (type of functions as well as whom it has been outsourced to) in a separate annexure and indicate the annexure number in column 5.					
13.4.4 Does the FSP manage assets on behalf of retirement funds and/or insurance companies?					
13.4.5 <i>If the answer to Question 13.4.4 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?					
13.4.6 Does the FSP hold separate accounts in the name of clients?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
13.5 Assets under management					
13.5.1 Did the FSP have assets under management on the reporting date? If YES, the Statistical Information Sheet (Section 6) must be completed.					
13.6 Nominee Companies <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 If the answer to Question 13.6.1 is YES -					
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.					
13.7 General functions					
13.7.1 Does the FSP manage client's funds in wrap funds or structured funds on an administrative FSP's platform?					
13.7.2 If the answer to question 13.7.1 is YES - 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 utilises. Indicate the annexure number in column 5.</i>					
SECTION 4 – HEALTH SERVICES BENEFITS					
14 Accreditation under section 65(3) of the Medical Schemes Act, 1998 <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 if the answer to question 14.1 is YES -					
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 during the reporting period? Please provide details of any suspensions, withdrawals or lapses as a separate annexure 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? If YES, the Statistical Information Sheet (Section 6) must be answered.					

SECTION 6 – STATISTICAL INFORMATION SHEET

6.1 REPRESENTATIVES AT REPORTING DATE		
DETAIL REQUIRED	QUESTION NUMBER IT RELATES TO	NUMBER/AMOUNT
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	4.1	
Number of key individuals that acted as supervisors in respect of services under supervision	4.1	

6.2 INSURANCE COVER			
	QUESTION NUMBER IT RELATES TO	CURRENCY	EXTENT OF COVER (NUMERIC AMOUNT)
Professional Indemnity of 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		

6.3 COMPLIANCE FUNCTION		
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO	DETAILS
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	

6.4 ADMINISTRATIVE FSP - INDEPENDENT NOMINEE		
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO	EXTENT OF COVER
Extent of fidelity guarantee held by independent nominee	12.5.4	
Extent of professional indemnity insurance held by nominee	12.5.5	

6.5 ADMINISTRATIVE FSP – ASSETS UNDER ADMINISTRATION			
Total Market Value of assets under administration at the reporting date for the following type of clients:	Local (Rand amount)	Foreign (Rand amount)	Total (Rand Amount)
Private clients (individuals not listed below)			
Retirement funds			
Collective Investment Schemes			
Long-term Insurers			
Short-term Insurers			
Hedge Fund clients			
Other (Please specify)			

6.6 DISCRETIONARY FSP – ASSETS UNDER MANAGEMENT			
Total Market Value of assets under management at reporting date for the following type of clients:	Local (Rand amount)	Foreign (Rand amount)	Total (Rand amount)
Private clients (individuals or entities not listed below)			
Retirement funds			
Collective Investment Schemes			
Long-term Insurers			
Short-term Insurers			
Hedge fund clients			
Other (Please specify)			

6.7 HEALTH SERVICES BENEFITS		
TYPE OF INFORMATION REQUIRED	QUESTION NUMBER IT RELATES TO	PERCENTAGE
Percentage of client base that are corporate clients	14.2.3	

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 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) by Compliance Officers/Financial Services Providers for the reporting period _____ (insert date) and _____ (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/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/our 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).

Name of compliance officer: _____

Signature: _____