

CONSULTATION REPORT

AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER

Consolidated comments and responses to public comments received

November 2021

1. Purpose

The purpose of this document is to set out, as required in terms of section 104(1) of the Financial Sector Regulation Act, a report on the consultation process undertaken in respect of the proposed amendments to the draft Notice on Qualifications, Experience and Criteria for the Approval as a Compliance Officer, 2010.

2. Definitions

In this consultation report –

“Authority” means the Financial Sector Conduct Authority;

“Fit and Proper Requirements” means the Determination of Fit and Proper Requirements, 2017 contained in Board Notice 194 of 2017 as published in GN No. 41321 in the Government Gazette of 15 December 2017;

“FAIS Act” means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002); and

“Financial Sector Regulation Act” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).

3. Background and Summary of the public consultation process

- 3.1 The Notice on Qualifications, Experience and Criteria for the Approval as a Compliance Officer, 2010 (the Notice), came into effect on 9 September 2010. The Notice set out the criteria and guidelines for the approval of compliance officers, determined under section 17(2) of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS).
- 3.2 Section 1B of the FAIS Act provides that criteria and guidelines for the approval of compliance officers determined under section 17(2) are regulatory instruments.
- 3.3 As such, the Notice is a regulatory instrument and the process for making regulatory instruments as set out in Chapter 7 of the Financial Sector Regulation Act must be applied when giving effect to amendments to the Notice.
- 3.4 As part of the Chapter 7 process, section 104(1) and (2) of the Financial Sector Regulation Act provides that with each regulatory instrument, the Authority making the regulatory instrument must

publish a consultation report which includes a general account of the issues raised in the submissions made during the consultation, and a response to the issues raised in the submissions.

3.5 The purpose of this document is to provide a report on the consultation undertaken during the amendment of the Notice.

4. General account of the issues raised in the submissions made during the consultation

4.1 The following documents were published for public comment on 30 November 2020:

- A Notice regarding the publication of Draft Amendments to the Qualifications, Experience and criteria for approval as Compliance Officer; and
- Annexure 2 to the Amendment Notice.

4.2 Six (6) commentators submitted comments on the proposed amendments.

4.3 In general, commentators did not raise any significant issues in respect of the proposed amendments and voiced support for the amendments.

4.4 Annexure A to this report sets out all the comments that were received on the proposed amendments together with the Authority's responses to each comment.

4.5 In addition, the proposed amendments were submitted to Parliament in terms of section 103(1) of the Financial Sector Regulation Act on [insert date] 2021.

CONSULTATION REPORT: AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER
RESPONSE TO COMMENTS SUBMITTED ON THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER

FINANCIAL SECTOR REGULATIONS ACT (ACT, NO. 9 OF 2017)

Index

SECTION A - COMMENTS ON THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER.....	5
SECTION B - QUESTIONS RELATING TO THE ANTICIPATED IMPACT OF THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER	14
SECTION C - GENERAL COMMENTS	18

Commentators:

<u>#</u>	<u>Commentator</u>	<u>Acronym</u>
<u>1</u>	Banking Association South Africa	BASA
<u>2</u>	Masthead Financial Advisors Association, and Masthead (Pty) Ltd	Masthead
<u>3</u>	National Treasury	
<u>4</u>	Omega Compliance Solutions (Pty) Ltd	Omega Compliance Solutions
<u>5</u>	The South African Insurance Association	SAIA
<u>6</u>	The South African Institute of Stockbrokers	SAIS

SECTION A - COMMENTS ON THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER

No	Respondents	Section of the amendment notice	Issue/Comment/Recommendation	Responses
1.	Masthead	Section 2, Definitions	The proposed changes to the definitions are noted. We support the alignment and update of outdated requirements and terminology with current requirements.	Noted.
2.	SAIA	Section 2, the definition of "Fit and Proper Requirements"	The Determination of Fit and Proper Requirements for Financial Service Providers is incorrectly referenced as being Board Notice 197 of 2017. It should be correctly reflected as Board Notice 194 of 2017.	The referencing in the Amendment Notice has been updated as per the comment.
3.	BASA	Section 2 (c) paragraph 1	The BN number referenced appears to be incorrect. It is BN 194 of 2017.	The referencing in the Amendment Notice has been updated as per the comment.
4.	SAIS	<i>Notice- Point 2 d (Regulatory Examinations) Statement – Point 2.2</i>	The SAIS is of the opinion that there is misalignment between FSPs and Authorised Users with respect to the qualifications and requirements. The misalignment results in there being no congruence with the principles that Twin Peaks is trying to achieve. The pertinent Twin Peaks principles are consistent regulation by the conduct authority i.e. the FSCA and the principle of interoperability between regulators. A case in point being that the FSCA is the primary regulator for FSP's and Authorised Users however the deviation between the Compliance Officer (CO) requirements for FSP's and Authorised Users is considerably varied. This is an issue that must be addressed before implementation as the majority of Authorised Users are also FSP's. This results in them having to write two (2) different regulatory examinations. A further difference is that Compliance Officers (CO) are not required to be placed under supervision and can be appointed as a CO	Agreed. However, the current sector-based regulatory approach creates a challenge in this regard. However, the purpose of the Conduct of Financial Institutions (COFI) Bill is to provide a consolidated legal framework for conduct regulation and, in so doing, ensuring greater alignment and more consistency across regulated activities. To the extent possible, the inconsistencies highlighted will be addressed through the implementation of the COFI Bill and the subordinate legal framework supporting the Bill.

SECTION A - COMMENTS ON THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER

No	Respondents	Section of the amendment notice	Issue/Comment/Recommendation	Responses
			in any Authorised User after successfully passing their CO examination. In contrast, a CO at a FSP must be placed under supervision for a period of 2 years. It would be in the industry's best interest to align the differing CO requirements so that a CO can be employed in said capacity by an Authorised User and a FSP. This will result in a reduction in operation costs and an increase in business efficiency. In moving forward, it is vital that the qualifications, experience and competencies are aligned with the eventual COFI legislation and Financial Markets Act (FMA) Review, so as to ensure there is a levelling of the playing fields.	
5.	BASA	Section 3 paragraph 7	We refer to Section 3 paragraph 7 and suggest that the use of the word "or similar" may be too vague. We suggest that it must meet a type of criteria that is similar in nature?	The term "similar" should not be read in isolation as it is qualified with a reference to the fact that a subject must be "similar" to the "subject matter of the listed subjects". An assessment between the subject matter of the chosen subject and the subject matter of listed subjects must therefore be done in order to determine similarities. In our opinion, this approach is not too vague.
6.	BASA	Section 3(a) paragraph 7	BASA requires clarification on the expression " similar in subject matter " i.e. How will this requirement be determined/assessed by the FSCA?	The FSCA will look at the content of the subjects that are part of the qualification being assessed and make a determination as to whether the subjects are similar to those required as per the section.
7.	Masthead	Section 3 (a) and (b)	We follow the need to amend item (a) and to delete "Table A".	Noted and agreed.

SECTION A - COMMENTS ON THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER

No	Respondents	Section of the amendment notice	Issue/Comment/Recommendation	Responses
			We also support the inclusion of the words “... <i>subjects that are similar in subject matter</i> ...” and feel that this provides greater flexibility and is more aligned to the regulator’s embracing of principles vs rules.	
8.	National Treasury	Paragraph 7	Isn’t there subjectivity in the statement “subjects that are similar in subject matter”	Yes, it is likely that this will entail some subjectivity. But this approach also provides the necessary flexibility.
9.	National Treasury	Paragraph 1 (d)(a, b, c)	The descriptions seem to portray categories of Financial Services Providers as Regulatory Exams”, for example, Category II or IIA means the RE 1 regulatory examination	Correct, the type of examination that needs to be completed is dependent on the type of FSP for which Compliance services are rendered and consequently aligned to the nature of the financial services being conducted.
10.	BASA	Annexure 2 Section 4	BASA recommends that the qualifications of compliance officers approved prior to the issue of BN 2010 should be added to the list of recognised qualifications, for completeness. Not all appear to have been included. Further to the above, please confirm that all previously recognised qualifications have been included in the list.	Once a qualification was approved and included on the list of recognised qualifications, the qualification will not be removed or amended in any way. If there are qualifications that appeared on the list previously, but are no longer included on the current list, this must be a technical problem and if specifics can be provided, this can be investigated to identify the origin of the problem.
11.	Masthead	Section 4, Amendment of Annexure 2	We note the substitution of Annexure 2. We support the publication of an updated list of recognised compliance qualifications to provide greater clarity to new entrants (applicants) in the Compliance industry.	Noted.
12.	Omega Compliance Solutions	Annexure 2	We recognise the need to ensure the list of approved qualifications is kept up to date. However, we notice that the qualifications where Compliance Officers of this practice	See response to item 10 above.

SECTION A - COMMENTS ON THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER

No	Respondents	Section of the amendment notice	Issue/Comment/Recommendation	Responses												
			were approved no longer appear in Annexure 2. We assume that various other qualifications that previously appeared on the list have also been removed. It would seem inefficient to have new applicants that have achieved qualifications that were approved previously to apply for approval and the Authority go about the review process again. In addition, when qualifications are removed this implies that they are no longer suitable, which is clearly not the case.													
13.	BASA	Annexure 3 Section 5	BASA recommends that the subjects from the qualifications of compliance officers approved prior to the issue of BN 2010 (if available to the FSCA) should be added to the list of subjects in Annexure 3, for completeness. 1.	See response to item 10 above.												
14.	BASA	List 13	<table><tr><td colspan="3">List 13: Qualifications recognised for Compliance Officers</td></tr><tr><td>Qualification title</td><td>Inst No</td><td>Institution</td></tr><tr><td>Bachelor of Economic Science</td><td></td><td>University of the Witwatersrand</td></tr><tr><td>Higher Diploma in Computer Auditing</td><td></td><td>University of the Witwatersrand</td></tr></table>	List 13: Qualifications recognised for Compliance Officers			Qualification title	Inst No	Institution	Bachelor of Economic Science		University of the Witwatersrand	Higher Diploma in Computer Auditing		University of the Witwatersrand	From the comment it is not clear whether it is being suggested that these qualifications are added to list 13. If this is the intention, the usual qualification application process can be followed.
List 13: Qualifications recognised for Compliance Officers																
Qualification title	Inst No	Institution														
Bachelor of Economic Science		University of the Witwatersrand														
Higher Diploma in Computer Auditing		University of the Witwatersrand														

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No	Respondents	Section of the amendment notice	Issue/Comment/Recommendation	Responses
15.	Masthead	Section 5, Insertion of Annexure 3	We note the insertion of Annexure 3. We support the publication of an updated appropriate subject list to provide greater clarity to new entrants (applicants) in the Compliance industry.	Noted.
16.	Masthead	Section 6	Noted.	Noted.
17.	Masthead	Section 7	We propose that a consolidated Notice containing all the amendments relating to Qualifications, Experience and Criteria for Approval as Compliance Officer be published by the regulator. This single document would, in our view, make it simpler for all parties to follow the requirements relating to compliance officers, as opposed to a final Amendment Notice that would need to be read in conjunction with another Notice and require cross referencing.	The comment is noted and will be taken into account in further updates and amendments that may be required.
18.	SAIS	<i>Annexure 3</i> <i>List 13 – Qualifications Recognised for Compliance Officers</i>	The SAIS wishes to alert the FSCA that there is no recognition of the JSE Compliance Exam or the Stockbroker Qualification. It is noted that the SAIS Stockbroker board exams, which are a requirement of the JSE, cover the following: • Exchange Rules and Directives; • Finance; • Portfolio Management & Investment Analysis; • Legislation; and • Taxation. The question is raised as to whether these will be recognised as per Annexure 3. Clarity is required with respect the “Subject Lists” indicated in Annexure 3. The subject titles in the list are vague neither	“Qualification” and “examination” cannot be used interchangeably as it does not have the same meaning. A board examination is not a qualification (as defined), and therefore cannot be included in the definition of “qualification”. Annexure 3 serve as a guide of what is deemed to be appropriate subjects. It is not practically

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No	Respondents	Section of the amendment notice	Issue/Comment/Recommendation	Responses
			do they provide context and clarity with respect to the depth, knowledge, competencies, or skills/requirements that pertain to the subject. The SAIS is of the belief that should a candidate successfully complete all the SAIS board exams, they should be able to be appointed as a Compliance Officer without having to complete additional examinations.	possible to create an exhaustive list of all relevant subjects as curriculums, subjects and/or qualifications offered through higher learning institutions evolves continuously. As a result an exhaustive list cannot be created and the requirement “<i>subjects that are similar in subject matter</i>” addresses this very issue.
19.	SAIS	Annexure 3 List 13 – Qualifications Recognised for Compliance Officers Board Notice 127 of 2010 Qualifications, Experience and Criteria for Approval as Compliance Officer 7. Criteria for recognition of a specific and generic compliance qualification 1) A qualification, to be recognised as a specific qualification, must be	The South African Institute of Stockbrokers (SAIS) is a recognised professional body by the South African Qualifications Authority (SAQA). The designation obtained is the CSb(SA)-Certified Stockbroker (South Africa) which the SAIS has aligned to an NQF Level 8. It is noted that the SAIS level is 0 and credits are 0 for the Stockbrokers exam. We believe this should be revisited and discussed with industry. In addition, the SAIS is the Development Quality Partner (DQP) and the Assessment Quality Partner (AQP) for the Occupational Certificate: Financial Markets Practitioner (OC: FMP), SAQA ID: 117238, which is registered at a NQF level 7. The OC: FMP therefore does meet the stipulated criteria and the SAIS would want to ensure that its qualification/s and courses are approved and recognised in the final notice to the market. The OC: FMP qualification must be added to List 13 as it is at a NQF level 7 with 180 credits.	The CSb(SA)-Certified Stockbroker qualification was recognised in 2008, at that time this qualification was not yet registered on the NQF and as a result it was recognised with a FSB number with NQF level 0 and credits reflecting 0. No details of a recognised qualification can be amended / updated after the qualification was recognised and included on the list, as this will result in persons that were originally seen to meet the qualification requirement based on that particular version of the qualification no longer meeting the fit and proper requirements once the details of that qualification is amended. A newer version of the qualification can therefore be added, but the original version cannot be amended. SAIS is welcome to submit applications for the recognition of qualifications that are deemed to be appropriate for compliance officers.

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No	Respondents	Section of the amendment notice	Issue/Comment/Recommendation	Responses
		a) a qualification registered by SAQA; or b) an extracurricular specialist programme offered at a post-graduate level by an Institution of Higher Education. 2) A qualification referred to in sub-section (1) must (a) in respect of non-unit standards based qualifications, the qualification must correspond with at least 80% of the qualifying criteria; or b) in respect of unit standards based qualifications, at least 80% of the relevant qualifying criteria is met by the core and elective unit standards of the qualification. 3) A qualification, to be recognised as a generic qualification, must be a) a qualification registered by SAQA;		

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		b) an extracurricular specialist programme offered at a post-graduate level by an Institution of Higher Education; c) an industry or professional programme offered through a professional body recognised by the Registrar or an accredited training provider; or d) a foreign qualification that is similar to a qualification referred to in subparagraphs (a) to (c). 4) A qualification referred to in sub-section (3) must be a) in respect of non-unit standards based qualifications. the individual must have successfully completed a minimum of three subjects listed in Table		

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		A and at least one of the subjects must be) in the field of commerce, corporate governance or law; and ii) a major subject on final year level, where applicable; or b) in respect of unit standards-based qualifications, at least 60% of the qualifying criteria is met by the core and elective unit standards of the qualification.		
20.	SAIS	Notice - Point 4 and 5	The SAIS would like to draw to the attention of the FSCA that there is reference to, "...Annexure 2 of the Notice is hereby amended by the substitution of Annexure 2 of the list of recognised compliance qualification attached to this schedule." The SAIS would like to point out that there is no Annexure 2, only an Annexure 3. Should this be a typographical error, it is so noted.	The comment is noted. However, Annexure 2 was published as a separate document as part of the consultation pack in both Excel and pdf format.

SECTION B - QUESTIONS RELATING TO THE ANTICIPATED IMPACT OF THE AMENDMENT OF THE QUALIFICATION, EXPERIENCE AND CRITERIA FOR APPROVAL AS COMPLIANCE OFFICER

No	Question	Respondents	Issue/Comment/Recommendation	Responses
1.	Question 1 Do you support the implementation of the Amendment Notice? Please provide reasons for your answer.	BASA	Yes.	Noted.
2.	Question 1 Do you support the implementation of the Amendment Notice? Please provide reasons for your answer.	Masthead	Yes, the proposed amendments seek to update the Notice in order to refer to the latest amendments and changes to the FAIS requirements.	Noted.
3.	Question 1 Do you support the implementation of the Amendment Notice? Please provide reasons for your answer.	Omega Compliance Solutions	Yes - It is essential that the skill sets of new applicants to Compliance Officer positions meet a suitable standard. (Note that our view is that of a compliance practice)	Noted.
4.	Question 1 Do you support the implementation of the Amendment Notice? Please provide reasons for your answer.	SAIA	Yes, we support the implementation of the Amendment Notice as it seeks to update the recognised qualifications and appropriate subjects and to reflect the latest amendments and changes to the FAIS requirements.	Noted.
5.	Question 1 Do you support the implementation of the Amendment Notice? Please provide reasons for your answer.	SAIS	The SAIS supports the implementation of the Amendment Notice within the context of the comments made above. The SAIS is of the opinion that the list of appropriate subjects is not complete and a more comprehensive list of subjects/courses/qualifications should be researched. Furthermore, there is a need to update the list of qualifications recognised for CO's, so as to ensure alignment across FSP's and Authorised Users.	The comment is noted and where relevant responded to in the section above.
6.	Question 2 Will the Amendment Notice impose additional compliance costs on the	BASA	There may be costs if currently approved compliance officers' qualifications and previously recognised qualifications are not included in the current amendment.	Noted.

	business? If yes, please provide details including the expected costs.			
7.	Question 2 Will the Amendment Notice impose additional compliance costs on the business? If yes, please provide details including the expected costs.	Masthead	No, in our view, updating the subject and qualifications lists and providing a wider range, relieves the business or compliance practice from updating the subject and qualifications lists.	Noted.
8.	Question 2 Will the Amendment Notice impose additional compliance costs on the business? If yes, please provide details including the expected costs.	Omega Compliance Solutions	Yes – Recruitment of suitably qualified individuals will cost more to ensure the standards are met. In addition, any further qualifications add a premium to the salary expectations of the appointed individuals. Similarly undertaking to train individuals to meet the conditions has significant cost implications. (Note that our view is that of a compliance practice)	Noted.
9.	Question 2 Will the Amendment Notice impose additional compliance costs on the business? If yes, please provide details including the expected costs.	SAIS	The SAIS is of the opinion that if the Amendment Notice does not address the issue of the misalignment between FSPs and Authorised Users, with respect to the qualifications and requirements (as discussed in Section B), there will be a duplication of costs, roles and responsibilities. Should that remain, the duplication must be addressed and resolved. The SAIS however does not believe that the amendment itself introduces additional costs.	See response to item 4 above.
10.	Question 3 How do you anticipate the Amendment Notice will affect the operational cost of the business?	Masthead	N/a	Noted.
11.	Question 3 How do you anticipate the Amendment Notice will affect the operational cost of the business?	Omega Compliance Solutions	There will be no immediate effect as our Compliance Officers are approved and meet the standards, however recruitment of suitable candidates in future will be more costly. (Note that our view is that of a compliance practice)	Noted.
12.	Question 3	SAIS	The SAIS is of the opinion that if the Amendment Notice does not address the issue of the	See response to item 4 above.

	How do you anticipate the Amendment Notice will affect the operational cost of the business?		misalignment between FSPs and Authorised Users, with respect to the qualifications and requirements (as discussed in Section B), there will be a duplication of costs, roles and responsibilities. Should that remain, the duplication must be addressed and resolved. The SAIS however does not believe that the amendment itself introduces additional costs.)	
13.	Question 4 If an increase in operational cost is expected, who will bear the cost and why?	Masthead	N/a	Noted.
14.	Question 4 If an increase in operational cost is expected, who will bear the cost and why?	Omega Compliance Solutions	The compliance practice will directly bear the cost. We treat this type of cost as an investment in the skills of our Compliance Officers.	The comment is noted.
15.	Question 4 If an increase in operational cost is expected, who will bear the cost and why?	SAIS	The SAIS is of the belief that ultimately the FSP or Authorised User will need to pass the cost on to the client/investor. The pricing of services rendered will have to increase to ensure profitability and to manage operational costs. Should there be additional costs (which are not foreseen if the misalignment highlighted in section B is addressed), they will be incurred as a result of the misalignment.	The comment is noted.
16.	Question 5 Are transitional arrangements necessary to implement the Amendment Notice? If yes, what transitional arrangements do you propose and for which section of the Amendment Notice?	BASA	No.	The comment is noted.
17.	Question 5 Are transitional arrangements necessary to implement the Amendment Notice? If yes, what transitional arrangements do	Masthead	No.	The comment is noted.

	you propose and for which section of the Amendment Notice?			
18.	Question 5 Are transitional arrangements necessary to implement the Amendment Notice? If yes, what transitional arrangements do you propose and for which section of the Amendment Notice?	Omega Compliance Solutions	Yes – there are surely individuals engaged in the supervision process as Compliance Officers whose needs should be considered as they may find it difficult to adjust their training at an interim point in their supervision programme.	The comment is noted, however the Authority disagrees as adding approved subjects and qualifications does not impact on the supervision of the activities of a Compliance Officer.
19.	Question 5 Are transitional arrangements necessary to implement the Amendment Notice? If yes, what transitional arrangements do you propose and for which section of the Amendment Notice?	SAIS	The SAIS is of the opinion is that transitional requirements are needed. This is to ensure that there is alignment of qualifications across FSP's and Authorised Users.	The comment is noted, however the Authority disagrees as the requirements are not applicable to FSPs or Authorised Users and only relevant to Compliance Officers applying for approval as such to the FSCA.
20.	Question 6 Do you find the format of the Amendment Notice user-friendly and simple to understand? If no, please provide suggestions for improvement	BASA	Yes	The comment is noted.
21.	Question 6 Do you find the format of the Amendment Notice user-friendly and simple to understand? If no, please provide suggestions for improvement	Masthead	We propose that once the amendments are finalised, a full complete Notice on Qualifications, Experience and Criteria for Approval as Compliance Officer is published. We believe that having one complete Notice that incorporates all the amendments, would serve as a more user-friendly format as opposed to cross-referencing several amendment Notices.	See response to item 17 above.
22.	Question 6 Do you find the format of the Amendment Notice user-friendly and simple to understand? If no, please provide suggestions for improvement	Omega Compliance Solutions	Yes.	The comment is noted.
23.	Question 6 Do you find the format of the Amendment Notice user-friendly and	SAIS	The SAIS wishes to comment that the format of the Amendment Notice was not user-friendly and simple to understand. This was due to the fact	The comment is noted, however were a document was referenced and not

	simple to understand? If no, please provide suggestions for improvement		that there were several references to documents that were not been included in the comment pack for review. This made the process exceedingly difficult as finding documents and referencing versions etc... proved to be a challenge, time consuming and cumbersome.	included it is because the document is publicly available.
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SECTION C - GENERAL COMMENTS

No	Respondents	Comment/Recommendation	FSCA Response
1.	BASA	Copy of the Amendment of the qualification, experience and criteria for approval as compliance officer BASA will appreciate if the FSCA can ensure that a proper copy of consultation documents be made available and not scanned copies which BASA and our members are not able to copy and work from.	The comment is noted, however the Authority will need to determine when it is appropriate to also publish a Word version of the document as the comments template is also prescribed.
2.	Masthead	Criteria for Phase 2 Approval We note that the proposed amendments do not propose any changes to the criteria for Phase 2 Approval. We recognise that the purpose of the current proposed amendments is to simply update the Notice and does not create any new requirements. We, however, respectfully submit that there is a need for new requirements specifically with regard to the criteria for Phase 2 approval. We propose that, in respect of Compliance Practices, the Compliance Practice itself is appointed as compliance officer to render compliance services to a specific provider, as opposed to individual compliance officers that act on behalf of the Compliance Practice. As part of such a linking, we would propose that the Compliance Practice should be able to show that it has the necessary systems and processes to oversee, track, and report (if necessary) on individual compliance officers working with specific FSPs at any point.	The comment is noted. It is important to note that the FSCA undertakes a thorough assessment as part of the phase 2 approval process of the individual who will be performing the Compliance services to the FSP and not only the compliance practise. The Authority does not agree that it would be sufficient to only look at the Compliance

SECTION C - GENERAL COMMENTS

No	Respondents	Comment/Recommendation	FSCA Response
		We believe that such a development in regulation would negate the need for ongoing profile changes and lead to a more streamlined process both for the Compliance Practice and the FSCA. Our view is that a streamlined process where only the Compliance Practice is appointed, will lead to cost savings required for each profile change (to link individual compliance officers) as well as save time on processing numerous profile change requests.	Practise but does take note of the proposal and will take this into account with the development of the future regulatory framework under the COFI Bill as this amendment notice did not propose amendments to phase 2 approval as correctly stated.
3.	SAIA	List of recognised compliance qualifications (Annexure 2) Some of the recognised compliance qualifications (Annexure 2) do not seem to be linked to the role of a Compliance Officer in the financial services. Example: Diploma in Municipal Management, Bachelor of Commerce: Tourism Management). We recommend that qualifications be further adjudicated prior to being included.	All qualifications are evaluated in accordance to the recognition criteria stipulated in the Notice. The title of a qualification can be misleading and does not always reflect the subjects contained in the qualification.
4.	SAIA	Inclusion of Bachelor of Laws (LLB) qualifications from other tertiary institutions. We request that the Bachelor of Laws (LLB) qualification from the University of KwaZulu Natal be included in the list.	Application in the prescribed manner and form needs to be made in order for a qualification to be added to the list of approved qualifications.
5.	SAIS	Difference in CO qualification, experience and competencies for CO employed at FSPs VS CO's employed at Authorised Users. The SAIS is cognisant of the fact that alignment and consistency will be brought about by the promulgation of the COFI Act and the Financial Markets Act Review. However, the SAIS is of	See response to item 10 in section A above.

SECTION C - GENERAL COMMENTS

No	Respondents	Comment/Recommendation	FSCA Response
		the opinion that steps should be taken to ensure that the qualifications, experiences and competencies are aligned sooner rather than later. It is further noted that this would be of great benefit to the market.	
6.	SAIS	Qualifications The SAIS would want to ensure that ALL of its qualifications/courses are approved and recognised in respect of Key Individuals, Representatives and Compliance Officers.	Application in the prescribed manner and form needs to be made in order for a qualification to be added to the list of approved qualifications.
7.	SAIS	Documents The SAIS wishes to comment that the format of the Amendment Notice was not user-friendly and simple to understand. This was due to the fact that there were several references to documents that were not been included in the submission pack for review. This made the process exceedingly difficult as finding documents and referencing versions etc... proved to be a challenge, time consuming and cumbersome. All documents referenced should be included with the comment documents.	See response to item 23 in section B above.