

FINANCIAL SERVICES BOARD

Riverwalk Office Park Block B 41 Matroosberg Road Ashlea Gardens Extension 6
Pretoria South Africa 0081 PO Box 35655 Menlo Park Pretoria South Africa 0102
Tel +27 12 428 8000 Fax +27 12 346 6941 E-mail info@fsb.co.za
Toll free 0800 110443/0800 202087 website:www.fsb.co.za



ENQUIRIES:	Marius De Jongh	D. DIALING NO.:	012 428 8090
OUR REF:	CISCA CIRCULAR 15	FAX:	012 346 6533
DATE:	8 November 2011	E-MAIL:	Marius.DeJongh@fsb.co.za

CISCA CIRCULAR NO.15 TO MANAGERS AND TRUSTEES OF ALL COLLECTIVE INVESTMENT SCHEMES

CREATION OF PARTICIPATORY INTERESTS NOT PAID FOR

Sub-section 95(1) of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002) (CISCA) prescribes the sale of participatory interests by a manager to exclude lending or borrowing of money.

It determines that: "A manager may not sell or offer for sale any participatory interests except on terms requiring payment of the full selling price of the participatory interests to be made upon the acceptance by the manager of the investor's offer for the purchase of the participatory interests." The manager may also not lend or advance any money.

It has come to the attention of the Registrar that some managers create participatory interests for investors, especially large investors and Linked Investment Services Providers on the request of the investor, without receipt of payment. This is based on an undertaking that payment will still be made, either the same or the following day, or that payment has been made, without the manager requiring proof thereof.

This practice is in direct contravention of the CISCA and viewed by the Registrar in a very serious light. Action will be taken against any manager found to be participating in this practice.

It is understood that payments made are not always reflected in the banking accounts of the manager on the same date of payment. Therefore, proper proof of payment, to the satisfaction of the manager, must be presented by the investor before the manager creates the participatory interests for the investor.

D P TSHIDI
REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES

Board Members: AM Sithole (Chairperson) H Wilton (Deputy Chairperson) Z Bassa JV Mogadime
Prof PJ Sutherland D Turpin H M H Ratshefola D Msomi M Mnyande (Alternate)
I Momoniat O Makhubela (Alternate) **Executive Officer:** DP Tshidi

SABS
ISO 9001

REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES

ACKNOWLEDGEMENT OF RECEIPT

I acknowledge receipt of a copy of CISCA Circular No. 15

Signature

Name of Manager

Date

Signature

Name of Trustee

Date

Please return on/before 9 December 2011 to:

Facsimile No. 012 346 6533,

granty@fsb.co.za