
CONTENTS· INHOUD

| <i>No.</i> | | <i>Page No.</i> | <i>Gazette No.</i> |
|----------------------|--|---------------------|------------------------|
| BOARD NOTICES | | | |
| 87 | Financial Advisory and Intermediary Services Act (37/2002): Financial Services Board: Amendment of Determination of Fit and Proper Requirements for Financial Services Providers, 2006 | 3 | 30228 |
| 88 | do.: do.: Application by Financial Services Providers for Authorisation by the Financial Services Board Amendment Determination, 2007.. | 8 | 30228 |
| 89 | do.: do.: Notice on Codes of Conduct for Administrative and Discretionary FSP's Amendment Notice, 2007..... | 18 | 30228 |
| 90 | do.: do.: Determination of Compliance Reports by Compliance Officers and authorised Financial Services Providers, 2007..... | 23 | 30228 |

BOARD NOTICES
RAADSKENNISGEWINGS

BOARD NOTICE 87 OF 2007**FINANCIAL SERVICES BOARD****FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002**
(ACT NO. 37 OF 2002)**AMENDMENT OF DETERMINATION OF FIT AND PROPER REQUIREMENTS**
FOR FINANCIAL SERVICES PROVIDERS, 2006

I, Robert James Gourlay Barrow, Registrar of Financial Services Providers, hereby, after consultation with the Advisory Committee on Financial Services Providers, amend under section 8(1) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), the Determination of Fit and Proper Requirements for Financial Services Providers, 2006, as set out in the Schedule.

**RJG Barrow***Registrar of Financial Services Providers*

SCHEDULE

AMENDMENT OF DETERMINATION OF FIT AND PROPER REQUIREMENTS FOR FINANCIAL SERVICES PROVIDERS, 2007

[General Note: In this Schedule words underlined with a solid line indicate insertions in existing enactments, and words in bold type square brackets indicate deletions from existing enactments.]

Definitions

1. In this Schedule "the Determination" means the Determination of Fit and Proper Requirements for Financial Services Providers, 2006.

Amendment of Part I of Determination

2. Part I of the Determination is hereby amended-

(a) in subparaqraph (1) of paragraph 1-

(i) by the substitution for the definition of "Category I" of the following definition:

"Category I', in relation to a financial services provider, means all persons, other than persons referred to in [Category II and III] Categories II, IIA and III, who require licences to render the financial services (other than financial services mentioned in Categories II, IIA and III) as set out in the relevant application";

(ii) by the insertion after the definition of "Category II" of the following definition:

"Category IIA'. in relation to a financial services provider. means all persons who require licences as hedge fund FSPs as set out in the relevant application;";

(iii) by the deletion after paragraph (b) of the definition of "experience" of the word "and", and by the substitution for paragraph (c) of that definition of the following paragraphs:

"(c) with regard to providers of Category II, at least 50% of such minimum prescribed experience relates directly to the financial products in respect of which financial services are to be rendered; and

(d) with regard to providers of Category IIA. the applicant must have a track-record of managing particular hedge fund strategies and is able to adequately demonstrate knowledge. skill and competency in managing all instruments and asset classes comprising a hedge fund portfolio as optimised by and in conjunction with the requisite hedge fund strategies employed from time to time,

and irrespective of whether the experience is gained-

- (i) in the capacity as owner, trustee, associate, director, member, partner, employee, consultant or otherwise, of the business involved; or
- (ii) in the course of undergoing practical training or a learnership: ";

- (iv) by the insertion after the definition of **"health services benefit"** of the following definitions:

"hedge fund" means a hedge fund as defined in the Codes of Conduct for Administrative and Discretionary FSPs Amendment Notice, 2006;

"hedge fund FSP" means a hedge fund FSP as defined in the Codes of Conduct for Administrative and Discretionary FSPs Amendment Notice, 2006;"; and

- (v) by the substitution for paragraph (b) of the definition of **"subcategory"** of the following paragraph:

"(b) a subcategory of minimum experience as appears from Tables B, **[and]** C and **D** in paragraphs 3(2), (2A) and 3(3) of this Determination, as the case may be."; and

(b) in subparagraph (2) of paragraph 1-

- (i) by the substitution for subparagraph (a) of the following subparagraph:

"(a) a qualification mentioned in Column Two, Three or Four of Table A, S, **[or]** C or **D** in paragraphs 3(1), (2), (2A) or 3(3) of this Determination, as the case may be, must, subject to subparagraph (c) below, be construed as a reference to any such qualification obtained in the Republic (or a foreign qualification recognized by the Registrar) before or after the date of coming into operation of this Determination, irrespective of whether completion of requirements for the qualification occurred before such date, including a qualification or skills programme consisting of unit standards registered by SAQA, and registered within the National Qualifications Framework, and which qualification may be or may have been obtained in part by Recognition of Prior Learning (RPL);"; and

- (ii) by the substitution for subparagraph (d) of the following subparagraph:

"(d) Category I, II, IIA or III, or to any subcategory, shall not be construed as preventing an applicant from applying for a licence in respect of one or more financial products of more than one Category or subcategory, subject to compliance with the requirements of this Determination as regards each and every such Category or subcategory; and",

Amendment of Part III of Determination

3. Part III of the Determination is hereby amended-

(a) by the insertion in paragraph 3 in Part III of the Determination of the following subparagraph after subparagraph (2):

U(2A) **Financial Services Providers, Category IIA (Hedge Fund FSPs)**

Subject to the provision of the Act, an applicant for a licence to act as a Financial Services Provider, Category IIA, and, where applicable, any key individual of any such provider, must be a person who, in respect of the applicable subcategory of experience appearing in Column One of Table C hereunder for which the applicant qualifies-

- (a) has the minimum experience in managing hedge funds applicable to that subcategory appearing in Column One of that Table, and is able to adequately demonstrate knowledge, skill and competency in managing all instruments and asset classes comprising a hedge fund portfolio as optimised by and in conjunction with the requisite hedge fund strategies employed from time to time;
- (b) has achieved the minimum academic standard, qualifications or professional status applicable to that subcategory as stated in Column Two of that Table; and
- (c) will after licensing be subject to the conditions/restrictions as indicated in Column Three of that Table (if any), in addition to any other conditions/restrictions imposed by the registrar on the applicant in terms of the Act (if any), as indicated on the relevant licence when granted:

| Table C | | |
|---|---|---|
| COLUMN ONE Minimum experience | COLUMN TWO Minimum academic standard, qualifications, professional status | COLUMN THREE Conditions/ restrictions |
| 5 years | <ul style="list-style-type: none"> • Grade 12 (Standard 10 or an equivalent qualification) or FETe | The applicant must within 4 years after the date of licensing or, in the case of a Key Individual, after the date of appointment, complete an appropriate NaF Jevul 6 certificate listed on the NLRD, consisting of a minimum of 360 credits (full business honours degree) |

| | | |
|---------|--|---|
| 4 years | <ul style="list-style-type: none"> ▪ An appropriate National Certificate at NQF level 5; or ▪ A minimum of an appropriate NQF level 6 skills programme consisting of unit standards registered by SAQA and quality assured by an ETQA (minimum 120 credits) | The applicant must within 4 years after the date of licensing or, in the case of a Key Individual, after the date of appointment, complete an appropriate NQF level 6 certificate listed on the NLRD, consisting of a minimum of 360 credits (full business honours decree) |
| 3 years | An appropriate business degree at NQF level 6 | |

; and

(b) by the substitution in SUBparagraph (3) of paragraph 3 in Part III of the Determination for the expression "Table C" wherever it occurs in that subparagraph, including in the heading row of the Table in that subparagraph, of the expression "Table D",

Short title and commencement

4. This Determination is called Determination of Fit and Proper Requirements for Financial Services Providers Amendment Determination, 2006, and comes into operation on a date eight months after the date of publication of this Determination in the *Gazette*,

BOARD NOTICE 88 OF 2007**FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002
(ACT NO. 37 OF 2002)****APPLICATION BY FINANCIAL SERVICES PROVIDERS FOR
AUTHORISATION BY THE FINANCIAL SERVICES BOARD AMENDMENT
DETERMINATION, 2007**

I, Robert James Gourlay Barrow, Registrar of Financial Services Providers, hereby, under section 8(1) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), amend the Application by Financial Services Providers for Authorisation by the Financial Services Board (promulgated by Board Notice 98 of 2003 in *Gazette* No. 25523 of 3 October 2003), as set out in the Schedule.



RJG Barrow,
Registrar of Financial Services Providers

SCHEDULE

APPLICATION BY FINANCIAL SERVICES PROVIDERS FOR AUTHORISATION BY THE FINANCIAL SERVICES BOARD AMENDMENT DETERMINATION, 2007

[General Note: In this Schedule words underlined with a solid line indicate insertions in existing enactments, and words in bold type square brackets indicate deletions from existing enactments.]

Definition

1. In this Schedule "the Application" means the Application by Financial Services Providers for Authorisation by the Financial Services Board, promulgated by Board Notice 98 of 2003 in *Gazette* No. 25523 of 3 October 2003.

Substitution of title of Application

2. (a) The following title is hereby substituted for the title of the Application:

"DETERMINATION OF FORMS OF [APPLICATION BY FINANCIAL SERVICES PROVIDERS] APPLICATION FOR AUTHORISATION AS FINANCIAL SERVICES PROVIDERS [BY THE FINANCIAL SERVICES BOARD] . 2003".

(b) Any reference in any law or document to the Application by Financial Services Providers for authorisation as Financial Services Providers by the Financial Services Board, 2003, is construed, unless the context indicates otherwise or it is otherwise inappropriate, as a reference to the Determination of Forms of Applications for Authorisation as Financial Services Providers, 2003, referred to in subparagraph (a) of this paragraph.

Amendment of Introduction to Application

3. The following paragraph is hereby inserted in the Schedule to the Application after the first paragraph appearing in the Introduction (preceding the Index of Forms):

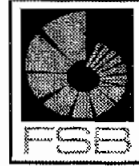
"A person holding a licence as a discretionary FSP on the date of publication of the Determination of Fit and Proper Requirements for Financial Services Providers Amendment Determination, 2007, in the Gazette, who wishes to extend their licence must on a date at least two months prior to the date of coming into operation of that Determination submit in accordance with the provisions of this Introduction and on forms FSP 15, 15A, 15B and 15C, an application for approval as a Category IIA FSP."

Addition of Forms FSP 15, 15A, 15B and 15C to Application

4. The following Forms are hereby added to the Application:

Form FSP 15 – Page 1 of 2

APPLICATION FOR APPROVAL AS A CATEGORY IIA FSP



FSP No

Name

Instructions:

The application must be accompanied with the prescribed fee and the attachments as indicated in the form below.

All attachments must be clearly marked on each page

Where an amendment to a license is done a new license certificate will be issued and if you require additional certified copies please specify the amount of copies and pay the prescribed amount.

1.1 Contact person in terms of application

1.2 Telephone number of contact person

1.3 Fax number of contact person

1.4 E-mail address of contact person

1.5 Number of certified license copies required

1.6 List of attachments to the application form

| Number | Requirement | Attachment number | Number of pages |
|--------|--|-------------------|-----------------|
| 1 | FSP 15A form completed for each key individual that will be involved in overseeing or managing hedge funds. | | |
| 2 | FSP 15B form relating to the operational ability of the financial services provider relating to hedge funds. | | |
| 3 | FSP 15C form relating to the hedge funds and the underlying clients of the hedge funds (If the information relating to the underlying clients is not available to the applicant reasons must be provided why the information can not be submitted) | | |
| 4 | A specimen mandate relating to the management of hedge funds must be attach to the forms. | | |
| 5 | Details (in the format of the table attached to FSP15C) of the types of clients for whom the manager manages hedge fund assets or portfolios, as well as total market value and the percentages of hedge fund assets managed for each category of client. The percentages must be based on the most recent portfolio valuations available. | | |
| 6 | A copy of the latest audited financial statements of the financial services provider. If the financial statements are older than 3 months the latest management accounts. | | |
| 7 | Description of the risk management process as required in terms of Part IX of the General Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003, that is employed in the business with specific reference to of hedge fund management. | | |
| 8.1 | Names, ID numbers, qualifications and experience of the person(s) responsible for risk management of hedge fund portfolios (in the case of the function being outsourced provide full details of the entity and responsible persons) | | |
| 8.2 | Names, ID numbers, qualifications and experience of the person(s) responsible for administration of hedge fund portfolios (in the case of the function being outsourced provide full details of the entity and responsible persons) must be provided in a separate schedule | | |
| 8.3 | Names, ID numbers, qualifications and experience of the person(s) responsible for the valuation of hedge fund portfolios (in the case of the function being outsourced provide full details of the entity and responsible persons) must be provided in a separate schedule | | |

Form FSP 15 – Page 2 of 2



Declaration by the Financial Services Provider

(A Key Individual of a close corporation, partnership, trust and sole proprietor or the managing director or chief executive officer of a company must sign this declaration)

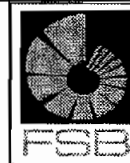
I confirm that the information contained in this application is accurate.

Name: _____ Capacity: _____

Date: _____ Signature: _____

Form FSP 15A- Page 1 of 3

**APPLICATION FOR APPROVAL AS A CATEGORY IIA FSP
KEY INDIVIDUAL DETAIL**



A. Full Names of Key individual

B. Details of Key individual

Title

Initials

First Name

Surname

ID/Passport Number

Date of Birth

Date of appointment to current position

C. Contact details:
Physical Address

Postal Code

Postal Address

Postal Code

Telephone Number

Fax Number
(if applicable)

Mobile Phone Number
(if applicable)

E-mail Address
(if applicable)

D. Role in the organisation:

- Company director
- Member of a close corporation
- Trustee of a trust
- Partner in a partnership
- Manager
- Other
(If "other", provide a short description of the key individual's role)

Form FSP 15A– Page 2 of 3



E. Fit and Proper Requirements – Character qualities of honesty and integrity questions

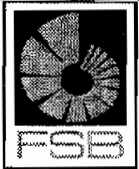
If the answer to any of the questions is YES, provide full details and attach to the application form

- | Questions | Yes | No |
|---|--------------------------|--------------------------|
| 1 Has an adverse finding been made against you within a period of five years preceding the date of application in any civil or criminal proceedings by a court of law (whether in the Republic of South Africa or elsewhere) in which you were found to have acted fraudulently, dishonestly, unprofessionally, dishonorably or in breach of a fiduciary duty? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Have you within a period of five years preceding the date of application been found guilty by any professional or financial services industry body (whether in the Republic or elsewhere), of an act of dishonesty, negligence, incompetence or mismanagement? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Have you within a period of five years preceding the date of application been denied membership of any body referred to in paragraph 2 on account of an act of dishonesty, negligence, incompetence or mismanagement? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Have you within a period of five years preceding the date of application been found guilty by any regulatory or supervisory body (whether in the Republic or elsewhere) of an act of dishonesty, negligence, incompetence or mismanagement? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Have you within a period of five years preceding the date of application been found guilty by any regulatory or supervisory body (whether in the Republic or elsewhere), recognised by the Board, or has an authorisation to carry on business has been refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Have you at any time prior to the date of application been disqualified or prohibited by any court of law (whether in the Republic or elsewhere) from taking part in the management of any company or other statutorily created, recognised or regulated body, irrespective whether such disqualification has since been lifted or not? | <input type="checkbox"/> | <input type="checkbox"/> |

F. Section 8(2)(a) of the Act – Additional Information

- | Questions | Yes | No |
|---|--------------------------|--------------------------|
| 1 Have you been refused the right to carry on or restricted from carrying on a trade, business or profession for which a specific license, registration or other authority is required by law in any country? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Have you been issued with a prohibition order under any Act administered by the Financial Services Board or been prohibited by other regulatory bodies from operating in the financial services industry? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Have you been involved with a corporation, which has been censured, disciplined, suspended or refused membership or registration by a stock exchange, futures exchange, other market or regulatory authority? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4 Have you had any judgment (including a finding of fraud, misrepresentation or dishonesty) given against you in any civil proceedings, in South Africa or elsewhere or are there any proceedings now pending which may lead to such a judgment? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 Have you knowingly or negligently aided or abetted other persons in the breaching of any laws, regulations, exchange rules and/or codes of conduct? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6 Have you been the subject of any investigation or disciplinary proceedings by any regulatory authority (whether in the Republic or elsewhere) or exchange, professional body or government body or agency? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 Has your estate ever been sequestered? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 Have you ever been a controlling shareholder, director of a company or member of a close corporation at the time it was placed under judicial management or in provisional or final liquidation? | <input type="checkbox"/> | <input type="checkbox"/> |
| 9 Have you ever been refused a licence or registration in any place under any law, which requires licensing or registration in relation to securities, futures, leveraged foreign exchange or insurance activities? | <input type="checkbox"/> | <input type="checkbox"/> |
| 10 Have you ever been refused authorisation to carry on business by any regulatory body (whether in the Republic or elsewhere), recognised by the Financial Services Board or has such authorisation ever been suspended or revoked by any such body, because of negligence, incompetence or mismanagement? | <input type="checkbox"/> | <input type="checkbox"/> |
| 11 Do you have any additional information, which should be brought to the Registrar's attention, which may have an impact on the evaluation, by the Registrar of your good character and integrity? | <input type="checkbox"/> | <input type="checkbox"/> |

Form FSP 15A- Page 3 of 3

**G. Qualifications**

| Institution that issued the qualification | Qualification | Year obtained |
|---|---------------|---------------|
| | | |
| | | |
| | | |
| | | |
| | | |

H. Employment history

Provide a detailed CV of the key individual's experience in management of hedge funds strategies. The CV must include sufficient detail to enable the Registrar to ascertain that person comply with required experience as set out in the Determination of Fit and Proper Requirements for Financial Services Providers, 2006 as amended

I. References

Provide three letters of referees with regard to the key individual's employment history. The referees must provide sufficient detail of experience that is required (refer to the definition of experience above).

Form FSP 15B- Page 1 of 1

**APPLICATION FOR APPROVAL AS A CATEGORY IIA FSP
OPERATIONAL ABILITY**

**A Operational ability - General Questions**

- | | | Yes | No | Not applicable |
|-----|--|--------------------------|--------------------------|--------------------------|
| 1 | Do you have guarantees, professional indemnity or fidelity insurance cover in respect of the clients of the provider or representatives? (Attach a copy of guarantees or insurance policies if the answer is "Yes"). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 | Will any activities (except the appointment of an external compliance function) of the provider be outsourced? (If Yes answer question 3) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | Outsourcing | | | |
| 3.1 | Which activities will be outsourced (Please note that a provider cannot outsource any Financial Services)? (Provide detail in a separate document) | | | |
| 3.2 | What is the name of the entity to which you intend to outsource to? (Indicate whether it is a related party) | | | |
| 3.3 | Provide copies of service level or other agreements in place with outsourced entities? | Yes | No | |
| 3.4 | Attach an explanation of the process in place to ensure that providers selected for any outsourced functions are suitable. | | | |
| 3.5 | Is the outsourced entity an approved FSP? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

B Operational ability - Specific questions

- | | | Yes | No | Not applicable |
|---|--|--------------------------|--------------------------|--------------------------|
| 1 | Do you receive money from clients directly? | <input type="checkbox"/> | <input type="checkbox"/> | |
| 2 | If yes, do you have a separate bank account with a registered bank into which clients' monies are deposited? (Attach a copy of bank statement(s) or a letter from the bank verifying the account(s) name and number) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 | Do you have more than one specimen mandate relating to the management of hedge funds? | <input type="checkbox"/> | <input type="checkbox"/> | |
| 4 | Are all the specimen mandates attached to the application form (mandates must be attached for approval)? | <input type="checkbox"/> | <input type="checkbox"/> | |
| 5 | Do you use a nominee company to register clients' assets? | <input type="checkbox"/> | <input type="checkbox"/> | |
| 6 | Is the nominee company approved in terms of the Financial Services Board's nominee policy? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7 | Provide details of the entity/ person responsible for valuation of the hedge funds portfolios. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8 | Are the valuation process audited? Provide the detail of the auditors and a responsible partner responsible for audit (as well as a copy of the latest audit report). | <input type="checkbox"/> | <input type="checkbox"/> | |
| 9 | Do you utilise Over-the-Counter products in the management of hedge fund portfolios? | <input type="checkbox"/> | <input type="checkbox"/> | |

**APPLICATION FOR APPROVAL AS A CATEGORY IIA FSP
OPERATIONAL ABILITY**



| Type of hedge fund clients | Total hedge fund assets market value of type of client portfolios | Percentage of manager's total hedge fund assets managed for this category of client |
|--|--|--|
| Trusts | | |
| Partnerships (please specify the type of partnership) | | |
| Companies (please specify the type of company) | | |
| Other (please specify) | | |
| Total | | |

| Type of investor invested in hedge funds | Total hedge fund assets market value of type of investors portfolios | Percentage of manager's total hedge fund assets managed for this category of investor |
|---|---|--|
| Individuals | | |
| Retirement funds | | |
| Trusts | | |
| Partnerships | | |
| Companies (excluding long and short-term insurers) | | |
| Long-term insurers | | |
| Short-term insurers | | |
| Other (please specify) | | |
| Managers own seed capital | | |
| Total | | |

Addition of substantive paragraph to Application

5. The following separate paragraph is hereby added to the Application after Form 15C:

"SHORT TITLE

This Determination is called the Determination of Forms of Application for Authorisation as Financial Services Providers, 2003."

Short title and commencement

6. This Determination is called the Application by Financial Services Providers for Authorisation by the Financial Services Board Amendment Determination, 2007, and comes into operation on the date of publication thereof in the *Gazette*.

BOARD NOTICE 89 OF 2007**FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002
(ACT NO 37 OF 2002)****NOTICE ON CODES OF CONDUCT FOR ADMINISTRATIVE AND
DISCRETIONARY FSPs AMENDMENT NOTICE, 2007**

I, Robert James Gourlay Barrow, Registrar of Financial Services Providers, hereby, after consultation with the Advisory Committee on Financial Services Providers, under section 15 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), amend Chapter II in the Schedule to the Notice on Codes of Conduct for Administrative and Discretionary FSPs, 2003, as set out in the Schedule to this Notice.



RJG Barrow,
Registrar of Financial Services Providers

SCHEDULE

NOTICE ON CODES OF CONDUCT FOR ADMINISTRATIVE AND DISCRETIONARY FSPs AMENDMENT NOTICE, 2007

[General Note: In this Schedule words underlined with a solid line indicate insertions in existing enactments.]

Definitions

1. In this Schedule "the Notice" means the Notice on Codes of Conduct for Administrative and Discretionary FSPs, 2003.

Amendment of Schedule to Notice

2. Chapter /1 in the Schedule to the Notice is hereby amended-

(a) by the insertion, in subsection 2.1 of section 2 of that Chapter, immediately prior to the definition of "nominee company", of the following definitions:

"fund of hedge funds" means a portfolio that, apart from assets in liquid form, consists of an interest, holding or investment in one or more other hedge funds;

"hedge", in relation to a hedge fund, means to enter into transactions that protect against adverse price movements and limit exposures to specific risks;

'hedge fund' means a portfolio which uses any strategy or takes any position which could result in the portfolio incurring losses greater than its aggregate market value at any point in time, and which strategies or positions include but are not limited to-

(a) leverage; or

rb) net short positions;

'hedge fund FSP' means a financial services provider-

ral that renders intermediary services of a discretionary nature in relation to a particular hedge fund or fund of hedge funds in connection with a particular financial product referred to in the definition of 'administrative FSP' in subsection 2.1 of section 2 of Chapter 1 of this Schedule; and

(b) acting for that purpose specifically in accordance with the provisions of the respective codes set out in this Chapter and Chapter //1 of this Schedule, read with the Act, the General Code of Conduct for Authorised Financial Services Providers, 2002 (where applicable), and any other applicable law;

'leverage', means-

- (a) any position in which the delta factor would be less than -1 or greater than 1; or
- (b) a position in which the nominal exposures to assets in the portfolio is less than nil or more than 100% of the market value of the portfolio;

'net short position', means a condition in which a portfolio has a greater nominal exposure to short positions than long positions in any asset class or in aggregate across the portfolio, meaning that more capital (including collateral) supports short positions than is invested in long positions and which may in certain cases require additional capital to be invested in the portfolio over and above the initial capital investment;"

- (b) by the addition to subsection 2.1 of that Chapter of the following definition:

"short position', means-

- (a) a position where an asset is sold by a seller for delivery at a future date or time. and the seller does not own such asset at the time of the sale; or
- (b) in the case of a derivative instrument. a position where -
 - (i) a decrease in the price of the underlying asset has a positive impact on the value of the derivative instrument; or
 - (ii) an increase in the price of the underlying asset has a negative impact on the value of the derivative instrument."

- (c) by the substitution in the said Chapter for the title of Part III thereof of the following title:

"DUTIES OF HEDGE FUND FSPs, TRANSITIONAL PROVISION AND SHORT TITLE"; and

- (d) by the insertion in Part III of that Chapter, immediately prior to subsection 9.1, of the following section:

"SA. Duties of hedge fund FSPs

SA.1 The relevant requirements for discretionary FSPs apply to hedge fund FSPs and their clients as if they were originally enacted for that purpose, but subject to-

- (a) the necessary changes;
- (b) the provisions of this section, and provisions of the Act or any other law, which may render a particular provision applying to discretionary FSPs clearly inapplicable to a hedge fund FSP and its clients, in general or in a particular case.

BA.2 A hedge fund FSP must before rendering any intermediary services to a client who has clearly indicated to the FSP that the client requires intermediary services in connection with a financial product governed by the Act to be rendered specifically by a hedge fund FSP, provide a written disclosure to the client-

- (a) of the applicability in terms of subsection 8A.1 to the relationship between the client and the FSP of the requirements for discretionary FSPs referred to in that subsection; and
- (b) in the format from time to time determined by the registrar, on risks involved in hedge funds,

and obtain from the client a written confirmation of receipt of such written disclosures.

BA.3 A hedge fund FSP must, after having complied with subsection BA.2, with the introductory provisions of subsection 5.1 and with subsection 5.2, and before rendering any intermediary services to the client, obtain an additional signed mandate from the client, in accordance with the proviso to the introductory provisions of subsection 5.1 and subsection 5.2, which apply with the necessary changes.

SA.4 The mandate from a client must confirm the existence and contents of the first mandate, if applicable as contemplated by virtue of subsections BA.1 and 8A.3, and in particular the utilisation of a hedge fund portfolio for purposes of executing the intermediary services required by the client, and must contain express confirmation by the client that the client-

- (a) approves of-
 - (i) the clients *investment objectives*, guidelines and trading philosophy of the hedge fund FSP, as disclosed and stated in the mandate;
 - (ii) utilisation by the hedge fund FSP of the process to be implemented in the form of strategies or positions (including leverage and/or net short positions, borrowing limits and risk management principles to be applied to mitigate interest rate, liquidity, and credit and *derivative* risk), risk profile and risk management (for

instance a sensitivity analysis), as disclosed and stated in the mandate; and

- (b) takes note of the FSP's affirmation, as stated in the mandate, that the establishment of the relevant portfolio does not conflict with any law, and that the operation and management thereof continuously comply with any law that may be applicable thereto."

Short title and commencement

3. This Notice is called the Notice on Codes of Conduct for Administrative and Discretionary FSPs Amendment Notice, 2007, and comes into operation on the date of publication of this Notice in the *Gazette*.

BOARD NOTICE 90 OF 2007**FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002
(ACT NO. 37 OF 2002)****DETERMINATION OF COMPLIANCE REPORTS BY COMPLIANCE OFFICERS
AND AUTHORISED FINANCIAL SERVICES PROVIDERS, 2007**

I, Robert James Gourlay Barrow, Registrar of Financial Services Providers, hereby under section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) ("the Act"), determine, after consultation with the Advisory Committee on Financial Services Providers, the compliance report by compliance officers and authorised financial services providers, as set out in the Schedules hereto, and so determine the following provisions in connection therewith:

- (a) (i) That a report conforming to the report in Schedule A hereto, in written form or in the prescribed electronic format determined from time to time must be submitted to me by the compliance officer concerned two months after the expiration of the reporting date as set out in Column Two of Table A below; or
- (ii) that a report conforming to the report in Schedule B hereto, in written form or in the prescribed electronic format determined from time to time, must be submitted to me by the provider where the provider need not in terms of the Act have a compliance officer and the provider has not appointed a compliance officer two months after the expiration of the reporting date as set out in Column Two of Table A below;
- (b) (i) that the categories of FSPs concerned must answer all questions in the relevant sections as indicated below:
- Section 1 - all financial services providers
 - Section 2 - administrative financial services providers
 - Section 3 - discretionary financial services providers
 - Section 4 - forex financial services providers
 - Section 5 - financial services providers authorised for rendering financial services as regards health services benefits
 - Section 6 - all financial services providers
 - Section 7 – all financial services providers; and
- (ii) that documentary proof of compliance must be attached as annexures to the report when specifically so required and the relevant annexure number must be noted in column 5 and listed in section 7 of the Schedules A and B hereto;

- (iii) that should any questions be identified by the provider as developmental areas this must be noted in column 4 where allowed for;
 - (iv) that answers should only be provided in columns that are not shaded in grey; and
 - (v) that if a question is dependent on the answer to another question and is not required to be answered, no answer is required;
- (c) that in this Notice and the Schedules, unless the context otherwise indicates or it is otherwise clearly inappropriate -
- (i) any word or expression to which a meaning has been assigned in the Act (including any measure contemplated in the definitions of "this Act" in section 1(1) of the Act), has that meaning;
 - (ii) "Code of Conduct" means any such Code published under section 15 of the Act, including the General Code of Conduct, the Specific Code of Conduct for Authorised Financial Services Providers and Representatives conducting Short-term Deposit-taking Business, 2004, the Codes of Conduct for Administrative and Discretionary FSPs, 2003 and the Forex Investment Business Code of Conduct;
 - (iii) "Determination of fit and proper requirements" means the Determination of fit and proper requirements for Financial Services Providers, 2006.
 - (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 appropriate, 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, where a provider has a financial year-end as referred to in Column One of Table A, the date set out in Column Two of Table A.
- (xi) "reporting period" means the period from the later of the date of authorisation as financial services provider in terms of section 8 of the Act or first day of the month **following** the reporting period for the 2006 compliance report, until the reporting date.

| TABLE A | |
|---|------------------------------|
| Column One Provider's Financial year-end | Column Two Reporting Date |
| 31 January 2007 | 31 August 2007 |
| 28 February 2007 | 31 August 2007 |
| 31 March 2007 | 30 September 2007 |
| 30 April 2007 | 31 October 2007 |
| 31 May 2007 | 30 November 2007 |
| 30 June 2007 | 31 December 2007 |
| 31 July 2007 | 31 December 2007 |
| 31 August 2007 | 31 December 2007 |
| 30 September 2007 | 31 December 2007 |
| 31 October 2007 | 31 December 2007 |
| 30 November 2007 | 31 December 2007 |
| 31 December 2007 | 31 December 2007 |

This Determination is called the Determination of Compliance Reports by Compliance Officers and Authorised Financial Services Providers, 2007, and comes into operation on the date of publication thereof.



R J G BARROW,
Registrar of Financial Services Providers

SCHEDULE A

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 for financial year-ends between 1 January 2007 and 31 December 2007

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 date reporting period ended)

| Question | Column | | | | |
|--|--------|----|----------------|--------------------|---------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Developmental area | Note No. Comment/Annexure |
| SECTION 1 – ALL FSPs | | | | | |
| 1. Conditions and restrictions imposed, made, given or issued by Registrar <i>Section 8(4)(a) and 8(5)(b) of the Act</i> | | | | | |
| 1.1 Updating of business information Condition 1 imposed by the Registrar in terms of section 8(4) of the Act | | | | | |
| 1.1.1. Does the FSP have procedures in place to ensure that it can inform the Registrar within 15 days after the change has taken place, of any change in respect of business information of the FSP as provided in Form FSP1, FSP3, FSP4, FSP9, FSP10, FSP10A or FSP11, respectively, of the Application Form as provided for in condition 1 of the licensing conditions? | | | | | |
| 1.1.2. Did the FSP comply with licensing condition 1 in all instances? | | | | | |
| 1.1.3. If the answer to question 1.1.2 is NO - Did the FSP rectify the position? | | | | | |
| 1.1.4. If the answer to question 1.1.3 is NO • Provide detail of instances where the Registrar was not notified within the 15-day period 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 |
| 1.2. Change of name of the entity <i>Condition 4 imposed by the Registrar in terms of section 8(4) of the Act</i> | | | | | |
| 1.2.1. Did the FSP change the name of the financial services business as reflected on the licence concerned, and carry on any financial services business under such a changed name? | | | | | |
| 1.2.2. <i>If the answer to question 1.2.1 is YES -</i> | | | | | |
| 1.2.2.1. Did the FSP inform the Registrar of the change of name? | | | | | |
| 1.2.2.2. Did the FSP fully comply with the provisions of any other law other than the Act, which regulates such change of business name (if any)? | | | | | |
| 1.2.2.3. Has the FSP fully disclosed to the Registrar the details of compliance with such other law? | | | | | |
| 1.2.2.4. Did the FSP replace all licence copies displayed in terms of section 8(8)(a) with the copies of the licence as amended under the provisions of section 8(1)(b)(i) of the Act? | | | | | |
| 1.3. Financial Products in respect of which FSP renders financial services <i>Condition 5 imposed by the Registrar in terms of section 8(4) of the Act</i> | | | | | |
| 1.3.1. Does the FSP have internal controls and procedures in place to ensure that any investment product of a financial nature in respect of which the provider intends to render a financial service, qualifies as a financial product contemplated in the Act? | | | | | |
| 1.3.2. Did the FSP render services relating to products (excluding any credit related products) of a financial nature that do not qualify as financial products as contemplated in the Act? | | | | | |
| 1.3.3. <i>If the answer to question 1.3.2 is YES -</i> Provide details of these products in a separate annexure and indicate the annexure number in columns, | | | | | |
| 1.4. Financial Products in respect of which FSP renders financial services <i>Authorisation in terms of the licence of the FSP</i> | | | | | |
| 1.4.1. Does the FSP have internal controls and procedures in place to ensure that financial services are rendered within the limitations on categories and sub-categories for which the licence is issued? | | | | | |
| 1.4.2. Did you (compliance officer) perform monitoring procedures (testing) on a sample basis during the monitoring process to ensure that the financial services rendered are in terms of limitations on the category and sub-category for which the licence is issued? | | | | | |
| 1.4.3. <i>If the answer to question 1.4.2 is YES -</i> Did the FSP in all instances in the selected sample comply with limitations on the licence? | | | | | |

| Question | Column | | | | |
|---|--------|----|----------------|--------------------|---------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Developmental area | Note No. Comment/Annexure |
| 1.4.4. <i>If the answer to question 1.4.3 is NO -</i> Provide details of instances of non-compliance in a separate attachment and indicate the annexure number in column 5 | | | | | |
| 2. Key individuals Section 8(1) and 8(4)(b) of Act and <i>Determination for Fit and Proper Requirements for Financial Services Providers</i> | | | | | |
| 2.1. Provide the number of approved key individuals as at the reporting date in column 5. | | | | | |
| 2.2. Approval of key individuals <i>Determination of Procedure for Approval of Key Individual</i> | | | | | |
| 2.2.1. Did the FSP appoint new key individuals during the reporting period? | | | | | |
| 2.2.2. <i>If the answer to question 2.2.1 is YES -</i> Did all key individuals that were appointed during the reporting period apply for approval by the Registrar before taking part in the conduct or management or overseeing of the FSP's business activities in respect of the rendering of financial services? | | | | | |
| 2.3. Replacement of key individuals <i>Section 8(4)(b) of the Act and Condition 3 imposed by the Registrar in terms of section 8(4) of the Act</i> | | | | | |
| 2.3.1. Does the FSP have procedures in place to ensure that if any change occurs in the personal circumstances of a key individual that affects the Fit and Proper Requirements, the person will be removed as a key individual and that the Registrar is informed? | | | | | |
| 2.4. Fit and Proper Requirements for key individuals <i>Determination for Fit and Proper Requirements for Financial Services Providers</i> | | | | | |
| 2.4.1. Did any changes occur in the personal circumstances of any key individual that affected the Fit and Proper Requirements of the person? | | | | | |
| 2.4.2. <i>If the answer to question 2.4.1 is YES -</i> Did the FSP inform the Registrar of the circumstances? | | | | | |
| 2.4.3. <i>If the answer to question 2.4.2 is NO -</i> Provide details of instances where the Registrar was not informed of the change of the personal circumstances of any key individual in a separate attachment and indicate the attachment number in column 5. | | | | | |
| 2.4.4. Have any of the key individuals complied with the conditions as determined by the Registrar in terms of column 4 of Table A or column 3 of Table B and C of the Determination for Fit and Proper Requirements for Financial Services Providers? | | | | | |

| Question | Column | | | | |
|---|--------|----|----------------|--------------------|---------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Developmental area | Note No. Comment/Annexure |
| 2.4.5. <i>If the answer to question 2.4.4 is YES -</i> Has the FSP informed the Registrar that the key individuals met the conditions referred to in question 2.4.4 above? | | | | | |
| 3. Licence of the FSP <i>Section 8(8) of the Act</i> | | | | | |
| 3.1. Is a certified copy of the licence of the FSP displayed within every business premises of the FSP? | | | | | |
| 3.2. Can a copy of such a licence be obtained on request? | | | | | |
| 3.3. Provide in column 5 the number of business premises of the FSP where financial services are rendered and where a copy of the licence certificate should be displayed | | | | | |
| 3.4. Is a reference to the fact that a licence is held contained in all business documentation? | | | | | |
| 4. Representatives <i>Sections 13 and 14 of the Act</i> | | | | | |
| 4.1. Does the FSP have representatives? If the answer to question 4.1 is YES, question 4.2 to 4.8 must be answered. | | | | | |
| 4.2. Provide in column 5 the number of representatives as at the reporting date. | | | | | |
| 4.3. Does the FSP have any representatives who are also appointed as a representative of other FSPs? | | | | | |
| 4.3.1. <i>If the answer to question 4.3 is YES -</i> Provide the number of representatives that render financial services on behalf of other FSPs. | | | | | |
| 4.3.2. Provide a list of names of the representatives and the FSP numbers of the other FSPs that they render services on behalf of, as indicated in question 4.3.1 in a separate attachment and indicate the attachment number in column 5. | | | | | |
| 4.4. Confirmation of status of representatives <i>Section 13(1)(b)(i) of the Act</i> | | | | | |
| 4.4.1. Does the FSP have procedures in place to enable representatives to provide clients with confirmation, as certified by the provider, of their status as representative? | | | | | |

| Question | Column | | | | |
|--|--------|----|----------------|-----------------------|----------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Develop - mental area | Note No. Comment/ Annexure |
| 4.5. Competency of representatives <i>Section 13(2)(a) of the Act</i> | | | | | |
| 4.5.1. Does the FSP have procedures in place to ensure that representatives and key individuals of representatives of the FSP are competent to render financial services to clients taking into account the requirements stipulated in the <i>Determination for Fit and Proper Requirements for Financial Services Providers</i> relating to personal character qualities of honesty and integrity; as well as competence and operational ability? | | | | | |
| 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 <i>Exemption of Financial Services Providers as regards Representatives, Board Notice 95 of 2003</i> ? | | | | | |
| 4.5.3. <i>If the answer to question 4.5.2 is YES-</i> | | | | | |
| 4.5.3.1. Provide the number of representatives that, on the reporting date, are rendering services under supervision as contemplated in paragraph 3 of the <i>Exemption of Financial Services Providers as regards Representatives, Board Notice 95 of 2003</i> in column 5. | | | | | |
| 4.5.3.2. Provide the number of key individuals and representatives that acted as supervisors in respect of services under supervision on reporting date in column 5. | | | | | |
| 4.5.3.3. Does the FSP have procedures in place to monitor the compliance of supervisors with paragraph 3(b)(i) and (ii) of the Exemption mentioned in Question 4.5.3.1. Attach a copy of the procedure as an Annexure and indicate the annexure number in column 5. | | | | | |
| 4.5.3.4. Does the FSP disclose to clients the fact that a representative is rendering financial services under supervision? | | | | | |
| 4.6. 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> | | | | | |
| 4.6.1. Does the FSP have procedures in place to ensure that all representatives comply with the Codes of Conduct applicable to the FSP? | | | | | |
| 4.6.2. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that representatives complied with the Codes of Conduct applicable to the FSP? | | | | | |
| 4.7. Registration of representatives and key individuals of representatives <i>Section 13(3) and 13(5) of the Act and licensing condition 1</i> | | | | | |
| 4.7.1. Did the FSP in accordance with the procedure and time limit set out in condition 1 of the licence, inform the Registrar of any change effected to the details as contained in the representative register? | | | | | |

| Question | Column | | | | |
|---|--------|----|----------------|--------------------|---------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Developmental area | Note No. Comment/Annexure |
| 4.8. Debarment of representatives <i>Section 14 of the Act</i> | | | | | |
| 4.8.1. Did the FSP during the reporting period debar any representatives in terms of section 14(1) of the Act? | | | | | |
| 4.8.2. <i>If the answer to question 4.8.1 is YES -</i> Did the FSP remove the names of the representative and its key individuals from the register? | | | | | |
| 4.8.3. <i>If the answer to question 4.8.2 is YES -</i> Did the FSP inform the Registrar accordingly in terms of section 14(3) of the Act? | | | | | |
| 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? Provide the extent (numeric amount) of the cover in column 5 | | | | | |
| 5.2. Does the FSP have fidelity insurance cover? Provide the extent (numeric amount) of the cover in column 5 | | | | | |
| 5.3. Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct? Provide the extent (numeric amount) of the guarantees in column 5 | | | | | |
| 5.4. Does the FSP disclose to clients in terms of section 5(e) of the General Code of Conduct whether it holds guarantees or professional indemnity or fidelity insurance cover? | | | | | |
| 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? | | | | | |
| 6.2. Do you (compliance officer) under regulation 5(3) of the Regulations provide a minimum of quarterly written reports on the compliance monitoring and recommendations relating to the FSP? | | | | | |
| 6.3. Are you (the appointed compliance officer) part of an external compliance practice? | | | | | |
| 6.4. <i>If the answer to question 6.3;s YES -</i> Indicate in column 5 the number of times during the reporting period that you (compliance officer) visited the FSP to perform monitoring procedures | | | | | |
| 6.5. Do you (compliance officer) have any comments to make on the procedures contemplated in section 17(3) of the Act and Regulation 5 which the FSP has established as regard their maintenance and efficiency? Attach a written copy of your comments as an annexure and note the annexure number in column 5 (restrict it to 5 ,aes) | | | | | |

| Question | Column | | | | |
|--|--------|----|----------------|--------------------|---------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Developmental area | Note No. Comment/Annexure |
| 7. Maintenance of records <i>Section 18 of the Act and the General Code of Conduct</i> | | | | | |
| 7.1. Does the FSP have appropriate procedures and systems in place to record cases of non-compliance with the Act and reasons for such non-compliance as contemplated in Section 18 of the Act and section 3(2) of the General Code of Conduct | | | | | |
| 7.2. Does the FSP have appropriate procedures and systems in place to record known premature cancellations of transactions or financial products by clients of the provider as contemplated in Section 18 of the Act and section 3(2) of the General Code of Conduct | | | | | |
| 7.3. Does the FSP have appropriate procedures and systems in place to record written and verbal communications to clients relating to the rendering of financial services as contemplated in Section 18 of the Act and section 3(2) of the General Code of Conduct | | | | | |
| 7.4. Does the FSP have appropriate procedures and systems in place to record verbal (telephonic) communications with clients relating to the rendering of financial services? | | | | | |
| 7.5. Are any records stored in an electronic format? | | | | | |
| 7.5.1. <i>If the answer to question 7.5 is YES -</i> Are the records accessible and readily reducible to written or printed form? | | | | | |
| 7.6. Does the FSP utilise off-site storing facilities? | | | | | |
| 7.7. Does the FSP utilise the services of a third party to store records? | | | | | |
| 7.7.1. <i>If the answer to question 7.7 is YES -</i> Can the records be available for inspection within seven days of a request by the Registrar? | | | | | |
| 7.8. Are these records stored in a manner that is in accordance with acceptable standards that it will be safe from destruction? | | | | | |
| 7.9. 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 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Develop-mental area | Note No. Comment/Annexure |
| 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 with regard to conflict of interest (as described in section 3 of the General Code of Conduct)? | | | | | |
| 8.1.2. Did the FSP or its representatives during the reporting period receive non-cash incentives and / or other indirect considerations for the rendering of financial services from another provider, product supplier or other person? | | | | | |
| 8.1.3. If the answer to question 8.1.2 is YES- Did the FSP disclose the non-cash incentives and other indirect considerations to its clients where applicable? | | | | | |
| 8.1.4. 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 client beforehand? | | | | | |
| 8.1.5. Does the FSP enter into any written contractual relationship with its clients before rendering financial services? | | | | | |
| 8.2. Disclosure requirements <i>Sections 4, 5 and 7 of the General Code of Conduct</i> | | | | | |
| 8.2.1. Does the FSP have procedures and internal controls in place to ensure that all the relevant information in terms of sections 4, 5 and 7 of the General Code of Conduct is disclosed to clients? | | | | | |
| 8.2.2. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP is provided in plain language? | | | | | |
| 8.2.3. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP is provided timely so as to afford the clients sufficient time to make an informed decision about the proposed transactions? | | | | | |
| 8.2.4. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP is not misleading? | | | | | |
| 8.2.5. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP where provided in writing, in clear and readable print size, spacing and format? | | | | | |

| Question | Column | | | | |
|--|--------|----|----------------|-----------------------|----------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Develop - mental area | Note No. Comment/ Annexure |
| 8.2.6. /If the answers to 8.2.2 - 8.2.5 is YES - Was there in the selected sample any non-compliance? | | | | | |
| 8.2.7. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP disclosed relevant information in terms of sections 4 and 5 of the General Code of Conduct to its clients where applicable? | | | | | |
| 8.2.8. /If the answer to question 8.2.7 is YES- Did the FSP comply in all instances in the selected sample with the General Code? | | | | | |
| 8.2.9. Does the FSP disclose the information in terms of section 4 and 5 of the General Code of Conduct to its clients in a standardised format? | | | | | |
| 8.2.10. If the answer to question 8.2.9 is YES- | | | | | |
| 8.2.10.1. Does the FSP have procedures in place to ensure that the information is updated when required? | | | | | |
| 8.2.10.2. Does the FSP ensure that the information is adequate and appropriate in the circumstances of the particular financial services, taking into account the factually established or reasonably assumed level of knowledge of the client? | | | | | |
| 8.2.11. Does the FSP provide clients with financial services in respect of financial products of one specific product? | | | | | |
| 8.2.12. Does the FSP disclose the information in terms of section 7(1) (c) of the General Code of Conduct to the client in writing? | | | | | |
| 8.2.13. If the answer to question 8.2.12 is YES- Does the FSP prepare a disclosure document to the client on its own business documentation? | | | | | |
| 8.2.14. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP disclosed, where applicable, the name, class or type of financial product concerned in terms of section 7 of the General Code of Conduct to its clients? | | | | | |
| 8.2.15. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP disclosed, where applicable, 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 rendering of the financial service concerned in terms of section 7 of the General Code of Conduct to its clients? | | | | | |
| 8.2.16. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP disclosed, where applicable, any material or investment risk associated with the product concerned in terms of section 7 of the General Code of Conduct to its clients? | | | | | |

| Question | Column | | | | |
|--|--------|----|----------------|-----------------------|----------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Develop - mental area | Note No. Comment/ Annexure |
| 8.2.17. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP disclosed, where applicable, extent of monetary obligations assumed by the client, the frequency thereof and consequences on non-compliance concerned in terms of section 7 of the General Code of Conduct to its clients? | | | | | |
| 8.2.18. <i>If the answer to questions 8.2.14-8.2.17 are YES -</i> Did the FSP, in the sample, comply with section 7 in all respects? | | | | | |
| 8.3. Furnishing of advice and record of advice <i>Section 8 and 9 of the General Code of Conduct</i> | | | | | |
| 8.3.1. Is the FSP licensed to furnish advice? | | | | | |
| 8.3.2. <i>"The answer to question 8.3.1 is-YES-</i> | | | | | |
| 8.3.2.1. Does the FSP have procedures in place to ensure that an analysis of the client's financial situation and objectives are performed when advice is furnished? | | | | | |
| 8.3.2.2. Does the FSP use a standardised computer program to do the analysis? | | | | | |
| 8.3.2.3. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP conducted an analysis, for purpose of the advice, based on the information obtained relating to the client's financial situation, financial product experience and objectives? | | | | | |
| 8.3.2.4. <i>If the answer to question 8.3.2.3 is YES: •</i> Did the FSP, in the sample, comply in all instances? | | | | | |
| 8.3.2.5. Does the FSP have procedures in place relating to replacement products to ensure compliance with section 8(1)(d) of the General Code of Conduct? | | | | | |
| 8.3.2.6. Did the FSP when providing advice to any client during the reporting period rely on section 8(4)(a) or (b) of the General Code of Conduct? | | | | | |
| 8.3.2.7. <i>if the answer to question 8.3.2.6 is YES -</i> Provide the number of instances during the reporting period where section 8(4)(a) or (b) was utilised in column 5. | | | | | |
| 8.3.2.8. Does the FSP keep a record of advice as contemplated in section 9(1) of the General Code of Conduct? | | | | | |
| 8.3.2.9. Does the FSP provide its clients with the record of advice as contemplated in section 9(2) of the General Code of Conduct? | | | | | |

| Question | Column | | | | |
|---|--------|----|----------------|--------------------|---------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Developmental area | Note No. Comment/Annexure |
| 8.3.2.10. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP keeps a record of advice and provide it to its clients in accordance with section 9 of the General Code of Conduct? | | | | | |
| 8.3.2.11. <i>If the answer to question 8.3.2.10 is YES -</i> Did the FSP, in selected sample, comply in all instances? | | | | | |
| 8.3.2.12. Does the FSP render continuous advisory services to clients and review their investments on an annual basis? | | | | | |
| 8.4. Custody of financial products and funds <i>Section 10 of the General Code of Conduct.</i> | | | | | |
| 8.4.1. Does the FSP receive or hold financial products or funds ⁰¹ or on behalf of clients when rendering financial services? | | | | | |
| 8.4.2. <i>If the answer to question 8.4.1 is YES -</i> | | | | | |
| 8.4.2.1. Does the FSP have an approved auditor or accounting officer in terms of section 19 of the Act read with the exemption published in Board Notice 104 of 2004? | | | | | |
| 8.4.2.2. Does the FSP issue written confirmation of receipts to clients when documents of title are lodged with the FSP or when funds are received into safe custody without the mediation of a bank? | | | | | |
| 8.4.2.3. Does the FSP have procedures in place to ensure that the client's financial products or funds are readily discernible from private assets or funds of the FSP? | | | | | |
| 8.4.3. <i>If the answer to question 8.4.1 is NO -</i> Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP is not receiving funds from clients? | | | | | |
| 8.4.4. <i>If the answer to question 8.4.3 is YES: -</i> Did you, in the selected sample, find any cases of non-compliance? | | | | | |
| 8.4.5. Does the FSP collect short term insurance premiums from clients in accordance with section 45 of the Short-term Insurance Act, 1998 (Act No. 53 of 1998)? | | | | | |
| 8.5. Management <i>11 and 12 of the General Code of Conduct</i> | | | | | |
| 8.5.1. Does the FSP have and employ appropriate risk management resources, procedures, systems and controls within the contemplation of sections 11 and 12 of the General Code of Conduct? | | | | | |
| 8.5.2. Did you (compliance officer) assist in the establishment of the risk management resources, procedures, systems and controls relating to all applicable laws as referred to in section 127 | | | | | |

| Question | | Column | | | | |
|------------------------------|---|--------|----|----------------|---------------------|---------------------------|
| | | 1 | 2 | 3 | 4 | 5 |
| | | Yes | No | Not applicable | Develop-mental area | Note No. Comment/Annexure |
| 8.6. Advertising | Section 14 of the General Code of Conduct | | | | | |
| 8.6.1. | Does the FSP have procedures in place to ensure that all advertisements and advertising communications and material comply with section 14 of the General Code of Conduct? | | | | | |
| 8.6.2. | Did the FSP advertise any of its services by telephone during the reporting period? | | | | | |
| | <i>8.6.2.1. If the answer to question 8.6.2 is YES- Does the FSP maintain an electronic, voice-record record of all communications?</i> | | | | | |
| 8.6.3. | Is a reference to the fact that a licence is held contained in all advertisements? | | | | | |
| 8.7. Direct Marketing | Paragraph 15 of the General Code of Conduct | | | | | |
| 8.7.1. | Does the FSP act as a direct marketer? | | | | | |
| | <i>8.7.2. If the answer to question 8.7.1 is YES-</i> | | | | | |
| 8.7.2.1. | Does the FSP have recording systems in place to record all telephonic conversations with clients in the course of direct marketing? | | | | | |
| 8.7.2.2. | Does the FSP have appropriate procedures and systems in place to store and retrieve recordings? | | | | | |
| 8.7.2.3. | Does the FSP have procedures in place to ensure that it complies with section 15 of the General Code of Conduct? | | | | | |
| 8.7.2.4. | Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP disclosed relevant information in terms of sections 15(1) to (4) and (6) of the General Code of Conduct to its clients? | | | | | |
| 8.7.2.5. | <i>If the answer to question 8.7.2.4 is YES- Did the FSP in all respects in the sample comply with section 15(1) to (4) and (6) of the General Code of Conduct?</i> | | | | | |
| 8.8. Complaint | Section 11 of Conduct | | | | | |
| 8.8.1. | Does the FSP have a complaints resolution system and procedure in place that complies with sections 16 to 19 of the General Code of Conduct? | | | | | |
| 8.8.2. | Did the FSP receive any complaints from clients during the reporting period? | | | | | |

| Question | Column | | | | |
|---|--------|----|----------------|--------------------|---------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Developmental area | Note No. Comment/Annexure |
| 8.8.2.1. <i>If the answer to question 8.8.2 is YES -</i> Does the FSP keep records of complaints received together with an indication whether or not any such complaint has been resolved as contemplated in section 18 of the Act? | | | | | |
| 8.9. Waiver of rights <i>Section 21 of the General Code of Conduct</i> | | | | | |
| 8.9.1. Does the FSP have procedures in place to ensure that its representatives do 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? | | | | | |
| 9. Exemptions <i>Sections 44 and 45 of the Act</i> | | | | | |
| 9.1. Exemption in respect of certain applicants for authorisation <i>Board Notice 94 of 2004 and Board Notice 104 of 2004</i> | | | | | |
| 9.1.1. Was the FSP subject to the exemption granted in terms of Board Notice 94 of 2004? | | | | | |
| 9.1.2. <i>If the answer to question 9.1.1 is YES -</i> Did the FSP during the period contemplated in the exemption comply with paragraph 4 of the exemption? | | | | | |
| 9.1.3. Was the FSP subject to the exemption granted in terms of paragraph 3(1)(a) of Board Notice 104 of 2004? | | | | | |
| 9.1.4. Did the financial services provider inform the Registrar in writing if they did not comply with the required minimum qualifications as required in terms of paragraph 3(2) of Board Notice 104 of 2004? | | | | | |
| 9.2. Exemption of banks in respect of certain clients <i>Board Notice 103 of 2004</i> | | | | | |
| 9.2.1. Is the FSP a bank as defined in Board Notice 103 of 2004? | | | | | |
| 9.2.2. <i>If the answer to question 9.2.1 is YES -</i> Did the FSP utilise the exemption in terms of Board Notice 103 of 2004? | | | | | |
| 9.3. Exemption of certain office holders <i>Board Notice 97 of 2004</i> | | | | | |
| 9.3.1. Did the FSP utilise the exemption in terms of Board Notice 97 of 2004? | | | | | |

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| 9.3.2. | Did you (compliance officer) perform monitoring procedures on a sample basis during the monitoring process to ensure that the financial services provider complied with the sections of the General Code as well as the Code of conduct for Discretionary FSP's that are not covered by the exemption in terms of Board Notice 97 of 2004. | | | | |
| 9.3.3. | If the answer to question 9 is YES - Please submit details of non-compliance in a separate attachment and indicate the annexure number in column 5. | | | | |
| 10. Money laundering control procedures | | | | | |
| 10.1. | Does the FSP have control procedures in place to ensure that it complies with paragraph 4(2) of the Determination for Fit and Proper Requirements for Financial Services Providers, 2003? | | | | |
| 10.2. | Is the FSP an accountable institution in terms of Schedule A of the FICA? | | | | |
| 10.3. | If the answer to question 10.2 is YES - | | | | |
| 10.3.1. | Does the FSP have internal rules in terms of FICA? Please attach a copy of internal rules in terms of FICA as an annexure to this report, if the rules were amended during the reporting period, and indicate the annexure number in column 5 | | | | |
| 10.3.2. | Does the FSP have a money laundering control compliance officer? Please attach in a separate annexure the name, ID number and telephone number of the money laundering control compliance officer, if the person was appointed during the reporting period, and indicate the Annexure number in column 5. | | | | |
| 10.3.3. | Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP obtained the information relating to its clients as provided for in terms of the FICA? | | | | |
| 10.3.4. | If the answer to question 10.3.3 is YES - Provide details of non-compliance in a separate attachment and indicate the annexure number in column 5. | | | | |
| 10.3.5. | Did the FSP during the reporting period provide its employees with training as required by FICA? | | | | |
| 10.3.6. | Did any other accountable institution rely on the verification of clients by the FSP in terms of Exemption 4 of the FICA? | | | | |
| 11. Financial soundness | | | | | |
| 11.1. | Did the FSP during the reporting period have controls in place to ensure that it complies with paragraph 5(2) of the Fit and Proper Requirements for Financial Services Providers and the exemption granted in terms of Board Notice 96 of 2003? | | | | |
| 11.2. | Did the FSP comply with the solvency requirements as required in terms of paragraph 5(2) of the Fit and Proper requirements for Financial Services Providers? | | | | |
| 11.3. | Does the FSP prepare monthly accounting records in terms of section 19 of the Act? | | | | |

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| 11.4. | Did the FSP provide the Registrar with annual financial statements as required in terms of Section 19(2)(b) of the Act? | | | | |
| SECTION 2 - ADMINISTRATIVE FSPs | | | | | |
| 12. | Particular duties/obligations relating to administrative FSPs | | | | |
| 12.1. | Prohibitions and duties of administrative FSP <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 an intermediary service on behalf of a client, whether the person giving the instructions may in terms of its authorisation as a financial services provider render the intermediary services on behalf of a client? | | | | |
| 12.2.2. | Does the FSP offer wrap funds or structured funds on its platform? | | | | |
| 12.2.3. | <i>If the answer to question 12.2.2 is YES –</i> Please provide in a separate attachment full details of the funds and underlying assets in the wrap or structured fund. Provide the annexure number in column 5. | | | | |
| 12.2.4. | Does the FSP offer hedge funds on its platform? | | | | |
| 12.2.5. | <i>If the answer to question 12.2.4 is YES –</i> Please provide in a separate attachment full details of the fund as well as the underlying assets of the fund. Provide the annexure number in column 5. | | | | |
| 12.2.6. | Did you (compliance officer) perform monitoring procedures on a sample basis 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 on its license? | | | | |
| 12.2.7. | <i>If the answer to question 12.2.6 is YES –</i> Provide details of non-compliance in a separate attachment and provide the annexure number in column 5. | | | | |

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| 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 forms used by the FSP? | | | | |
| 12.3.2. | Did the FSP amend any of its specimen application forms during the reporting period? | | | | |
| 12.3.3. | If the answer to question 12.3.2 is YES: Did the Registrar approve all the substantial amendments to the specimen application form/a? | | | | |
| 12.3.4. | Does the FSP have procedures in place to ensure that it only deals with clients in respect of whom application forms comply with section 5 of the said Code have been obtained? | | | | |
| 12.3.5. | Does the FSP have procedures in place to ensure that it notifies clients of an increase in costs within 14 days of the receipt of the notification from the product supplier? | | | | |
| 12.4. | Record keeping <i>Section 7 of the Code of Conduct for Administrative FSPs, 2003</i> | | | | |
| 12.4.1. | Are client records maintained to identify the specific financial product owned per client? | | | | |
| 12.5. | Independent nominee <i>Section 9 of the Code of Conduct for Administrative FSPs, 2003</i> | | | | |
| 12.5.1. | Does the FSP have a written agreement with the independent nominee? | | | | |
| 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. | Did you (compliance officer) perform monitoring procedures to ensure that all bank and unit reconciliations were up to date on reporting date? | | | | |
| 12.5.4. | If the reconciliations were not up to date, provide full details of the discrepancies, steps taken to rectify as well as by when it will be rectified as a separate attachment and provide the annexure number in column 5. | | | | |
| 12.5.5. | Provide the extent of the fidelity guarantee and professional indemnity insurance held by the independent nominee in column 5. | | | | |
| 12.5.6. | Is the independent nominee structured in such a way that clients' investments are at all times protected from its creditors or those of the administrative FSP and anyone else as required in the Regulations? | | | | |
| 12.5.7. | Are regular board or trustee meetings held by the directors or trustees of the independent nominee? | | | | |
| 12.5.8. | Provide the dates of the last and next meeting of the board of directors or trustee of the independent nominee in a separate attachment and indicate the annexure number in column 5. | | | | |
| 12.5.9. | 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 before entering into an agreement? | | | | |

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| 12.6. | Reporting to clients <i>Section 10 of the Code of Conduct for Administrative FSPs, 2003</i> | | | | |
| 12.6.1. | Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP did send the client reports within the period as required by the said section 10? | | | | |
| 12.6.2. | Provide a specimen report layout as a separate attachment and provide the annexure number in column 5. | | | | |
| 12.7. | Information systems | | | | |
| 12.7.1. | Was frequent down time experienced during the reporting period? | | | | |
| 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. | <i>If the answer to question 12.7.2 is YES -</i> Provide full details thereof in a separate attachment and provide the annexure number in column 5. | | | | |
| 12.7.4. | Does the FSP plan to change their information systems within the next reporting period? | | | | |
| 12.7.5. | <i>If the answer to question 12.7.4 is YES -</i> Provide full details thereof in a separate attachment and provide the annexure number in column 5. | | | | |
| 12.8. | Assets under administration | | | | |
| 12.8.1. | Provide the amount of assets under administration on reporting date in column 5. | | | | |
| 12.8.2. | Provide the balance of the separate bank account (if applicable) at reporting date in column 5 | | | | |
| SECTION 3 – DISCRETIONARY FSPs | | | | | |
| 13. Particular duties/obligations relating to discretionary FSP | | | | | |
| 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 sell to or provide a third party with client's detail, unless obliged by, or in terms of, any law to do so? | | | | |
| 13.1.2. | 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? | | | | |
| 13.1.3. | Does the FSP have procedures in place to ensure that it does not directly or indirectly engage in the netting of transactions? | | | | |
| 13.1.4. | 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? | | | | |

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| 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/a used by the FSP? | | | | | |
| 13.2.2. Did the FSP amend any of its specimen mandate/s during the reporting period? | | | | | |
| 13.2.3. (If the answer to question 13.2.2 is YES - Did the Registrar approve all substantial amendments to the specimen mandate/a? | | | | | |
| 13.2.4. Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP only deals with clients in respect of whom mandates, which comply with paragraph 5 of the said Code, have been obtained? | | | | | |
| 13.2.5. If the answer to question 13.2.4 is YES - Provide details of all instances of non-compliance in a separate attachment and provide the annexure number in column 5. | | | | | |
| 13.2.6. Did you (compliance officer) perform monitoring procedures to determine whether all cash, assets and documents of title are returned to the clients on termination of the mandate? | | | | | |
| 13.2.7. Did you (compliance officer) perform procedures to ensure that the clients are issued with final accounts? | | | | | |
| 13.2.8. Did you (compliance officer) perform procedures to establish whether the client's investments are managed in terms of the mandates? | | | | | |
| 13.2.9. 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? | | | | | |
| 13.2.10. If the answer to question 13.2.9 is YES - Provide full details of such instances in a separate attachment and provide 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. Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP did send the client reports within the periods as required by the said section 6? | | | | | |
| 13.3.2. If the answer to question 13.3.1 is YES - Provide details of any non-compliance in a separate attachment and indicate the annexure number in column 5. | | | | | |
| 13.4. Administration | | | | | |
| 13.4.1. As a separate attachment, submit an organigram of the FSP as well as full details of the FSP's administrative system and procedures for managing client assets and indicate the annexure number in column 5. | | | | | |
| 13.4.2. Are any assets managed on behalf of retirement funds or insurance companies? | | | | | |

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| 13.4.3. | If the answer to 13.4.2 is YES - Did you (compliance officer) perform monitoring procedures to ensure that the assets are held in the name of the retirement fund or insurance company directly or in the name of an approved Nominee company? | | | | | |
| 13.5. | Assets under management | | | | | |
| 13.5.1. | Provide the amount of assets under management on reporting date in column 5. | | | | | |
| 13.5.2. | Provide the balance of the separate bank account (if applicable) at reporting date in column 5. | | | | | |
| 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 in its own nominee company? | | | | | |
| 13.6.2. | If the answer to question 13.6.1 is YES, Did the Registrar approve the nominee company as required by regulation 6 of the Regulations? | | | | | |
| 13.6.3. | If the answer to question 13.6.2 is NO - Do you utilise the services of another nominee company? | | | | | |
| 13.6.4. | As a separate attachment, attach a list of assets held by the FSP. Please also indicate in whose name the assets are registered. Provide the annexure number in column 5. | | | | | |
| 13.7. | General functions | | | | | |
| 13.7.1. | Does the FSP manage client's funds in a wrap funds or structured funds on an administrative FSP's platform? | | | | | |
| 13.7.2. | If the answer to question 13.7.1 is YES - Please provide in a separate attachment full details of the funds and underlying assets in the wrap funds or structured funds. Provide the annexure number in column 5. | | | | | |
| 13.7.3. | Does the FSP manage the assets of hedge fund? | | | | | |
| SECTION 4 – FOREX FSPs | | | | | | |
| 14. | Particular duties/obligations relating to forex FSPs | | | | | |
| 14.1. | Is the FSP licensed to render financial services relating to foreign currency denominated investment instruments? | | | | | |
| 14.2. | If the answer to question 14.1 is YES, Does the FSP render forex investment business as defined in the Forex Investment Business Code of Conduct? | | | | | |

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| 14.3. | Does the FSP utilise a clearing firm approved by the Registrar? | | | | | |
| 14.4. | Provide full details of the clearing firm as well as Regulator details in a separate attachment and provide the annexure number in column 5. | | | | | |
| 14.5. | Do the clients have access to reporting at the clearing firm? | | | | | |
| 14.6. | Did you (compliance officer) perform procedures on a sample basis to determine whether exchange control regulations (including tax legislation) have been complied with? If any non-compliance were found, please provide full details thereof as a separate attachment and indicate annexure number in column 5. | | | | | |
| 14.7. | Does the FSP advise clients to invest by means of margin trading? | | | | | |
| 14.8. | Did you (compliance officer) perform procedures on a sample basis to establish whether written reports are distributed to clients? | | | | | |
| 14.9. | Attach a list of training institutions currently used to train employees as a separate attachment and provide annexure number in column 5. | | | | | |
| 14.10. | If the answer to question 14.2 is YES and FSP is licensed for subcategory 2.13 Question 14.10.1 and/ if the FSP is licensed for subcategory 1.15 Question 14.10.2 must be answered | | | | | |
| 14.10.1. Special provisions applying to forex investment intermediaries | | | | | | |
| <i>Section 5 of the Forex Investment Business Code of Conduct</i> | | | | | | |
| 14.10.1.1. | Does the FSP render forex investment intermediary services? | | | | | |
| 14.10.1.2. | Did the Registrar approve all specimen mandate/a used by the FSP? | | | | | |
| 14.10.1.3. | Did the FSP amend any of its specimen mandate/a during the reporting period? | | | | | |
| 14.10.1.4. | <i>If the answer to question 14.10.1.3 is YES- Did the Registrar approve all substantial amendments to the specimen mandate/s?</i> | | | | | |
| 14.10.1.5. | Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP only deals with clients in respect of whom mandates, which comply with section 5 of the said Code, have been obtained? | | | | | |
| 14.10.2. Special prohibitions applying to forex investment advisors | | | | | | |
| <i>Section 9 of the Forex Investment Business Code of Conduct</i> | | | | | | |
| 14.10.2.1. | Does the FSP render forex investment advisory services? | | | | | |
| 14.10.2.2. | Did the Registrar approve all specimen application form/s used by the FSP? | | | | | |
| 14.10.2.3. | Did the FSP amend any of its specimen application form during the reporting period? | | | | | |

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| 14.10.2.4. | <i>If the answer to question 14.10.2.3 is YES-</i> Did the Registrar approve all substantial amendments to the specimen application form? | | | | |
| 14.10.2.5. | Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP only deals with clients in respect of whom application forms, which comply with section 9 of the said Code, have been obtained? | | | | |
| 14.10.3. | Provide the number of clients that the FSP has in respect of managed accounts in column 5. | | | | |
| 14.10.4. | In a separate attachment, provide full details of the system that the FSP utilises, and provide the annexure number in column 5. | | | | |
| 14.10.5. | Does the FSP have procedures in place to ensure that client funds are not churned? | | | | |
| 14.10.6. | Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the indications of returns that are communicated to the client are realistic? | | | | |
| 14.10.7. | As a separate attachment, provide <u>copies</u> of the advertising material and brochures of the FSP that are distributed to the clients. Provide the annexure number in column 5. | | | | |
| 14.11. | Assets under management | | | | |
| 14.11.1 | Provide the amount of assets under management in column 5 (This is only applicable to Forex Intermediaries). | | | | |
| 14.11.2 | Provide the balance of the separate account at reporting date in column 5 (This is only applicable to Forex Intermediaries). | | | | |
| SECTION 5 – HEALTH SERVICE BENEFITS | | | | | |
| 15. Accreditation under section 65(3) of the Medical Schemes Act, 1998 <i>Section 8(7)(e) of the Act</i> | | | | | |
| 15.1. | Is the FSP licensed to render financial services relating to health service benefits? | | | | |
| 15.2. | <i>If the answer to question 15.1 is YES</i> | | | | |
| 15.2.1. | Was the accreditation of the FSP in terms of section 65(3) of the Medical Schemes Act, 1998, during the reporting period suspended, or withdrawn, or did it lapse? Please provide details of any suspensions, withdrawals or lapses as an Annexure to the report and indicate the Annexure no in column 5. | | | | |
| 15.2.2. | Provide the accreditation number with Council for Medical Schemes in column 5. | | | | |
| 15.2.3. | Attach a copy of the accreditation certificate and provide the annexure number in column 5. | | | | |

| SECTION 6 – SAMPLING AND OTHER INFORMATION | | | | |
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| 16. Provide detail sample sizes or description of other methodology that was followed in monitoring procedures for each question relating to monitoring of compliance mentioned in this report in a separate schedule and list the number of the attachment in column 5. | | | | |

| SECTION 7 - ATTACHMENTS | | |
|--------------------------------|-----------------|--|
| Question number | Comments | Additional Information attached Annexure reference no |
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To be completed by the compliance officer or, in the absence of a compliance officer, the FSP

Name of compliance officer of FSP _____

10 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 by one of the key individuals of the FSP to acknowledge that they are aware that the report will be forwarded to the Registrar

Name of the FSP _____

FSP Number _____

Name of Key Individual _____

10 number of the key individual _____

Date appointed as key Individual _____

Signature _____

Date _____

SCHEDULE B

(This report is only applicable if the FSP does not require a compliance officer in terms of section 17(1) of the Act)

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 Financial Services Providers that does not require a compliance officer In terms of section 17 of the Act and has not appointed a
 compliance officer for financial year-ends between 1 January 2007 and 31 December 2007

Scope

In accordance with section 17(4) of the Act, I ..., " (key individual or sole proprietor)
 hereby report as follows as regards compliance with the Act by (full name of the FSP and the FSP number), for
 the reporting period (date reporting period started to date reporting period ended)

| Question | Column | | | | |
|---|--------|----|----------------|-----------------------|----------------------------|
| | 1 | 2 | 3 | 4 | 5 |
| | Yes | No | Not applicable | Develop - mental area | Note No. Comment/ Annexure |
| SECTION 1 – ALL FSPs | | | | | |
| 1. Conditions and restrictions imposed, made, given or issued by Registrar <i>Section 8(4)(a) and 8(5)(b) of the Act</i> | | | | | |
| 1.1. Updating of business information <i>Condition 1 imposed by the Registrar in terms of section 8(4) of the Act</i> | | | | | |
| 1.1.1. Does the FSP have procedures in place to ensure that it can inform the Registrar within 15 days after the change has taken place, of any change in respect of business information of the FSP as provided in Form FSP1, FSP3, FSP4, FSP9, FSP10, FSP1 OA or FSP11, respectively, of the Application Form as provided for in condition 1 of the licensing conditions? | | | | | |
| 1.1.2. Did the FSP comply with licensing condition 1 in all instances? | | | | | |

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| 1.1.3. | If the answer to question 1.1.2 is NO- Did the FSP rectify the position? | | | | |
| 1.1.4. | If the answer to question 0 is NO- Provide detail of instances where the Registrar was not notified within the 15-day period in a separate annexure and indicate the annexure number in column 5. | | | | |
| 1.2. | Change of name of the entity <i>Condition 4 imposed by the Registrar in terms of section 8(4) of the Act</i> | | | | |
| 1.2.1. | Did the FSP change the name of the financial services business as reflected on the licence concerned, and carry on any financial services business under such a changed name? | | | | |
| 1.2.2. | If the answer to question 1.2.1 is YES- | | | | |
| | 1.2.2.1 Did the FSP inform the Registrar of the change of name? | | | | |
| | 1.2.2.2 Did the FSP fully comply with the provisions of any other law other than the Act, which reulates such change of business name (if any)? | | | | |
| | 1.2.2.3 Has the FSP fully disclosed to the Registrar the details of such compliance with such other law? | | | | |
| | 1.2.2.4 Did the FSP replace all licence copies displayed in terms of section 8(8)(a) with the copies of the licence as amended under the provisions of section 8(5)(b)(i) of the Act? | | | | |
| 1.3. | Financial Products in respect of which FSP renders financial services <i>Condition 5 imposed by the Registrar in terms of section 8(4) of the Act</i> | | | | |
| 1.3.1. | Does the FSP have internal controls and procedures in place to ensure that any investment product of a financial nature in respect of which the provider intends to render a financial service, qualifies as a financial product contemplated in the Act? | | | | |
| 1.3.2. | Did the FSP render services relating to products (excluding any credit related products) of a financial nature that do not qualify as financial products as contemplated in the Act? | | | | |
| 1.3.3. | If the answer to question 1.3.2 is YES- Provide detail of these products in a separate annexure and indicate the annexure number in column 5. | | | | |
| 1.4. | Financial Products in respect of which FSP renders financial services <i>Authorisation in terms of the licence of the FSP</i> | | | | |
| 1.4.1. | Does the FSP have internal controls and procedures in place to ensure that financial services are rendered within the limitations on categories and sub-categories for which the licence is issued? | | | | |
| 1.4.2. | Did you only render the financial services in terms of limitations on the category and sub-category for which the licence is issued? | | | | |
| 1.4.3. | If the answer to question 1.4.2 is NO - Provide details of non-compliance in a separate attachment and indicate the annexure number in column 5. | | | | |

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| 2. Key individuals <i>Section 8(1) and 8(4)(b) of the Act</i> <i>Determination of Fit and Proper Requirements for Financial Services Providers</i> | | | | | |
| 2.1. Did any changes occur in your personal circumstances that affected the Fit and Proper Requirements? | | | | | |
| 2.2. <i>If the answer to question 2.1 is YES -</i> Provide details of the change of the personal circumstances of any key individual in a separate attachment and list it under comments in column 5. | | | | | |
| 2.3. Did you comply with the condition in terms of Column 4 of Table A or Column 3 of Table B and C of the Determination of Fit and Proper Requirements of Financial Services Providers? | | | | | |
| 3. Licence of the FSP <i>Section 8(8) of the Act</i> | | | | | |
| 3.1. Is a certified copy of the licence of the FSP displayed within every business premises of the FSP? | | | | | |
| 3.2. Can a copy of such a licence be obtained on request? | | | | | |
| 3.3. Is a reference to the fact that a licence is held contained in all business documentation? | | | | | |
| 4. Staff compliment | | | | | |
| 4.1. Does the FSP have any other employees that are assisting the key individual or provider in the rendering of financial services? | | | | | |
| 4.2. Provide the number of employees that the FSP employ and provide the roles and responsibilities of the other employees in a separate attachment and provide 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? Provide the extent (numeric terms) of the cover in column 5 | | | | | |
| 5.2. Does the FSP have fidelity insurance cover? Provide the extent (numeric terms) of the cover in column 5 | | | | | |
| 5.3. Does the FSP have guarantees in place as contemplated in section 13 of the General Code of Conduct? Provide the extent (numeric terms) of the guarantees in column 5 | | | | | |
| 5.4. Does the FSP disclose to clients in terms of section 5(e) of the General Code of Conduct whether it holds guarantees or professional indemnity or fidelity insurance cover? | | | | | |
| 6. Compliance function <i>Section 17 of the Act and Chapter IV of Regulations</i> | | | | | |
| 6.1. Is the compliance function established as part of the risk management framework of the business of the FSP in compliance with section 17(3) of the Act and Regulation 5? | | | | | |
| 6.2. Has there been compliance with section 17(3) of the Act? | | | | | |

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| 7. Maintenance of records | | | | | |
| <i>Section 18 of the Act and Section 3(2) of the General Code of Conduct</i> | | | | | |
| 7.1. | Does the FSP have appropriate procedures and systems in place to record cases of non-compliance with the Act and reasons for such non-compliance? | | | | |
| 7.2. | Does the FSP have appropriate procedures and systems in place to record known premature cancellations of transactions of financial products by clients of the provider? | | | | |
| 7.3. | Does the FSP have appropriate procedures and systems in place to record all written and verbal communications to clients relating to the rendering of financial services? | | | | |
| 7.4. | Does the FSP have appropriate procedures and systems in place to record verbal (telephonic) communications with clients relating to the rendering of financial services? | | | | |
| 7.4.1. | <i>If the answer to Question 7.4 is NO - Please submit an explanation as a separate attachment and provide the annexure number in column 5.</i> | | | | |
| 7.5. | Are any records stored in an electronic format? | | | | |
| 7.5.1. | <i>If the answer to question 7.5 is YES - Are the records accessible and readily reducible to written or printed form?</i> | | | | |
| 7.6. | Does the FSP utilise off-site storing facilities? | | | | |
| 7.7. | Does the FSP utilise the services of a third party to store records? | | | | |
| 7.7.1. | <i>If the answer to question 7.7 is YES - Can the records be provided for inspection within seven days of a request?</i> | | | | |
| 7.8. | Are these records stored in a manner that is in accordance with acceptable standards that it will be safe from destruction? | | | | |
| 7.9. | 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? | | | | |
| 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 with regard to conflict of interest (as described in section 3 of the General Code of Conduct)? | | | | |
| 8.1.2. | Did the FSP during the reporting period receive non-cash incentives and / or other indirect considerations for the rendering of financial services from another provider, product supplier or other person? | | | | |
| 8.1.3. | <i>If the answer to question 8.1.2 is YES - Did the FSP disclose the non-cash incentives and other indirect considerations to its clients where applicable?</i> | | | | |

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| 8.1.4. | 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 client beforehand? | | | | |
| 8.1.5. | Does the FSP enter into a written contractual relationship with its clients before rendering financial services? | | | | |
| 8.2. | Disclosure requirements <i>Sections 4, 5 and 7 of the General Code of Conduct</i> | | | | |
| 8.2.1. | Does the FSP have procedures and internal controls in place to ensure that all the relevant information in terms of sections 4, 5 and 7 of the General Code of Conduct is disclosed to clients? | | | | |
| 8.2.2. | Is the disclosure documentation provided in plain language? | | | | |
| 8.2.3. | Is the disclosure documentation provided timeously so as to afford the client reasonable sufficient time to make an informed decision about the proposed transactions? | | | | |
| 8.2.4. | Is the disclosure documentation not misleading? | | | | |
| 8.2.5. | Is the disclosure documentation where provided in writing, in clear and readable print size, spacing and format? | | | | |
| 8.2.6. | Did the FSP ensure that it disclosed relevant information in terms of sections 4 and 5 of the General Code of Conduct to its clients where applicable? | | | | |
| 8.2.7. | Does the FSP disclose the information in terms of section 4 and 5 of the General Code of Conduct to its clients in a standardised format? | | | | |
| 8.2.8. | If the answer to question 8.2.7 is YES – | | | | |
| 8.2.8.1. | Does the FSP have procedures in place to ensure that the information is updated when required? | | | | |
| 8.2.8.2. | Does the FSP ensure that the information is adequate and appropriate in the circumstances of the particular financial services, taking into account the factually established or reasonably assumed level of knowledge of the client? | | | | |
| 8.2.9. | Does the FSP provide clients with financial services in respect of financial products of one specific product supplier? | | | | |
| 8.2.10. | Does the FSP disclose the information in terms of section 7(1) (c) of the General Code of Conduct to the client in writing? | | | | |
| 8.2.11. | <i>If the answer to question 8.2.10 is YES -</i> Does the FSP prepare a disclosure document to the client on its own business documentation? | | | | |
| 8.2.12. | Did the FSP ensure that it disclosed, where applicable, the name, class or type of financial product concerned, in terms of section 7 of the General Code of Conduct to its clients? | | | | |
| 8.2.13. | Did the FSP ensure that it disclosed, where applicable 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 rendering of the financial service, in terms of section 7 of the General Code of Conduct to its clients? | | | | |

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| 8.2.14. | Did the FSP ensure that it disclosed, where applicable any material or investment risk associated with the product, in terms of section 7 of the General Code of Conduct to its clients? | | | | | |
| 8.2.15. | Did the FSP ensure that it disclosed, where applicable extent of monetary obligations assumed by the client, the frequency thereof and consequences of non-compliance, in terms of section 7 of the General Code of Conduct to its clients? | | | | | |
| 8.3. | Furnishing of advice and record of advice <i>Section 8 and 9 of the General Code of Conduct</i> | | | | | |
| 8.3.1. | Is the FSP licensed to furnish advice? | | | | | |
| | 8.3.2 If the answer to question 8.3.1 is YES – | | | | | |
| 8.3.2.1 | Does the FSP have procedures in place to ensure that an analysis of the client's financial situation and objectives are performed when advice is furnished? | | | | | |
| 8.3.2.2 | Does the FSP use a standardised computer programme to do the analysis? | | | | | |
| 8.3.2.3 | Did the FSP conduct an analysis, for purpose of the advice, based on the information obtained relating the client's financial situation, financial product experience and objectives in terms of all clients? | | | | | |
| 8.3.2.4 | Does the FSP have procedures in place relating to replacement products to ensure compliance with section 8(1)(d) of the General Code of Conduct? | | | | | |
| 8.3.2.5 | Did the FSP when providing advice to any client during the reporting period rely on section 8(4) (a) or (b) of the General Code of Conduct? | | | | | |
| 8.3.2.6 | <i>If the answer to question 8.3.2.5 is YES –</i> Provide the number of instances during the reporting period where section 8(4)(a) or (b) was utilised in column 5. | | | | | |
| 8.3.2.7 | Does the FSP keep a record of advice as contemplated in section 9(1) of the General Code of Conduct? | | | | | |
| 8.3.2.8 | Does the FSP provide your clients with the record of advice as contemplated in section 9(2) of the General Code of Conduct? | | | | | |
| 8.3.2.9 | Did the FSP keep a record of advice and provide your clients in accordance with section 9 of the General Code of Conduct? | | | | | |
| 8.3.2.10 | Does the FSP render continuous advisory services to clients and review their investments on an annual basis? | | | | | |
| 8.4. | Custody of financial products and funds <i>Section 10 of the General Code of Conduct</i> | | | | | |
| 8.4.1. | Does the FSP receive or hold financial products or funds of or on behalf of clients when rendering financial services? | | | | | |

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| 8.4.2. If the answer to question 8.4.1 is YES - | | | | | |
| 8.4.2.1. Does the FSP have an approved auditor or accounting officer in terms of section 19 of the Act read with the exemption published in Board Notice 104 of 2004? | | | | | |
| 8.4.2.2. Does the FSP issue written confirmation of receipts to clients when documents of title are lodged with the FSP or when funds are received into safe custody without the mediation of a bank? | | | | | |
| 8.4.2.3. Does the FSP have procedures in place to ensure that the client's financial products or funds are readily discernible from private assets or funds of the FSP? | | | | | |
| 8.4.3. Does the FSP collect short term insurance premiums from clients in accordance with section 45 of the Short-term Insurance Act, 1998 (Act No. 53 of 1998)? | | | | | |
| 8.5. Risk management <i>Sections 11 and 12 of the General Code of Conduct</i> | | | | | |
| 8.5.1. Does the FSP have and employ appropriate risk management resources, procedures, systems and controls within the contemplation of sections 11 and 12 of the General Code of Conduct? | | | | | |
| 8.6. Advertising <i>Section 14 of the General Code of Conduct</i> | | | | | |
| 8.6.1. Does the FSP have procedures in place to ensure that all advertisements and advertising communications and material comply with section 14 of the General Code of Conduct? | | | | | |
| 8.6.2. Did the FSP advertise any of its services by telephone during the reporting period? | | | | | |
| 8.6.2.1. <i>If the answer to question 8.6.2 is YES -</i> Does the FSP maintain an electronic, voice logged record of all communications? | | | | | |
| 8.6.3. Is reference to the fact that a licence is held contained in all advertisements? | | | | | |
| 8.7. Direct Marketing <i>Paragraph 15 of the General Code of Conduct</i> | | | | | |
| 8.7.1. Does the FSP act as a direct marketer? | | | | | |
| 8.7.2. If the answer to question 8.7.1 is YES -- | | | | | |
| 8.7.2.1. Does the FSP have recording systems in place to record all telephonic conversations with clients in the course of direct marketing? | | | | | |
| 8.7.2.2. Does the FSP have appropriate procedures and systems in place to store and retrieve recordings? | | | | | |
| 8.7.2.3. Does the FSP have procedures in place to ensure that it complies with section 15 of the General Code of Conduct? | | | | | |
| 8.7.2.4. Did the FSP ensure that it disclosed relevant information in terms of sections 15(1) to (4) and (6) of the General Code of Conduct to its clients? | | | | | |

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| 8.8. Complaints <i>Section 16 to 19 of the General Code of Conduct</i> | | | | |
| 8.8.1. Does the FSP have a complaints resolution system and procedure in place that comply with sections 16 to 19 of the General Code of Conduct? | | | | |
| 8.8.2. Did the FSP receive any complaints from clients during the reporting period? | | | | |
| 8.8.2.1. If the answer to question 8.8.2 is YES - Does the FSP keep records of complaints received together with an indication as to whether or not any such complaint has been resolved as contemplated in section 18 of the Act? | | | | |
| 8.9. Waiver of rights <i>Section 21 of the General Code of Conduct</i> | | | | |
| 89.1. Does the FSP have procedures in place to ensure that its representatives do 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 Codes of Conduct? | | | | |
| 9. Exemptions <i>Sections 44 and 45 of the Act</i> | | | | |
| 9.1. Exemption in respect of certain applicants for authorisation <i>Board Notice 94 of 2004 and Board Notice 104 of 2004</i> | | | | |
| 9.1.1. Was the FSP subject to the exemption granted in terms of Board Notice 94 of 2004? | | | | |
| 9.1.2. If the answer to question 9.1.1 is YES - Did the FSP during the period contemplated in the exemption comply with paragraph 4 of the exemption? | | | | |
| 9.1.3. Was the FSP subject to the exemption granted in terms of paragraph 3(1)(a) of Board Notice 104 of 2004? | | | | |
| 9.1.4. Did the financial services provider inform the Registrar in writing if they did not comply with the required minimum qualifications as required in terms of paragraph 3(2) of Board Notice 104 of 2004? | | | | |
| 9.2. Exemption of certain office holders <i>Board Notice 97 of 2004</i> | | | | |
| 9.2.1. Did the FSP utilise the exemption in terms of Board Notice 97 of 2004? | | | | |
| 9.2.2. Did the FSP comply with the sections of the General Code of Conduct as well as the code of conduct for discretionary FSP's that are not covered by the exemption in terms of Board Notice 97 of 2004. | | | | |
| 9.2.3. If the answer to question 9.2.2 is NO - Please submit full details of non-compliance in a separate attachment and provide the annexure number in column 5. | | | | |

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| 10. Money laundering control procedures | | | | | |
| 10.1. | Does the FSP have control procedures in place to ensure that it complies with paragraph 4(2) of the Determination for Fit and Proper Requirements for Financial Services Providers, 2003? | | | | |
| 10.2. | Is the FSP an accountable institution in terms of Schedule A of FICA? | | | | |
| 10.3. | <i>If the answer to question 10.2 is YES -</i> | | | | |
| 10.3.1. | Does the FSP have internal rules in terms of FICA? Please attach a copy of internal rules in terms of FICA as an annexure to this report and indicate the annexure number in column 5. | | | | |
| 10.3.2. | Does the FSP have a money laundering control compliance officer? Please attach in a separate annexure the name, ID number and telephone number of the money laundering control compliance officer and indicate the annexure number in column 5. | | | | |
| 10.3.3. | Did you ensure that the FSP obtained the information relating to its clients as provided for in terms of the FICA? | | | | |
| 10.3.4. | <i>If the answer to question 10.3.3 is YES -</i> Provide details of non-compliance in a separate attachment and provide the annexure number in column 5. | | | | |
| 10.3.5. | Did the FSP during the reporting period provide all its employees with training relating to FICA? | | | | |
| 10.3.6. | Did any other accountable institution rely on the verification of clients by the FSP in terms of Exemption 4 of the FICA? | | | | |
| 11. Financial soundness | | | | | |
| 11.1. | Did the FSP during the reporting period have controls in place to ensure that it complies with paragraph 5(2) of the Determination of Fit and Proper Requirements for Financial Services Providers read with the exemption in terms of Board Notice 96 of 2003? | | | | |
| 11.2. | Did the FSP comply with the solvency requirements as required in terms of paragraph 5(2) of the Determination of Fit and Proper Requirements for Financial Services Providers? | | | | |
| 11.3. | Does the FSP in terms of section 19 of the Act prepare monthly accounting records? | | | | |
| 11.4. | Did the FSP provide the Registrar with annual financial statements as required in terms of section 19(2)(b) of the Act? | | | | |
| SECTION 2 – ADMINISTRATIVE FSPs | | | | | |
| This section does not apply to the Annual Without report | | | | | |

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| SECTION 3- DISCRETIONARY FSPs | | | | |
| 12. Particular duties/obligations relating to discretionary FSPs | | | | |
| 12.1. Prohibitions and duties of discretionary FSP <i>Section 3 of the Code of Conduct for Discretionary FSPs, 2003</i> | | | | |
| 12.1.1. | Does the FSP have procedures in place to ensure that it does not sell to or provide a third party with client's detail, unless obliged by, or in terms of, any law to do so? | | | |
| 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. | Does the FSP have procedures in place to ensure that it does not directly or indirectly engage in the netting of transactions? | | | |
| 12.1.4. | 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? | | | |
| 12.1.5. | Does the FSP manage client's funds in wrap funds or structured funds on an administrative FSP's platform? | | | |
| 12.1.6. | <i>If the answer to question 12.1.5 is YES- Please provide in a separate attachment full details of the funds and underlying assets in the wrap fund or structured fund. Provide annexure number in column 5.</i> | | | |
| 12.1.7. | Does the FSP manage the assets of hedge funds? | | | |
| 12.2. Mandate <i>Section 5 of the Code of Conduct for Discretionary FSPs, 2003</i> | | | | |
| 12.2.1. | Did the Registrar approve all specimen mandate/s used by the FSP? | | | |
| 12.2.2. | Did the FSP amend any of its specimen mandate/s during the reporting period? | | | |
| 12.2.3. | <i>If the answer to question 12.2.2 is YES- Did the Registrar approve all substantial amendments to the specimen mandate/s?</i> | | | |
| 12.2.4. | Did the FSP ensure that it only deals with clients in respect of whom mandates which comply with paragraph 5 of the said Code have been obtained? | | | |
| 12.2.5. | Did you perform procedures on a sample basis to determine whether all cash, assets and documents of title are returned to the client on termination of the mandate? | | | |
| 12.2.6. | Did you perform procedures to ensure that all clients are furnished with a final account? | | | |
| 12.2.7. | Did you perform procedures on a sample basis to ensure that clients assets are managed in terms of their mandates? | | | |

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| 12.3. Reporting to clients <i>Section 6 of the Code of Conduct for Discretionary FSPs, 2003.</i> | | | | | |
| 12.3.1. Did you ensure that the FSP sent the client reports within the periods as required by the said section 6? | | | | | |
| 12.3.2. Provide details of any non-compliance in a separate attachment and indicate the annexure number in column 5. | | | | | |
| 12.4 Administration | | | | | |
| 12.4.1 As a separate attachment, submit an organgram of the FSP as well as full details of the FSP's administrative systems and procedures for managing client assets. Provide the number of the annexure in column 5. | | | | | |
| 12.4.2 Are any assets managed on behalf of retirement funds or insurance companies? | | | | | |
| 12.4.3 <i>If the answer to question 12.4.2 is YES-</i> Do you have procedures in place to ensure that the assets are held in the name of the retirement fund or insurance company directly or in the name of an approved Nominee company? | | | | | |
| 12.5 Funds under management | | | | | |
| 12.5.1 Provide the amount of funds/assets under management on reporting date in column 5. | | | | | |
| 12.5.2 Provide the balance of the separate bank account (if applicable) at reporting date in column 5. | | | | | |
| 12.6 Nominee companies <i>Section 7 of the Code of Conduct for Discretionary FSPs, 2003.</i> | | | | | |
| 12.6.1 Does the FSP hold client investments in its own nominee company? | | | | | |
| 12.6.2 <i>If the answer to question 12.6.1 is YES,</i> Did the Registrar approve the nominee company as required by regulation 6 of the Regulations? | | | | | |
| 12.6.3 <i>If the answer to question 12.6.1 is NO-</i> Does the FSP utilise the services of another nominee company? | | | | | |
| 12.6.4 As a separate attachment, provide a list of assets held by the FSP. Please also indicate in whose name the assets are registered. Provide the annexure number in column 5 . | | | | | |
| SECTION 4 – FOREX FSPs | | | | | |
| 13. Particular duties/obligations relating to forex FSPs | | | | | |
| 13.1. Is the FSP licensed to render financial services relating to foreign currency denominated investment instruments? | | | | | |

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| 13.2. | If the answer to question 13.1 is YES, Does the FSP render forex investment business as defined in the Forex Investment Business Code of Conduct? | | | | |
| 13.3. | Does the FSP utilise a clearing firm approved by the Registrar? | | | | |
| 13.4. | Provide full details of the clearing firm as well as the Registrar details in a separate attachment and provide the annexure number in column 5. | | | | |
| 13.5 | Is the FSP an introducing broker for the clearing firm? | | | | |
| 13.6 | Do the clients have access to reporting at the clearing firm? | | | | |
| 13.7 | Do you perform procedures on a sample basis to determine whether exchange control regulations (including tax legislation) have been complied with? If any non-compliance were found, please provide full details thereof in a separate attachment and indicate the annexure number in column 5. | | | | |
| 13.8 | Does the FSP advise a client to invest by means of margin trading? | | | | |
| 13.9 | Do you perform procedures on a sample basis to ensure that written reports are distributed to the clients? | | | | |
| 13.10 | Attach a list of training institutions currently used to train employees as a separate attachment and provide the annexure number in column 5. | | | | |
| 13.11 | If the answer to question 13.2 is YES and FSP is licensed for subcategory 2.13 Question 13.11.1, must be answered and/or if the FSP is licensed for subcategory 1.15 question 13.11.2 must be answered | | | | |
| | 13.11.1 Special provisions applying to forex investment intermediaries <i>Section 5 of the Forex Investment Business Code of Conduct</i> | | | | |
| | 13.11.1.1 Does the FSP render forex intermediary services? | | | | |
| | 13.11.1.2 Did the Registrar approve all specimen mandate/s used by the FSP? | | | | |
| | 13.11.1.3 Did the FSP amend any of its specimen mandate/s during the reporting period? | | | | |
| | 13.11.1.4 If the answer to question 13.11.1.3 is YES: Did the Registrar approve all substantial amendments to the specimen mandate/s? | | | | |
| | 13.11.1.5 Did the FSP ensure it only deals with clients in respect of whom mandates, which comply with section 5 of the said Code, have been obtained? | | | | |
| | 13.11.2 Special prohibitions applying to forex investment advisors <i>Section 9 of the Forex Investment Business Code of Conduct</i> | | | | |
| | 13.11.2.1 Does the FSP render forex investment advisory services? | | | | |
| | 13.11.2.2 Did the Registrar approve all specimen application form/s used by the FSP? | | | | |

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| 13.11.2.3 Did the FSP amend any of its specimen application form during the reporting period? | | | | | |
| <i>13.11.2.3 If the answer to question 13.11.2.3 is YES-</i> Did the Registrar approve the all-substantial amendments to the specimen application form? | | | | | |
| 13.1 f.2.5 Did the FSP ensure that it only deals with clients in respect of whom application forms, which comply with section 9 of the said Code, have been obtained? | | | | | |
| 13.12 In a separate attachment, provide full details of the system that the FSP utilises, and provide the annexure number in column 5. | | | | | |
| 13.13 Does the FSP have procedures in place to ensure that client funds are not churned? | | | | | |
| 13.14 As a separate attachment provide copies of advertising material and brochures in which the name of the FSP appear, that are distributed to the clients. Provide the annexure number in column 5. | | | | | |
| 13.15 Funds under management | | | | | |
| 13.15.1 Provide the amount of funds/assets under management at reporting date in column 5. (Only applicable to forex intermediaries). | | | | | |
| 13.15.2 Provide the balance of the separate account (if applicable) at the reporting date in column 5. (Only applicable to forex intermediaries). | | | | | |
| SECTION 5 – HEALTH SERVICE BENEFITS | | | | | |
| 14. Accreditation under section 65(3) of the Medical Schemes Act, 1998 Section 8(7)(e) of Act | | | | | |
| 14.1. Is the FSP licensed to render financial services relating to health service 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? Please provide details of any suspensions, withdrawals or lapses as an Annexure to the report and indicate the Annexure number in column 5. | | | | | |
| 14.2.2 Provide the accreditation number with the Council for Medical Schemes in column 5. | | | | | |
| 14.2.3 Attach a copy of the accreditation certificate and provide the annexure number in column 5. | | | | | |

SECTION 7 - ATTACHEMENTS

| Question number | Comments | Additional information attached Annexure reference no |
|-----------------|----------|--|
|-----------------|----------|--|

To be completed by the key individual or provider

Name of key individual or provider completing the form

Signature _____

Date _____

Address _____

Telephone number _____

Fax number _____

E-mail address _____