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BOARD NOTICES

BOARD NOTICE 122 OF 2009

FINANCIAL SERVICES BOARD

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (ACT NO. 37 OF 2002)

DETERMINATION OF COMPLIANCE REPORT FOR FINANCIAL SERVICES PROVIDERS CHANGING COMPLIANCE OFFICERS, 2009

In terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) ("the Act"), I, Dube Phineas Tshidi, Registrar of Financial Services Providers, by this notice with its schedule, determine the manner in which the compliance report of financial services providers that changed compliance officers during the reporting period, must be submitted, and the matters which it must have regard to. This determination was made after consultation with the Advisory Committee on Financial Services Providers.

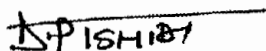
- (a) A written report for the reporting period, conforming to the schedule attached hereto, or in the prescribed electronic format determined by the Registrar, must be submitted by the resigning compliance officer within one month after date of resignation.
- (b) Should the resigning compliance officer not be able to submit a compliance report (in case of death or immediate dismissal), a letter from the FSP stating the circumstances, will suffice.
- (c) Should the FSP appoint a compliance officer from compliance practice the resigning compliance officer is from, the resigning officer does not need to submit a compliance report.
- (d) Should there be more than one compliance officer appointed by the FSP, the resigning compliance officer does not need to submit a compliance report.
- (e) Answers should not be provided in columns that are shaded in grey in the schedule.
- (f) In this Notice and the schedule, unless the context indicates otherwise –
 - (i) any word or expression shall have the meaning that it was assigned in the Act (including any measure contemplated in the definitions of "this Act" as defined in section 1(1) of the Act);
 - (ii) "Code of Conduct" means any Code published under section 15 of the Act;
 - (iii) "Determination of Fit and Proper Requirements" means the Determination of Fit and Proper Requirements for Financial

Services Providers, 2008;

- (iv) "FICA" means the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001);
- (v) "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;
- (vi) "FSP" and "financial services provider" means an authorised financial services provider, and includes, where applicable, any representative of the provider;
- (vii) "General Code of Conduct" or "General Code" means the Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003;
- (viii) "previous reporting period" means the reporting period of the last annual compliance report submitted;
- (ix) "Regulations" means the Financial Advisory and Intermediary Services Regulations, 2003;
- (x) "reporting date" means date on which compliance officer resigns;
- (xi) "reporting period" means the period from-
 - (aa) the date of authorisation as financial services provider in terms of section 8 of the Act; or
 - (bb) the first day of the month following the previous reporting period,;

whichever is the later date, until the reporting date. If this period is 2 months or shorter, no compliance report needs to be submitted.

This Determination is called the Determination of Compliance Report for Financial Services Providers changing Compliance Officers, 2009, and comes into operation on the date of publication thereof.



D P TSHIDI,
Registrar of Financial Services Providers

SCHEDULE

Compliance Report in terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) ("the Act") by compliance officers of financial services providers changing compliance officers

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 of resignation of compliance officer)

Question		Column				
		1	2	3	4	5
		Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
SECTION 1 – GENERAL						
1. Conditions and restrictions imposed, made, given or issued by Registrar <i>Section 7(3), 8(4)(a) and 8(5)(b) of the Act</i>						
1.1	Does the FSP verify in all instances that any other FSP that it gives an instruction to, or receives an instruction from, is authorised to render the specific financial services without any restrictions in its licence in relation to the specific financial product?					
1.2	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>					
1.2.1.	Does the FSP render financial service on any financial product that is not specifically defined in the Act or regulated in terms of any other legislation?					
1.2.2.	<i>If the answer to Question 1.2.1 is YES –</i> Provide details of the financial products concerned in a separate annexure and indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
1.3 Financial Products in respect of which FSP renders financial services <i>Authorisation in terms of the licence of the FSP</i>					
1.3.1. Did any non-compliance occur in respect of the limitation on categories and sub-categories for which the licence is issued during the reporting period?					
1.3.2. <i>If the answer to Question 1.3.1 is YES -</i> Provide details of non-compliance in a separate annexure and indicate the annexure number in column 5.					
2. Key individuals <i>Section 8(1) and 8(4)(b) of Act and Determination of Fit and Proper Requirements for Financial Services Providers</i>					
2.1 Are all people involved in the managing/overseeing function in relation to the rendering of financial services, appointed as key individuals?					
2.2 Fit and Proper Requirements for key individuals <i>Determination of Fit and Proper Requirements for Financial Services Providers</i>					
2.2.1. Did any changes occur in the personal circumstances of any key individual during the reporting period that adversely affected the Fit and Proper Requirements of the person?					
2.2.2. <i>If the answer to Question 2.2.1 is YES -</i> Provide full details thereof in a separate annexure and indicate the annexure number in column 5.					
3. Representatives <i>Sections 13 and 14 of the Act</i>					
3.1 Was the representative register updated during the reporting period in terms of condition 1 of the licensing conditions?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
3.2 Debarment of representatives <i>Section 14 of the Act</i>					
3.2.1. Did the FSP debar any of its representatives during the reporting period without informing the Registrar accordingly?					
4. Compliance function <i>Section 17 of the Act and Chapter IV of the Regulations</i>					
4.1 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?					
4.2 Did you (compliance officer) provide written reports on the compliance monitoring and recommendations relating to the FSP on a regular basis in terms of regulation 5(3) of the Regulations?					
4.3 In the case where you (compliance officer) are not in the full time employ of the FSP, indicate in column 5 the number of visits to the FSP in order to perform monitoring procedures during the reporting period.					
4.4 Do you (compliance officer) have any issues that are not covered by this report that you would want to bring to the attention of the Registrar? Attach a written copy of your comments as an annexure and indicate the annexure number in column 5.					
4.5 In a separate annexure, provide reasons for resigning as Compliance Officer of the FSP. Indicate the annexure number in column 5.					
4.6 In a separate annexure, attach a copy of the latest report that you (compliance officer) provided to the FSP. Indicate the annexure number in column 5.					
5. General Code of Conduct					
5.1 General provisions <i>Section 3 of the General Code of Conduct</i>					
5.1.1. If applicable, did the FSP disclose to its clients any non-cash incentives and other indirect considerations received in terms of the internal policy/ies?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
5.2 Furnishing of advice and record of advice <i>Sections 8 and 9 of the General Code of Conduct</i>					
5.2.1. Is the FSP licensed to furnish advice?					
5.2.2. Did the FSP render advice as a regular feature of its business during the reporting period?					
5.2.3. <i>If the answer to Question 5.2.2 is YES –</i>					
5.2.3.1 Did the FSP comply in all instances with section 8(1)(d) of the General Code of Conduct relating to replacement products during the reporting period ?					
5.3 Custody of financial products and funds <i>Section 10 of the General Code of Conduct</i>					
5.3.1. Has the FSP changed auditors during the reporting period?					
5.3.1.1 <i>If the answer to Question 5.3.1 is YES -</i> Did the FSP inform the Registrar of the change of auditors?					
5.4 Risk management <i>Sections 11 and 12 of the General Code of Conduct</i>					
5.4.1. Does the FSP have and employ appropriate risk management resources, procedures, systems and controls as described in sections 11 and 12 of the General Code of Conduct?					
5.4.2. Does the FSP have a documented Risk Management Plan?					
5.5 Advertising <i>Section 14 of the General Code of Conduct</i>					
5.5.1. Does the FSP advertise its financial services?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
5.5.2. If the answer to Question 5.5.1 is YES-					
5.5.2.1 Is a reference to the fact that a licence is held contained in all advertisements that were placed during the reporting period?					
6. Money laundering control procedures					
6.1 Is the FSP an accountable institution in terms of Schedule 1 of FICA?					
6.2 If the answer to Question 6.1 is YES – Are you (compliance officer) also appointed as the Money Laundering Control Officer of the FSP?					
7. Financial soundness					
7.1 Did the FSP comply with the solvency requirements as required in terms of paragraph 9 of the Fit and Proper Requirements for Financial Services Providers at all times during the reporting period?					
7.2 Does the FSP prepare monthly accounting records in terms of section 19 of the Act?					
8. MONITORING					
8.1 Please indicate the type of monitoring that you (compliance officer) performed during the reporting period:					
8.1.1. Financial products in respect of which the FSP renders financial service.					
8.1.2. Representatives under supervision.					
8.1.3. Disclosure documents to check compliance with sections 4 and 5 of the General Code of Conduct.					
8.1.4. Disclosure documents to check compliance with section 7 of the General Code of Conduct.					
8.1.5. Furnishing of advice and record of advice.					
8.1.6. Receipt of funds and/or collection of premiums.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop-mental area	Note No. Comment/Annexure
8.1.7. Waiver of rights.					
8.1.8. Money laundering control procedures.					
8.1.9. Exchange control regulations (in case of a forex FSP).					
8.1.10. Policies and procedures.					
8.1.11. Mandates and application forms.					
8.1.12. Other. Please provide details on other monitoring in a separate annexure and indicate the annexure number in column 5.					
8.1.13. In a separate annexure, provide an explanation as to how you did the monitoring (methodology). Please also include the extent of monitoring. Indicate the annexure number in column 5.					
8.2 Did you (compliance officer) find any instances of non-compliance with the Act and subordinate legislation during the reporting period? If YES, provide full details thereof in a separate annexure and indicate the annexure number in column 5.					
SECTION 2 – ADMINISTRATIVE FSPs					
9. Record keeping Section 7 of the Code of Conduct for Administrative FSPs, 2003					
9.1 Are client records maintained to identify the specific financial product owned per client?					
9.2 Independent Nominee Section 9 of the Code of Conduct for Administrative FSPs, 2003					
9.2.1. Does the FSP ensure that the independent nominee is approved in terms of the Requirements imposed by the Financial Services Board for Nominees to operate in South Africa (Board Notice 63 of 2007)?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
9.2.2. Does the FSP have procedures in place to ensure that all bank and unit reconciliations are up to date?					
SECTION 3 – DISCRETIONARY FSPs					
10. Particular duties/obligations relating to discretionary FSPs					
10.1 Nominee companies <i>Section 8 of the General Code of Conduct for Discretionary FSPs, 2003</i>					
10.1.1. Does the FSP hold client investments?					
10.1.2. If the answer to Question 10.1.1 is YES –					
10.1.2.1 Does the FSP hold client investments in its own nominee company approved by the Registrar as required in terms of regulation 6 of the Regulations?					
10.1.2.2 Does the FSP make use of another approved nominee company to hold client assets?					
SECTION 4 – FOREX FSPs <i>The Forex code covers forex investments which are investments in a financial product referred to in paragraph (e) of the definition of "financial product" in section 1(1) of the Act.</i>					
11. Particular duties/obligations relating to forex FSPs					
If the FSP is licensed for subcategory 1.15 Questions 11.1 and 11.2 must be answered					
11.1 Is the FSP licensed to give advice as a forex service provider?					
11.2 Does the FSP ensure that clients comply with exchange control regulations (including tax legislation) when giving advice on forex investment business? If any non-compliance were found, please provide full details thereof as a separate annexure and indicate annexure number in column 5.					
If the FSP is licensed for subcategory 2.13 Question 11.3 must be answered					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
11.3 Special prohibitions applying to forex investment intermediaries <i>Section 5 of the Forex Investment Business Code of Conduct</i>					
11.3.1 Does the FSP render forex investment intermediary services?					
11.3.2 Did the FSP comply with Exchange Control Legislation (including Tax Laws) when dealing with forex investment business?					
11.3.3 <i>If the answer to Question 11.3.2 is NO – Provide full details of any instances of non-compliance in a separate annexure. Indicate the annexure number in column 5.</i>					
SECTION 5 – HEALTH SERVICES BENEFITS					
12. Accreditation under section 65(3) of the Medical Schemes Act, 1998 <i>Section 8(7)(e) of the Act</i>					
12.1 Is the FSP licensed to render financial services relating to health services benefits?					
12.2 <i>If the answer to Question 12.1 is YES - .</i>					
12.2.1 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.					
SECTION 6 – HEDGE FUND FINANCIAL SERVICES PROVIDERS					
13. Does the FSP manage assets of a hedge fund? If the answer is YES, Questions 14 to 16 must be answered.					
14. Amendment Notice on Codes of Conduct for Administrative and Discretionary FSPs <i>Board Notice 89 of 2007 and Board Notice 571 of 2008</i>					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
14.1 Did you (compliance officer) perform monitoring procedures to ensure that the hedge fund FSP complied with paragraph 8.A.1 to 8.A.4 of the said Board Notice 89 of 2007 for the reporting period?					
14.2 Did you (compliance officer) perform monitoring procedures to ensure that the risk disclosure document as stipulated in paragraph 8.4.2(b) of BN 89 of 2007 and BN 571 of 2008 has been included in the mandate?					
15. Risk Management Part IX of the General Code of Conduct					
15.1 Does the Hedge Fund FSP have a risk management plan in place in accordance with Part IX of the General Code of Conduct describing the risk management process in respect of the hedge fund management business?					
15.2 Did the FSP disclose the risks as published in Board Notice 571 of 2008 in respect of hedge funds to its investors in the hedge fund portfolios at all times during the reporting period?					
16. General					
16.1 Did the FSP provide valuations for any instruments to the fund administrator which, to the best of the FSPs knowledge, are relied upon by the administrator in valuating the fund?					
16.2 Have any changes occurred in the operational ability of the FSP since approval as hedge fund FSP?					
16.3 If the answer to Question 16.2 is YES – In a separate annexure, attach an updated Form 15B, clearly indicating the changes in operational ability.					
16.4 Did the Registrar approve all specimen mandate/s of the hedge fund portfolios?					

[illegible]

To be completed and signed by the compliance officer

Name of compliance officer of FSP

ID number of the compliance officer

Name of the compliance practice (if applicable)

Reference number of compliance officer/practice

Signature of the compliance officer

Date

Address

Telephone number

Fax number

E-mail address

To be completed and signed by one of the key individuals of the FSP to acknowledge that they are aware that the report will be forwarded to the Registrar

Name of the FSP

FSP Number

Name of key individual

ID number of the key individual

Date appointed as key individual

Signature

Date

Please note that reports that have not been signed by BOTH the compliance officer and one of the key individuals, will be regarded as "Not Submitted".

DECLARATION TO BE SIGNED BY COMPLIANCE OFFICER

Compliance report in terms of section 17(4) of the Financial Advisory and Intermediary Act, 2002 (Act No. 37 of 2002) ("the Act") by compliance officers for the period between _____ (insert date) and _____ (insert date).

In accordance with section 17(4) of the Act, I/we _____ (being the approved compliance officer(s) of the financial services provider ("the FSP") hereby report as follows as regards compliance by _____ (insert full names of FSP and FSP number) and any representatives and/or Key Individuals of the FSP with the Act, for the period _____ (insert period).

Having completed the attached hand-over compliance report for the abovementioned FSP, I/we hereby confirm without any reservations that, to the best of my/our knowledge and ability all the information contained in the attached annual compliance report is both true and correct in all respects/aspects.

I/we are aware that the information contained in the attached hand-over compliance report may be subject to verification by the Registrar of Financial Services Providers (the Registrar) at any time, and should such information be found to be false, incorrect, misleading or in any manner not to be to the satisfaction of the Registrar, this may impact on my/our compliance with the Fit and Proper Requirements with regard to personal character qualities of honesty and integrity as determined by section 8(1) of the Act.

Signed on this the _____ day of _____ (month) _____ (year).

Name of compliance officer: _____

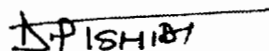
Signature: _____

**BOARD NOTICE 123 OF 2009
FINANCIAL SERVICES BOARD**

**FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002
(ACT NO 37. OF 2002)**

**NOTICE ON REQUIREMENTS FOR PROFESSIONAL INDEMNITY AND FIDELITY
INSURANCE COVER FOR PROVIDERS, 2009**

I, Dube Phineas Tshidi, Registrar of Financial Services Providers, hereby under section 13 of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003, require all providers to maintain suitable professional indemnity and fidelity insurance cover to the extent set out in the Schedule.



DP TSHIDI,

Registrar of Financial Services Providers

SCHEDULE

NOTICE ON REQUIREMENTS FOR PROFESSIONAL INDEMNITY AND FIDELITY INSURANCE COVER FOR PROVIDERS, 2009

Interpretation

1. In this Schedule "the Act" means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), any word or expression to which a meaning is assigned in the Act or in any code of conduct or other measure promulgated under the Act, has, unless the context indicates otherwise, that meaning, and-

"date of commencement" means the date on which this Notice, in terms of paragraph 8 of this Schedule, comes into operation;

"General Code" means the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003.

Application

2. This Schedule only applies to providers and not to representatives.

Categories I, II, IIA, III and IV providers

3. Subject to the provisions of this Schedule-

- (a) A person who is a Category I or IV provider and who does not receive or hold clients' financial products or funds on the date of commencement must, with effect from a date 12 months after that date, maintain in force in respect of clients-
 - (i) suitable guarantees of a minimum amount of R1 million; or
 - (ii) suitable professional indemnity cover of a minimum amount of R1 million.
- (b) A person who is a Category I or IV provider and who receives or holds clients' financial products or funds of or on behalf of a client on the date of commencement must, with effect from a date 12 months after that date, maintain in force in respect of clients-
 - (i) suitable guarantees of a minimum amount of R1 million; or
 - (ii) suitable professional indemnity and fidelity insurance cover of a minimum amount of R1 million.
- (c) The provisions of paragraphs (a) and (b) apply to any person who after the commencement date becomes a Category I or IV provider.
- (d) A person who is a Category II provider and who does not receive or hold clients' financial products or funds of or on behalf of a client on the date of commencement must, with effect from a date six months after that date, maintain in force in respect of clients-
 - (i) suitable guarantees of a minimum amount of R1 million; or
 - (ii) suitable professional indemnity cover of a minimum of R1 million.

- (e) A person who is a Category II provider and who receives or holds clients' financial products or funds of or on behalf of a client on the date of commencement must, with effect from a date six months after that date, maintain in force in respect of clients-
 - (i) suitable guarantees of a minimum amount of R5 million; or
 - (ii) suitable professional indemnity and fidelity insurance cover of a minimum amount of R5 million, respectively.
 - (f) A person who is a Category IIA provider and who does not receive or hold clients' financial products or funds of or on behalf of a client on the date of commencement must, with effect from a date six months after that date, maintain in force in respect of clients-
 - (i) suitable guarantees of a minimum amount of R5 million; or
 - (ii) suitable professional indemnity cover of a minimum amount of R5 million.
 - (g) A person who is a Category IIA provider and who receives or holds clients' financial products or funds of or on behalf of a client on the date of commencement must, with effect from a date six months after that date, maintain in force in respect of clients-
 - (i) suitable guarantees of a minimum amount of R5 million, or
 - (ii) suitable professional indemnity and fidelity insurance cover of a minimum amount of R5 million, respectively.
 - (h) A person who is a Category III provider and who receives or holds clients' financial products or funds of or on behalf of a client on the date of commencement must, with effect from a date six months after that date, maintain in force in respect of clients-
 - (i) suitable guarantees of a minimum amount of R5 million; or
 - (ii) professional indemnity and fidelity insurance cover of a minimum amount of R5 million, respectively.
 - (i) The provisions of paragraphs (d), (e), (f), (g) and (h) apply to any person who after the commencement date becomes a Category II, IIA or III provider.
4. Any person who is licensed as a financial services provider after the date of commencement must comply with the requirements in terms of paragraph 3 above, within 6 weeks of the date of authorisation.

Amendments and adjustments

5. (a) The Registrar may at any time by notice in the *Gazette* amend any provision of this Schedule to the extent as the Registrar may deem necessary.
- (b) The Registrar may at any time adjust the application of paragraph 3 of this Schedule in the case of a provider-
 - (i) on the Registrar's own initiative; or
 - (ii) on written application of the provider.

Construction of Notice

6. No provision of this Notice shall be construed as in any way restricting or otherwise prejudicially affecting a legally enforceable claim of any person for delictual or contractual damages against a provider resulting from or connected with the rendering of financial services by the provider to such person.

Repeal

7. The Notice on Requirements for Professional Indemnity and Fidelity Insurance Cover for Providers, 2009, published in Board Notice 37 of 2009 in *Gazette* 32037 of 25 March 2009 is hereby repealed.

Short title and commencement

8. This Notice is called the Notice on Requirements for Professional Indemnity and Fidelity Insurance Cover for Providers, 2009, and comes into operation on the date of publication in the *Gazette*.

**BOARD NOTICE 124 OF 2009
FINANCIAL SERVICES BOARD**

**FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002
(ACT NO. 37 OF 2002)**

**DETERMINATION OF COMPLIANCE REPORT FOR AUTHORISED FOREIGN
FINANCIAL SERVICES PROVIDERS, 2009**

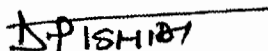
In terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002) ("the Act"), I, Dube Phineas Tshidi, Registrar of Financial Services Providers, by this notice with its schedule, determine the manner in which the compliance report of foreign financial services providers must be submitted, and the matters which it must have regard to. This determination was made after consultation with the Advisory Committee on Financial Services Providers.

- (a) A written report for the reporting period, conforming to the schedule attached hereto, or in the prescribed electronic format determined by the Registrar, must be submitted by 31 October 2009.
- (b) Answers should not be provided in columns that are shaded in grey in the schedule.
- (c) In this Notice and the schedule, unless the context indicates otherwise –
 - (i) any word or expression shall have the meaning that it was assigned in the Act (including any measure contemplated in the definitions of "this Act" as defined in section 1(1) of the Act);
 - (ii) "Code of Conduct" means any Code published under section 15 of the Act;
 - (iii) "Determination of Fit and Proper Requirements" means the Determination of Fit and Proper Requirements for Financial Services Providers, 2008;
 - (iv) "FICA" means the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001);
 - (v) "Foreign FSP or foreign financial services provider" means a financial services provider that is not domiciled in the Republic of South Africa;
 - (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" or "financial services provider" means an authorised financial services provider, and includes, where applicable, any representative of the provider;
- (viii) "General Code of Conduct" or "General Code" means the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003;
- (ix) "Regulations" means the Financial Advisory and Intermediary Services Regulations, 2003;
- (x) "reporting date" means 31 August 2009;
- (xi) "reporting period" means the period from-
 - (aa) the date of authorisation as financial services provider in terms of section 8 of the Act; or
 - (bb) the first day of the month following the reporting period for the 2008 compliance report,

whichever is the later date, until the reporting date.

This Determination is called the Determination of Compliance Report for Foreign Financial Services Providers, 2009, and comes into operation on the date of publication thereof.



D P TSHIDI,
Registrar of Financial Services Providers

SCHEDULE

Compliance Report in terms of section 17(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No 37 of 2002) ("the Act") by Foreign Financial Services Providers for reporting period ended 31 August 2009

Scope

In accordance with section 17(4) of the Act, I/we (the approved compliance officer(s) of the financial services provider) ("the FSP") or the sole proprietor or key individual of the FSP if no compliance officer(s) is required hereby report as follows as regards compliance with the Act by (full name of the FSP and the FSP Number) and any representatives of the FSP, for the reporting period (date reporting period started) to 31 August 2009

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
SECTION 1 – GENERAL					
1. Conditions and restrictions imposed, made, given or issued by Registrar <i>Section 8(4) (a) and 8(5) (b) of the Act</i>					
1.1 Does the FSP have procedures in place to ensure that it can comply with condition 1 of the licensing conditions?					
1.2 Does the FSP verify in all instances that any other FSP that it gives an instruction to, or receives an instruction from, is authorised to render the specific financial services in South Africa without any restrictions in its licence in relation to the specific financial product?					
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. Is the FSP regulated in terms of any other Act (locally or in its home jurisdiction)? (Please note that this does not include membership of professional bodies.)					

1.3.2.	<i>If the answer to Question 1.3.1 is YES - Provide details of the Regulators (Name of Regulator and registration and/or licensing number with Regulator, if applicable) in a separate annexure and indicate the annexure number in column 5.</i>					
1.3.3.	Does the FSP render financial service on any financial product in South Africa that is not specifically defined in the Act or regulated in terms of any other legislation?					
1.3.4.	<i>If the answer to Question 1.3.3 is YES - Provide details of the financial products concerned in a separate annexure and indicate the annexure number in column 5.</i>					
1.4	Financial products in respect of which FSP renders financial services Authorisation in terms of the licence of the FSP					
1.4.1.	Does the FSP have procedures in place to ensure that the rendering of financial services are done within the limitation on categories and sub-categories for which the licence is issued?					
1.4.2.	Did any non-compliance occur in respect of the limitation on categories and sub-categories during the reporting period?					
1.4.3.	<i>If the answer to Question 1.4.2 is YES - Provide details of any non-compliance in a separate annexure and indicate the annexure number in column 5.</i>					
2.	Group structure					
2.1	Does the FSP form part of a group of companies and/or have service level agreements with other financial services providers within the group? Provide full details of the group (organogram or diagram as well as relation to one another) in a separate annexure and indicate the annexure number in column 5.					
3.	Key individuals Section 8(1) and 8(4)(b) of Act and Determination of Fit and Proper Requirements for Financial Services Providers					
3.1	Are the people involved in a managing/overseeing function in relation to the rendering of financial services in South Africa, appointed as key individuals?					
3.2	In a separate annexure, provide information on the organogram/structure with regards to key individuals (what position they have in the organisation, where they are situated). Indicate the annexure number 5.					
3.3	Does the FSP have procedures in place to ensure that it complies with section 8(4) (b) of the Act in the case of replacement of key individuals?					

4. Representatives <i>Sections 13 and 14 of the Act</i>						
4.1	Does the FSP have representatives? If YES, questions 4.2 to 4.5 must be answered.					
4.2	Provide the number of representatives in column 5.					
4.3	Does the FSP have any juristic representatives?					
4.3.1	<i>If the answer Question 4.3 is YES-</i> Does the FSP have an agreement with each juristic representative?					
4.3.2	Are all employees of the juristic representative that are rendering financial services on behalf of the provider, appointed as representatives of the provider in terms of section 13 of the Act?					
4.4	Does the FSP have procedures in place (including documentation) to enable representatives to provide clients with confirmation, as certified by the provider, of their status as representative as provided for in section 13(1) (b)(i) of the Act?					
4.5 Debarment of representatives <i>Section 14 of the Act</i>						
4.5.1.	Does the FSP have procedures in place to debar a representative, if necessary?					
5. Insurance cover <i>Sections 5(e) and 13 of the General Code of Conduct</i>						
5.1	Does the FSP have professional indemnity cover? If yes, provide the extent (numeric amount and currency) of the cover in column 5.					
5.2	Does the FSP have fidelity insurance cover? If yes, provide the extent (numeric amount and currency) of the cover in column 5.					
5.3	Does the FSP have guarantees in place? If yes, provide the extent (numeric amount and currency) of the guarantees in column 5					
5.4	Does the FSP disclose to clients 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?					

7. Maintenance of records <i>Section 18 of the Act</i>						
7.1	Does the FSP have appropriate procedures and systems in place to record the information contemplated in section 18 of the Act?					
8. General Code of Conduct						
8.1 General provisions						
8.1.1.	Does the FSP have an internal policy/policies with regard to conflict of interest?					
8.1.2	Did the FSP or any of its employees receive non-cash incentives and other indirect considerations in terms of the internal policy/policies from product suppliers?					
8.1.3	Did the FSP disclose to its clients any non-cash incentives and other indirect considerations received where applicable in terms of the internal policy/policies?					
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 in place to ensure that the disclosure documentation complies with sections 4 and 5 of the General Code of Conduct?					
8.2.2.	Does the FSP have procedures in place to ensure that the disclosure documentation complies with section 7 of the General Code of Conduct?					
8.2.3.	Does the FSP disclose the following information to the client in writing:					
	8.2.3.1 The name, class or type of financial product concerned;					
	8.2.3.2 The nature, extent and frequency of any incentive, remuneration, consideration, commission, fee or brokerage which will or may become payable to the provider, directly or indirectly, by any product supplier or any other person as a result of the financial service concerned;					
	8.2.3.3 Any material or investment risk associated with the product concerned;					
	8.2.3.4 Extent of monetary obligations assumed by the client, the frequency thereof and consequences of non-compliance concerned.					

8.3	Furnishing of advice and record of advice <i>Sections 8 and 9 of the General Code of Conduct</i>					
8.3.1	Is the FSP licensed to furnish advice in South Africa?					
8.3.2	Did the FSP render advice in South Africa as a regular feature of its business during the reporting period?					
8.3.3 If the answer to question 8.3.2 is YES –						
8.3.3.1	Does the FSP have procedures in place to ensure that an analysis of the client's financial situation and objectives are performed before advice is furnished?					
8.3.3.2	<i>If the answer to Question 8.3.3.1 is NO -</i> In a separate annexure, provide details on how these procedures will be put in place. Indicate the annexure number in column 5.					
8.3.3.3	Does the FSP keep a record of advice and provide it to its clients in accordance with section 9 of the General Code of Conduct? Provide details of non-compliance in a separate annexure and indicate the annexure number in column 5.					
8.4	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 in South Africa?					
8.4.2. If the answer to question 8.4.1 is YES –						
8.4.2.1.	Has the FSP notified the Registrar of the details of the approved auditor or accounting officer in terms of section 19 of the Act read with the exemptions published in Board Notice 96 of 2003 and/or Board Notice 85 of 2004?					
8.4.2.2.	Has the FSP changed auditors during the reporting period?					
8.4.2.3.	<i>If the answer to Question 8.4.2.2 is YES -</i> Did the FSP inform the Registrar of the change of auditors?					
8.4.2.4.	Does the FSP issue written confirmation of receipts to clients when funds and/or premiums are received from clients without the mediation of a bank?					
8.4.3.	Does the FSP have procedures in place to ensure that the client's financial products can be readily distinguished from private assets of the FSP?					

8.5 Risk management					
8.5.1. Does the FSP have and employ appropriate risk management resources, procedures, systems and controls?					
8.6 Advertising <i>Section 14 of the General Code of Conduct</i>					
8.6.1. Does the FSP advertise its financial services in South Africa?					
8.6.2. <i>If the answer to Question 8.6.1 is YES-</i>					
8.6.2.1. Does the FSP have procedures in place to ensure that all advertisements and advertising communications and/or material comply with section 14 of the General Code of Conduct?					
8.6.2.2. Is a reference to the fact that a license is held contained in all advertisements that were placed during the reporting period?					
8.7 Complaints <i>Sections 16 to 19 of the General Code of Conduct</i>					
8.7.1. Does the FSP have a complaints policy and resolution system in place?					
8.7.2. Provide the following details on complaints referred to the Ombud during the reporting period: number of complaints referred to the Ombud, type of complaint (what the complaint was about) as well as outcome of the complaint. Indicate the annexure number in column 5.					
9. Money laundering control procedures					
9.1 Is the FSP subject to anti-money laundering requirements in its home jurisdiction?					
10. Financial soundness					
10.1 Is the FSP required to comply with solvency requirements in its home jurisdiction?					
10.1.1 <i>If the answer to Question 10.1 is YES –</i> Did the FSP comply with these requirements at all times during the reporting period?					
10.2 Did the FSP comply with the solvency requirements as required in terms of paragraph 9 of the Determination of Fit and Proper Requirements for Financial Services Providers, 2008, at all times during the reporting period?					
10.3 Does the FSP prepare monthly accounting records in terms of section 19 of the Act?					

11. Monitoring					
11.1 Please indicate the type of monitoring that was conducted by the compliance function:					
11.1.1 Financial products in respect of which the FSP renders financial service.					
11.1.2 Representatives under supervision.					
11.1.3 Disclosure documents to check whether it complies with sections 4 and 5 of the General Code of Conduct.					
11.1.4 Disclosure documents to check whether it complies with section 7 of the General Code of Conduct.					
11.1.5 Furnishing of advice and record of advice.					
11.1.6 Receipt of funds and/or collection of premiums.					
11.1.7 Waiver of rights.					
11.1.8 Money laundering control procedures.					
11.1.9 Policies and procedures.					
11.1.10 Other. Please provide details on type of monitoring in a separate annexure and indicate the annexure number in column 5.					
11.2 In a separate annexure, provide an explanation as to how you did the monitoring. Please also include the extent of monitoring. Indicate the annexure number in column 5.					

[illegible]

To be completed and signed by the compliance officer

Name of compliance officer of FSP**ID number of the compliance officer****Name of the compliance practice (if applicable)****Reference number of compliance officer/practice****Signature of the compliance officer****Date****Address****Telephone number****Fax number****E-mail address**

To be completed and signed by the sole proprietor or one of the key individuals of the FSP to acknowledge awareness that the report will be forwarded to the Registrar

Name of the FSP**FSP Number****Name of key individual****ID number of the key individual****Date appointed as key individual****Signature****Date****Please note that reports that have not been signed by BOTH the Compliance Officer and one of the Key Individuals will be regarded as "Not Submitted"**

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

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

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

Having completed the attached annual compliance report for the abovementioned FSP, I/we hereby confirm without any reservations that, to the best of my/our knowledge and ability all the information contained in the attached annual compliance report is both true and correct in all respects/aspects.

I/we are aware that the information contained in the attached annual compliance report may be subject to verification by the Registrar of Financial Services Providers (the Registrar) at any time, and should such information be found to be false, incorrect, misleading or in any manner not to be to the satisfaction of the Registrar, this may impact on my/our compliance with the Determination of Fit and Proper Requirements for Financial Services Providers, 2008, with regard to personal character qualities of honesty and integrity as determined by section 8(1) of the Act.

Signed on this the _____ day of _____ (month) _____ (year).

Signature: _____