



Preparation Guide for Key Individuals Regulatory Exams - RE 1



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This *Preparation Guide* and the corresponding *Legislation Handbook* for the Level 1 regulatory examinations incorporate all legislative amendments as at 1 May 2018.

Together they provide a single source of reference for everything you need to know to study for your regulatory exams.

This *Preparation Guide* contains the qualifying criteria for key individuals published by the FSCA. The criteria are cross-referenced to the relevant section of the *Legislation Handbook*. Each section has a shaded tab so that you can find the information easily, as follows:

		TAB A	TAB B	TAB C	TAB D	TAB E
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General	FIC

- TAB A: FAIS (Act & Regulations);
- TAB B: Code of Conduct;
- TAB C: Fit and Proper;
- TAB D: General (Acts, Board Notices & Guidance Notes); and
- TAB E: FIC (FIC Act, Regulations & Guidance Notes).

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Good luck with your studies.

Task 1: Demonstrate understanding of FAIS Act as a regulatory framework.

		TAB A	TAB B	TAB C	TAB D	TAB E
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General	FIC
1. Describe the FAIS Act and subordinate legislation.	K	FAIS Act: Preamble s 1 Definitions s 6A s 7 s 14 s 15 s 16 s 17(1) s 18 s 46				
2. Explain how the FAIS Act is integrated with other Financial Services Board legislation.	K			BN 194 of 2017: s 37	FSR Act: s 5 s 56	FIC Act: Schedule 2
3. Describe the requirements when interaction between FSPs take place	K	FAIS Act: s 7(3)				
4. Explain in general which department of the Registrar's office deal with which FSP matters.	K	FAIS Act: s 8			Licensing requirements Licensing Conditions - <i>Refer to your licence</i>	
5. Interact with the regulator when and where required.	S	FAIS Act: s 3 s 8 s 14 s 17 s 19			Licensing requirements Licensing Conditions - <i>Refer to your licence</i>	
6. Explain what is the correct format of communication with the Registrar.	K	FAIS Act: s 4(4)			Licensing requirements BN 60 of 2009	
7. Explain what processes are required to remain updated with regards to published changes to legislation that will affect the FSP.	K	FAIS Act: s 13(2)	s 11 s 12	BN 194 of 2017: s 32		

Task 2: Define financial products and financial services.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Provide an overview of the financial services and different types of financial products an FSP can deal with.	K	FAIS Act: s 1 Definitions: <i>Financial Product</i> <i>Intermediary Services</i>		BN 194 of 2017 s 1 Definitions: <i>Categories of FSPs</i>	Financial products: LTI Act: s 1 Definition: <i>Assistance Policy</i> GN: Foreign currency denominated instruments GN: Deposit in the FAIS Act
2. Apply knowledge of the financial products within the financial services environment.	S	FAIS Act: s 1 Definition: <i>Financial Product</i> s 7(3) s 13(2)	s 7		Financial products: LTI Act: s 1 Definition: <i>Long Term Policy</i>
3. Explain the different financial products with examples of products in each category.	K	FAIS Act: s 1 Definition: <i>Financial Product</i>		BN 194 of 2017: s 1 Definitions: <i>Retail Pension Benefits</i>	Financial products: LTI Act: s 1 Definition: <i>Assistance Policy</i>

Task 3: Maintain the license of the FSP

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the requirements for licensing of an FSP	K	FAIS Act: s 1 Definitions: <i>Advice</i> <i>Intermediary Services</i> s 7 s 8		BN 104 of 2008: s 3(b), BN 194 of 2017: s 7 s 14 s 35 s 43	FSR Act: s 111
2. Apply for an FSP Licence	S	FAIS Act: s 7 s 8			FSR Act: s 111
3. Describe the requirements for changing any aspect of an FSP licence	K	FAIS Act: s 7 s 8		BN 194 of 2017: s 17	
4. Explain the impact of licensing conditions on an FSP.	K	FAIS Act: s 7 s 8 s 9 s 18			Professional indemnity BN 123 of 2009
5. Manage the licensing conditions	S	FAIS Act: s 8		BN 194 of 2017: s 36	Licensing requirements Licensing Condition 4 - <i>Refer to your licence</i>
6. Describe what changes to the FSP licensing details must be communicated to the Registrar.	K	FAIS Act: s 13(3) s 14(4)			Representatives GN on Intermediary Services Audit requirements BN 193 of 2011: s 3(1) Licensing requirements Licensing Conditions - <i>Refer to your licence</i> Change in FSP1 details

Task 3 continued: Maintain the license of the FSP

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
7. Confirm that the registrar is informed within the prescribed timeframes of any changes to the FSP licensing details.	S	FAIS Act: s 8			Licensing requirements Licensing Conditions 1 - <i>Refer to your licence</i> Change in FSP1 details
8. Describe the implications for the FSP if any of the licensing conditions are not met.	K	FAIS Act: s 8 s 9 s 36			
9. Discuss the requirements around the display of licences.	K	FAIS Act: s 8(8)			
10. Verify that the FSP has internal controls and procedures in place to ensure that financial services are rendered within the limitations on categories and subcategories for which the license is issued.	S	FAIS Act: s 7 s 8, 8(4) s 13(2)			Compliance BN 127 of 2010: s 4(3)(f)
11. Explain the implication when a key individual leaves the employ of the FSP.	K	FAIS Act: s 8(4) & (7) s 9		BN 194 of 2017: s 36	
12. Explain the implications for a key individual and/or FSP if an accreditation is suspended or withdrawn or lapsed in terms of the Medical Schemes Act, 1998, or any other enabling legislation.	K	FAIS Act: s 8, 8(7) s 9			
13. Explain what levies are payable to the Registrar and when they should be paid.	K				FSB Levies: GN 458 of 2017
14. Verify that there are processes in place to pay the levies within the prescribed timeframes.	S				FSB Levies: GN 458 of 2017
15. Explain the reasons why a license can be suspended or withdrawn.	K	FAIS Act: s 8(8) s 9 s 36 s 41(2)			FSR Act: s 120 - 123

Task 3: Maintain the license of the FSP

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
16. Describe the conditions under which suspensions, withdrawals and reinstatements of authorisation may be imposed.	K	FAIS Act: s 9 s 11 s 39			FSR Act: s 228 - 235
17. Explain what recourse an FSP has where its license has been suspended/withdrawn.	K	FAIS Act: s 9(2) s 39			FSR Act: s 228 - 235
18. Discuss why a license would be lapsed.	K	FAIS Act: s 11			
19. Describe how lapsing a license differs from suspension or withdrawal of a licence	K	FAIS Act: s 9 s 11			
20. Discuss the effect of voluntary sequestration, winding-up or closure of a business on its licensing status.	K	FAIS Act: s 11 s 38			
21. Describe the requirements where a business rescue or application by Registrar for sequestration or liquidation takes place.	K	FAIS Act: s 38A s 38B			
22. Explain what is meant by “undesirable practices”	K	FAIS Act: s 34			
23. Check that there are processes in place to check whether the Registrar has published notices regarding “undesirable practices”.	S	FAIS Act: s 34 s 38C	s 3A(1)		
24. Verify that there are processes in place to ensure that the business is informed about “undesirable business practices” and that they cease any such practices.	S	FAIS Act: s 34			
25. Describe the implications for an FSP if the Registrar declares a business practice to be undesirable.	K	FAIS Act: s 34 s 36			

Task 3 continued: Maintain the license of the FSP

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
26. Explain the reparation measures available to the Registrar if an FSP continues with undesirable business practices.	K	FAIS Act: s 9 s 34 s 36			
27. Explain the implications where the Registrar issues a directive.	K	FAIS Act: s 38C			
28. Describe the process of on-site inspections by the Registrar.	K	FAIS Act: s 4(5)			
29. Describe the FAIS Act offences	K	FAIS Act: s 36 FAIS Regs: Reg 18			
30. Ensure that there are processes in place to avoid actions that can be regarded as offences under the FAIS Act.	S	FAIS Act: s 36			
31. Define the recourse that an FSP has in the event of a decision made by the Registrar.	K	FAIS Act: s 39			FSR Act: s 228 - 235
32. Explain the process of enforcement as provided for in legislation.	K	FAIS Act: s 9 s 36 FAIS Regs: Reg 18			

Task 4: Operate as a key individual in terms of the FAIS Act.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the roles and responsibilities of key individuals as defined in the FAIS Act.	K	FAIS Act: s 1 Definition: <i>Key Individual</i> s 8, s 8A s 19		BN 104 of 2008: s 1 Definition: <i>Services under Supervision</i> BN 194 of 2017: s 32(3) s 34(1) & (2) s 39	Key Individuals: BN 122/2003 GN: Key Individuals
2. Explain the requirements for approval of a key individual by the Registrar	K	FAIS Act: s 1 Definition: <i>Key Individual</i> s 8, 8(1)		BN 194 of 2017: Definitions s 8 s 9 s 15 s 17 s 18(2) s 23 s 28(3) s 40 s 42	Key Individuals: BN 122 of 2003
3. Describe the regulated management and oversight responsibilities of a key individual.	K	FAIS Act: s 1 Definition: <i>Key Individual</i> s 14 s 17, 17(5) s 18 s 19		BN 194 of 2017: s 8 s 12 s 30 s 32 s 36 s 37(2)(g) s 42 s 43(b) s 45	Professional indemnity BN 123 of 2009 Licensing requirements Licensing conditions 1

Task 4 continued: Operate as a key individual in terms of the FAIS Act.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
4. Perform the regulated management and oversight responsibilities of a key individual.	S	FAIS Act: s 1 Definition: <i>Key Individual</i> s 19		BN 194 of 2017: s 33 s 42, 42(1) s 46 s 48	
5. Explain the controls required to ensure sufficient management and oversight of the financial services that are rendered.	K	FAIS Act: s 13(2)		BN 194 of 2017: s 13(5) s 37 s 39	
6. Explain when an individual can commence acting as a key individual.	K	FAIS Act: s 8, s 8(1A), 8(3) & (4)		BN 194 of 2017: s 17(2) s 26(1)	Key Individuals: BN 122 of 2003: s 5
7. Describe the good standing, honesty and integrity requirements for a key individual.	K	FAIS Act: s 8 s 8A	s 10(1)	BN 194 of 2017: s 4(1) Chapter 2 s 8 s 9 s 10	
8. Check whether a current/potential key individual meets the good standing, honesty and integrity requirements.	S			BN 194 of 2017: Chapter 2 s 8 s 9, 9(1)	
9. Explain the implications for a key individual should the key individual no longer meet the good standing, honesty and integrity requirements.	K	FAIS Act: s 8(4) s 9		BN 194 of 2017: Chapter 2 s 8 s 9 s 10	

Task 4 continued: Operate as a key individual in terms of the FAIS Act.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
10. Take appropriate action where a current key individual no longer meets the good standing, honesty and integrity requirements.	S	FAIS Act: s 8, 8(1) & (2) s 13(2) s 14		BN 194 of 2017: Chapter 2 s 7(2) s 9(1) & (3)	
11. Explain the implications for an FSP should a key individual no longer meet the good standing, honesty and integrity requirements.	K	FAIS Act: s 8(4) s 9, 9(1) s 13 s 14 s 19, 19(1), (2) & (4)		BN 194 of 2017: s 5 Chapter 2 s 9 s 10	Licensing requirements Licensing Conditions - <i>Refer to your licence</i>
12. Describe the competence requirements for a key individual.	K	FAIS Act: s 6A		BN 194 of 2017 Definitions Chapter 3 s 23 s 26, 26(1) s 33(1) s 41(2) Annexure One	
13. Check whether a current/potential key individual meets the competence requirements.	S	FAIS Act: s 8 s 14 s 44		BN 194 of 2017: s 12 s 13(3) s 15 s 17 s 28(3) s 43 s 52 Annexure One	Licensing requirements FSCA Website: <i>Qualifications</i> <i>DOFA report</i>

Task 4 continued: Operate as a key individual in terms of the FAIS Act.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
14. Describe the ongoing training and development requirements for key individuals.	K	FAIS Act: s 6(A) s 8(A)		BN 194 of 2017: s 1 s 33 s 34	
15. Verify that the record keeping required for the ongoing meeting of fit and proper requirements for key individuals is in place.	S	FAIS Act: s 6(A) s 8(A)		BN 194 of 2017: s 13, 13(3), (4) & (5) s 28, 28(3) s 43(b)	

Task 5: Manage and oversee the operational ability of the FSP.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the operational ability requirements prescribed in the FAIS Act.	K	FAIS Act: s 8(4)	s 3(2)	BN 194 of 2017: Chapter 5 s 36, 36(1) s 37, 37(2)	
2. Confirm that there is adequate storage and filing systems for the safe keeping of records, business communications and correspondence.	S	FAIS Act: s 18	s 3(2)	BN 194 of 2017: s 36(1)	
3. Verify that the FSP has the required bank accounts	S		s 10(1)		
4. Implement and maintain the prescribed professional indemnity or fidelity insurance cover	S		s 5(e) s 13	BN 194 of 2017	Professional indemnity: BN 123 of 2009
5. Ensure that disaster recovery and business continuity plans are in place.	S			BN 194 of 2017: s 37	
6. Describe the financial soundness requirements for an FSP.	K			BN 194 of 2017: Chapter 6 s 44 Table B	
7. Confirm that the financial soundness requirements are met.	S			BN 194 of 2017 Chapter 6	
8. Describe the requirements when outsourcing an administration or system function relating to financial services	K	FAIS Act: s 7(3)		BN 194 of 2017: s 39, 39(2)	
9. Ensure, where activities are outsourced, that written service level agreements are in place.	S		s 10(1)	BN 194 of 2017: s 39	
10. Check that there are processes in place to ensure that providers selected for any outsourced functions.	S	FAIS Act: s 7(3)		BN 194 of 2017	
11. Confirm that where outsourced entities provide financial services, that they are authorised FSP's.	S	FAIS Act: s 7(3)		BN 194 of 2017: s 39	

Task 6: Adhere to the General Code of Conduct

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the general and specific duties of a provider.	K		s 1(c)(i) s 2 s 3, 3(2)(a)(iii), 3(3)		
2. Describe the processes that need to be in place to manage conflict of interests.	K		s 3A		
3. Describe what could possibly be a conflict of interest.	K		s 1 Definition: <i>Conflict of Interest</i> s 3A		
4. Define what needs to be in a conflict of interest policy.	K		s 3A , 3A(2)(b)		
5. Ensure that the FSP is managing potential conflicts of interest.	S		s 1 Definition: <i>Conflict of Interest</i> s 3A s 4 s 7(1)		Compliance BN 127 of 2010: s 3(2)
6. Apply the requirements of the General Code of Conduct for FSPs and Representatives.	S		s 3- 5 s 7 - 9 s 21		
7. Explain the disclosures that need to be made before rendering a financial service.	K	FAIS Act: s 13(1)	s 3 s 4 s 5 s 7		
8. Explain disclosures that must be made when rendering a financial service.	K		s 3 s 2 s 4, 4(1) s 5 s 7, 7(1) s 15(3)		

Task 6 continued: Adhere to the General Code of Conduct

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
9. Check that disclosures are adequate to enable client's to make an informed decision.	S		s 3 s 4 s 5 s 7 s 8, 8(4) s 9		
10. Explain the requirements for an FSP when custody of financial products and funds occurs.	K	FAIS Act: s 19(3)	s 10	BN 194 of 2017: s 36	Professional Indemnity: BN 123 of 2009: s 3(b)
11. Confirm that there is a separate bank account with a registered bank into which client monies are deposited.	S	FAIS Act: s 19(3)	s 10		
12. Explain the requirements of the General Code of Conduct for FSPs and Representatives relating to risk management and insurance.	K		s 11 s 12 s 13	BN 194 of 2017: Ch 4	Professional indemnity: BN 123 of 2009: s 3(a) FC 11/2010
13. Explain the requirements of the General Code of Conduct for FSPs and Representatives relating to marketing and advertising.	K		Definition of <i>Direct marketer</i> s 14 s 15		Professional indemnity: BN 123 of 2009, FC 11 of 2010
14. Explain the manner in which complaints are to be handled by the industry as required by General Code of Conduct for FSPs and Representatives.	K	FAIS Act: s 20 s 27	s 8(4) s 16 s 17 s 18 s 19		
15. Verify that complaints procedures and processes are in place.	S		s 16 s 17 s 19, 19(1) s 21		
16. Follow the complaints procedures and processes that are in place for the FSP.	S		s 16 s 17 s 19		
17. Explain the requirements of the General Code of Conduct for FSPs and Representatives relating to the termination of agreement or business.	K		s 20		

Task 7: Manage and oversee compliance functions as required by the FAIS Act.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the compliance requirements required by the FSP	K	FAIS Act: s 14 s 17, 17(2)(b), 17(4)(a) & (b) FAIS Regs: Reg 4		BN 194 of 2017: s 37	
2. Explain the requirements of the compliance function within the FSP.	K	FAIS Act: s 14 s 17 FAIS Regs: Reg 5, 5(3)			Compliance: BN 99 of 2004: s 3 BN 127 of 2010 S 4(2)
3. Establish the compliance function within the FSP.	S	FAIS Act: s 17 FAIS Regs: Reg 5			
4. Establish and maintain compliance and reporting arrangements for the FSP.	S	FAIS Act: s 17, 17(1) s 19, 19(2) & (3) FAIS Regs: Reg 5(1) & (2)		BN 194 of 2017: s 37	Compliance report
5. Check that the compliance arrangements specify frequency of monitoring and reporting	S	FAIS Act: s 17			Compliance: BN 127 of 2010: s 4(a), 4(4)
6. Implement and maintain a documented process to ensure the adequacy of the FSP's compliance and monitoring arrangements.	S	FAIS Act: s 18		BN 104 of 2008: s 1 s 4	
7. Describe when a Compliance Officer (CO) should be appointed.	K	FAIS Act: s 17, 17(1)			
8. Explain the requirements for approval of a Compliance Officer by the Registrar.	K	FAIS Act: s 17 FAIS Regs: Reg 4			Compliance: BN 127 of 2010: s 3 s 4(3)

Task 7 cntd: Manage and oversee compliance functions as required by FAIS Act.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
9. Ensure that the CO is approved by the Registrar.	S	FAIS Act: s 17, 17(1) & (2)			Compliance: BN 126 & 127 of 2010
10. Describe the role and function of a Compliance Officer.	K	FAIS Act: s 17 s 17(1)(c) s 18, 18(d) FAIS Regs: Reg 5, 5(1) & (3)	s 3(1) s 8(1)		Compliance: BN 127 of 2010: s 4(3)
11. Confirm that the compliance function/compliance practice has sufficient resources to provide an efficient compliance service.	S	FAIS Act: s 17			Compliance: BN 127 of 2010: s 2 s 3 s 4, 4(2) & 4(4)
12. Explain why it is important for the Compliance Officer to act independently from the management of the FSP.	K				Compliance: BN 127 of 2010: s 4, s 4(3)
13. Confirm that the CO/compliance practice can function objectively and sufficiently independently of the FSP and avoids conflicts of interest.	S				Compliance: BN 127 of 2010: s 4, 4(2) & (3)
14. Explain why it is important for the Compliance Officer to be able to avoid conflicts of interest regarding the execution of their duties.	K	FAIS Regs: Reg 5(1) & (2)			Compliance: BN 127 of 2010: s 4, s 4(3)
15. Manage potential conflict of interest where there is not a specifically appointed CO/compliance practice.	S		s 3(1) s 3A(2)		Compliance: BN 127 of 2010: s 4(3)
16. Understand the content of the compliance report(s) in order to be able to sign it off.	K	FAIS Act: s 17, 17(4)			
17. Confirm that where the CO found any instances of noncompliance that this is addressed and rectified	S	FAIS Act: s 17(4) s 18, 18(d) FAIS Regs: Reg 5(3)	s 3(1)	BN 104 of 2008: s 4(9)	
18. Replace the CO if he/she does not have the required approval of the Registrar	S	FAIS Act: s 17, 17(1) & (2) s 19			Compliance: BN 127 of 2010: s 3(1), 4

Task 8: Comply with regulated record keeping requirements.

		TAB A	TAB B	TAB C	TAB D	TAB E
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General	FIC
1. Explain the record keeping obligations as imposed by the FAIS and FIC Acts.	K	FAIS Act: s 13(3) & (4) s 18, s 18(d)	s 3, s 3(2)		Licensing requirements Representative register	FIC Act: s 23
2. Verify that record keeping and retrieval of records is carried out in terms of the obligations prescribed by the FAIS and FIC Acts	S	FAIS Act: s 18 s 19(3) & (4) FAIS Reg: reg 5(3)	s 3(2)(d), s 14(2)(a) s 11	BN 194 of 2017: s 37		FIC Act: s 22-24 FIC Reg: Reg 22
3. Describe the requirements imposed when record keeping is outsourced to a third party.	K		s 3(2)			FIC Act: s 24(2)
4. Confirm that third party outsourcing agreements are executed correctly.	S		s 3(2)			FIC Act: s 24(2)
5. Explain the security requirements for record-keeping in terms of confidentiality and access to records.	K		s 3(3)	BN 194 of 2017: s 37		

Task 9: Manage and oversee the accounting and auditing requirements.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the accounting and auditing requirements prescribed by the FAIS Act.	K	FAIS Act: s 19, 19(2) & (3)			Audit requirements: BN 193 of 2011, FC: 11 of 2011
2. Check that the required accounting and auditing requirements are in place and carried out accurately and timeously.	S	FAIS Act: s 19 s 19(1)			
3. Describe the requirements for appointing an auditor or accounting officer.	K	FAIS Act: s 19, 19(2)(a)			Audit requirements: BN 193 of 2011: s 3(1), 3(2), 3(2)(a)
4. Ensure that the audit report submitted to the Registrar where funds are received meets the regulatory requirements.	S	FAIS Act: s 19, 19(1) & (3)	s 10		Audit requirements: BN 85 of 2008

Task 10: Manage and oversee the requirements of the FIC Act and Money Laundering and Terrorist Financing control regulations, as it applies to the FSP.

Qualifying criteria	Knowledge OR Skill	TAB A	TAB B	TAB C	TAB E
		FAIS	Code of Conduct	Fit and Proper	FIC
1. Explain the requirements specific to an FSP prescribed by the FIC Act.	K	FAIS Act: s 18		BN 194 of 2017: s 37	FIC Act: Preamble s 21 s 22 s 22A s 23 s 29 s 42 s 43 s 45C s 45(3) s 62, s 68, 68(2) Schedule 1 & 3
2. Verify that all requirements for internal rules as required by the FIC Act are in place.	S				FIC Act: s 42 Schedule 1 FIC Regs: reg 25, reg 27
3. Verify that the FSP has processes in place to ensure compliance with the identification, verification, record-keeping and reporting obligations under the FIC Act.	S				FIC Act: s 22 s 22A s 28A s 43 s 43A Schedule 1 FIC Regs: reg 4, reg 24 GN 3A, 4A, 5B, 6
4. Check that there are processes in place to ensure that employees receive training in respect of and are aware of, and area aware of, their obligation to report suspicious transactions.	S				FIC Act: s 43A

Task 11: Deal with any complaints that have been submitted to the Ombud for FSPs.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Explain the role and authority of the Ombud for FSPs.	K	FAIS Act: s 1 Definition: <i>Complaint</i> s 20(3) s 27, 27(3) & (4) s 28, 28(1), 28(4)(a)	s 19(1)(b)(iii)		FSR Act: s 209 – 216 Fais Ombud: BN 81 of 2003: s 3 s 4(c)
2. Discuss the obligations of the FSP in respect of an investigation conducted by the Ombud for FSPs.	K	FAIS Act: s 3(a)(ii) s 13(1) s 17(3) s 20(3) s 27, 27(2) s 31	s 19(1)(a)(iii) & (d)		Fais Ombud: BN 81 of 2003: s 5 s 6
3. Check that there are processes in place to ensure that the FSP cooperates in the case of an investigation by the Ombud.	S	FAIS Act: s 27(5) & (6) s 31 FAIS Regs: Reg 5(3)			Fais Ombud: BN 81 of 2003: s 6

Task 12: Define the role of the representative in terms of the FAIS Act.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the roles and responsibilities of representatives as defined in the FAIS Act.	K	FAIS Act: s 1 Definitions: <i>Advice</i> <i>Representative</i> , s 1(3)(b) s 8A s 13, 13(1) s 14	s 2-9	BN 194 of 2017: s 9	Reps: GN: Intermediary Services & Representatives
2. Explain when an individual must be appointed as a representative in terms of the FAIS Act.	K	FAIS Act: s 1 Definitions: <i>Advice</i> <i>Intermediary Services</i> <i>Representative</i> s 13			Licensing requirements FSP 5 Form
3. Discuss the purpose and requirements of the register of representatives.	K	FAIS Act: s 13(3), (4) & (5) s 14		BN 104 of 2008: s 4(2)(a)	Licensing requirements Representative Import spreadsheet FSP 5 Form
4. Verify that the FSP maintains a register of representatives that meets the requirements of the FAIS Act.	S	FAIS Act: s 13, 13(3), (4) & (5) s 14			Licensing requirements Representative Import Spread sheet

Task 13: Manage and oversee the appointment of representatives.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Explain what needs to be in place when appointing a representative.	K	FAIS Act: s 13, 13(1) s 14		BN 104 of 2008: definitions s 3, 3(b) BN 194 of 2017: s 12 s 16 s 26 Table A s 41 Chapter 2 Chapter 3	
2. Verify that there are processes that enable the FSP to check that a representative meets the fit and proper requirements and can be appointed.	S	FAIS Act: s 13(2)		BN 104 of 2008: s 3 BN 194 of 2017: s 9 s 17	BN 82 of 2003

Task 14: Manage the rendering of services under supervision.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Explain when representatives can act under supervision.	K	FAIS Act: s 13, 13(1) s 14		BN 104 of 2008: s 1 Definitions: <i>Services under Supervision</i> <i>Direct Supervision</i> <i>Ongoing level of supervision</i> s 3(b) s 4(3), (4), (5) & (6)(e) s 6(2) BN 194 of 2017: s 12	
2. Confirm that there are sufficient qualified individuals to act in the role of supervisor.	S			BN 104 of 2008: s 1 Definition: <i>Supervisor</i> s 4(3), 4(9)(f) s 6(2)	
3. Describe the requirements that must be in place when representatives act under supervision.	K	FAIS Act: s 13		BN 104 of 2008: s 4, 4(2), (7) & (9)	
4. Ensure that the supervisors understand their role and have the capacity for the number of supervisees.	S			BN 104 of 2008: s 4(9) s 7 s 9	
5. Verify that there is supervision in place to oversee representatives.	S			BN 104 of 2008: s 1 Definitions: <i>Ongoing Level of Supervision</i> <i>Direct Supervision</i> s 4(9), s 4 Table A	
6. Perform the necessary supervision functions on representatives.	S			BN 104 of 2008: s 2 s 4(4) & (9)	
7. Explain the disclosure requirements for a representative under supervision	K	FAIS Act: s 13(1)(b)	s 3 - 4 s 5, 5(f) s 7 - 9	BN 104/2008: s 4(9) s 9(d)	

Task 15: Manage and oversee the representatives appointed by an FSP.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Describe the ongoing Fit and Proper requirements for representatives.	K	FAIS Act: s 6A s 8, 8(1) s 8A s 13(1) & (2)	s 2	BN 194 of 2017: Chapter 2 Chapter 3	
2. Verify that the record keeping required for the ongoing meeting of Fit and Proper requirements for representatives is in place.	S	FAIS Act: s 13(2)		BN 194 of 2017: s 13(3)	
3. Implement and maintain a documented process to ensure that all representatives are competent and will provide financial services on behalf of the FSP in accordance with the FAIS Act.	S	FAIS Act: s 13(2)	s 2	BN 104 of 2008: s 4	
4. Check that there are processes to ensure that representatives are making progress towards the Fit and Proper requirements.	S	FAIS Act: s 13(2) s 18(e)		BN 194 of 2017	Debarment: GN: s 14(1) Debarment process
5. Describe the implications if a representative no longer meets the Fit and Proper requirements.	K	s 13(2) s 14 s 18(e)		BN 194 of 2017 BN 194 of 2017: s 52	Debarment: GN: s 14(1) Debarment process

Task 16: Debar representatives that have failed to comply with any provision of the FAIS Act in a material manner.

		TAB A	TAB B	TAB C	TAB D
Qualifying criteria	Knowledge OR Skill	FAIS	Code of Conduct	Fit and Proper	General
1. Define the purpose of debarment.	K	FAIS Act: s 14	s 3(2)		FSR Act: s 153
2. Describe when debarment should be considered.	K	FAIS Act: s 13(2) s 14		BN 194 of 2017: s 7 s 12	Debarment: GN: s 14(1) Debarment process
3. Check that the employment/mandatory agreement with representatives include scope of activities as a representative and reasons for possible debarment.	S	FAIS Act: s 13(2) s 14 s 18			Debarment: GN: s 14(1) Debarment process Debarment form
4. Explain the debarment process that should be followed in the event of a possible contravention of the FAIS Act.	K	FAIS Act: s 14	s 20(c)	BN 194 of 2017: s 8	FSR Act: s 154 Debarment: GN: s 14(1) Debarment process Debarment form Labour Relations Act s 1(9)
5. Confirm that all role players in the FSP are informed about the reasons why debarment would be considered, the process that would be followed and any recourse that a representative may have.	S	FAIS Act: s 14 s 27(1)			FSR Act: s 153 - 155 s 218 - 235 Debarment: GN: s 14(1) Debarment process BN 82 of 2003: s 2 GN: Reappointment of debarred representatives
6. Verify that there are internal processes and procedures in place for the debarment of representatives.	S	FAIS Act: s 14	s 20		Debarment: GN: s 14(1) Debarment process Debarment form
7. Explain the timeframe and process to notify the Registrar of a debarment.	K	FAIS Act: s 13(2) s 14			Debarment: GN: s 14(1) Debarment process