

# PREPARATION GUIDE FOR LEVEL 1 REGULATORY EXAMINATIONS (RE 1 AND RE 5)



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## 1. DISCLAIMER

The material in this PREPARATION GUIDE FOR LEVEL 1 REGULATORY EXAMINATIONS (RE 1 AND RE 5) and APPENDIX A is made available for the purpose of providing preparation guidelines and not as professional or educational advice.

The availability of this material is not an endorsement by the FSB of the material and not an indication of the FSB's commitment to any particular course of action.

Where sections of the Acts, The General Code of Conduct, Board Notices, etc. are referred to they are given merely as a guideline for candidates preparing for the RE1 and RE5.

The FSB accepts no responsibility for material contained in this preparation guideline.

## 2. BACKGROUND TO THE REGULATORY EXAMS

The amended fit and proper requirements announced in 2008 have introduced the financial services industry to a new concept – “REGULATORY EXAMINATIONS”. These examinations were introduced together with stricter minimal formal qualifications in order to better serve clients' needs across the financial services industry in South Africa.

The regulatory exams are being developed and delivered under the direction and management of the FSB. Four examination bodies were appointed to assist with the development of the regulatory exam questions and the delivery on a national basis. Currently there are two examination bodies:

Financial Planning Institute (FPI):

<http://re.fpi.co.za/>

Moonstone:

<http://www.faisexam.co.za/>

## 3. FORMAT OF THE REGULATORY EXAMS

### 3.1 Type of examination

The regulatory examinations will be multiple choice questions based on specified qualifying criteria. Exams are closed book and no material will be allowed in the examination room.

There will be no limit on the number of attempts made in order to achieve competence. There will be one national version of any regulatory examination for any category or subcategory.

There is only one right answer to each question, so please read the questions and answers carefully. There is no negative marking, an answer is either right, or wrong.

You can choose to write exams electronically, or on paper. Exam bodies will indicate on their registration pages what method they make available.

The regulatory examinations aim on testing the application of factual knowledge in relation to-

- the relevant legal provision as contained in the legislation, subordinate legislation and codes of conduct – Level 1
- the rendering of financial services applicable to specific categories and subcategories of clients – Level 2



## 3.2 Qualifying criteria

The qualifying criteria provide the basis of knowledge and skills against which the regulatory examinations are set. The qualifying criteria were developed in a process of consultation between the FSB and industry representatives, spanning from 2006 to 2008.

Only questions based on these criteria will be included in the exams.

The qualifying criteria were published in Board Notice 105 of 2008, and amendments were published as below:

BN 151	31755	29 December 2008 w.e.f. 31 December 2008
BN 64	32268	29 May 2009
BN 95	32496	17 August 2009
BN 44	33052	26 March 2010
BN 60	33166	12 May 2010

All these documents are available on the FSB website – <http://www.fsb.co.za>

- Click on the FAIS tab

### How do I read the qualifying criteria?

Each set of qualifying criteria are displayed in a table format with headings. Underneath the headings you will get the detail.

<div> <div>The duties that you need to perform successfully</div> <div>What you are expected to know</div> <div>What you are expected to do</div> </div>			
No.	Task	Knowledge Criteria	Skill Criteria
3	Manage and oversee the appointment of representatives.	Describe the Fit and Proper requirements that apply to representatives in terms of the legislation.	Verify that the necessary HR processes are developed/ amended to enable the FSP to check, at recruitment stage, whether a potential representative meets at least the entry level Fit and Proper requirements.
		Explain what recruitment and appointment procedures have to be implemented when appointing representatives.	

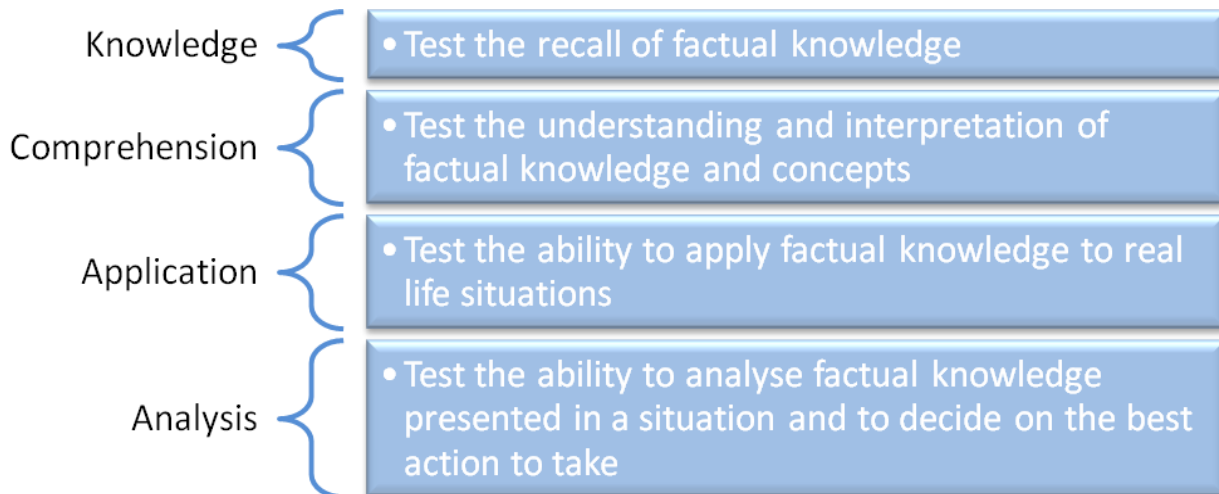
## 3.3 Question development

Individual questions are based on one or more knowledge criteria, also taking into account the applicable skill.

Every task will be covered at least once in an examination. Therefore do not skip any of the tasks or the underlying knowledge criteria and skills, even if you do not think it is relevant to how your FSP operates.

It is important to ensure that you understand every task, and the knowledge and skill criteria related to it.

Each exam will contain questions at 4 different levels of complexity. These four levels deal with:



Each question has four options, and you must select the correct option. Questions can be posed in the following styles:

- A direct closed ended question: the question must be answered by choosing the correct option
- An incomplete sentence: the sentence must be completed correctly by choosing the correct option
- The negative question: the negative option needs to be chosen. Applicant must be aware that these type of questions will be asked and therefore must read questions carefully
- The most/best/least format: applicant must choose most applicable option to the question
- Roman numeral format: A closed ended question where applicants must choose more than one correct option from a list of options
- Sequencing: the options should be listed in the correct sequence

### **Question examples:**

#### ***Example of a knowledge question***

Within how many days must a financial services provider inform the Registrar of the debarment of its representative?

- A. 14 days
- B. 7 days
- C. 30 days
- D. 15 days

#### ***Example of a comprehension question:***

Jane Chetty is a sole proprietor and has no representatives. What are the requirements regarding the compliance function of the FSP?

- A. Jane must appoint an external Compliance Officer
- B. Jane doesn't need to appoint a Compliance Officer
- C. Jane must appoint an internal Compliance Officer
- D. Jane must be appointed as the Compliance Officer

**Example of an application question:**

Jean Hill, the representative of DCB Investments must advise a client that is retiring on specific investments. Which of the following aspects is Jean NOT obliged to disclose about a recommended financial product unless enquired about by the client?

- A. The risk of possible capital loss in future due to fluctuations in the financial markets
- B. Information and graphs to illustrate the product's performance at intervals over a period of time
- C. Any income and other relevant tax issues of a material nature that need to be considered
- D. Any material illustrations about the product provided by the product supplier

**Example of analysis question**

Consider the following events that occurred on the same day. Each of these events has, in terms of the relevant legislation, varying periods of time during which the FSP must respond to the event, or otherwise adhere to the legislation. Arrange the events in order of shortest to longest applicable period and select the CORRECT option.

- i) The FSP uses a new postal address and must inform the Registrar of the change
  - ii) The FSP received cash funds, exceeding the cash threshold reporting requirement, and must inform the Financial Intelligence Centre
  - iii) The Registrar has requested that the FSP provide certain documents pertaining to a client's advice record
  - iv) A client terminated a financial product and the FSP is now required to maintain records of advice associated with this client's purchase for an additional period
  - v) The FSP received client funds and must pay the funds into the bank account designated for client funds
  - vi) During an office meeting, the FSP provided a client with the details of the product supplier, and must now provide the details to the client in writing
- 
- A. (i) then (iii) then (ii) then (vi) then (v) then (iv)
  - B. (v) then (ii) then (iii) then (i) then (vi) then (iv)
  - C. (ii) then (vi) then (v) then (i) then (iii) then (iv)
  - D. (iii) then (v) then (ii) then (i) then (iv) then (vi)

### 3.4 Layout of the examination (complexity)

As the purpose of the level 1 regulatory examination is to ensure that financial advisors and representatives understand their regulatory role and responsibilities, the emphasis was placed on the “comprehension” or understanding and application of the legislation.

The layout of the RE 1: Key Individual Category I, II, IIA, III and IV

Level 1 questions	27%	21 Questions
Level 2 questions	39%	32 Questions
Level 3 questions	22%	18 Questions
Level 4 questions	12%	09 Questions

The layout for the RE 5: Representative

Level 1 questions	30%	15 Questions
Level 2 questions	40%	20 Questions
Level 3 questions	20%	10 Questions
Level 4 questions	10%	5 Questions

It should also be noted that random selection of questions are used. In other words two people may write the same examination, but will not receive the same questions. However, the complexity of their examinations will be the same as the layout of the examinations is exactly the same.

The reason for the random selection of questions is to limit the leakage of questions. The questions bank will therefore have a longer lifespan and as a result the cost of the examinations can be contained as ongoing question development can be limited due to questions being used for a longer period of time before retiring the questions.

## 4. REFERENCE MATERIAL

The following material was used in the development of the questions for the Regulatory level 1 exams; please refer to Appendix A for a mapping of criteria to relevant material:

- The FAIS Act as amended by the Financial Services Laws General Amendment Act 45 of 2013
- General Code of Conduct
- FIC Act (FICA)
- Board notices

## 5. PREPARATION FOR THE EXAM



Multiple choice exams cover a lot of detail and facts. The short term memory’s capacity is very limited; therefore it is essential to start preparing for the regulatory exams at least 3 month prior to your examination date. The learner will have to be repeatedly subjected to the material in order to store the information effectively in the long term memory.

Although attending workshops and training will certainly be helpful, this is **no** replacement for extensive studying of the required material. And yes, it is necessary and very possible to study successfully for multiple choice exams!

## 5.1 Studying instructions

### You will need:

- ✓ A positive attitude
- ✓ Lots of will power
- ✓ Enough rest
- ✓ Quiet place to study
- ✓ Qualifying criteria
- ✓ Recourse material



### Steps to follow:

The process that works most effectively for examination preparation is as follow:

STEP	ACTIVITY	DESCRIPTION
1	Refer to the mapping document for the exam you are planning to write.	This is the map of the tasks/criteria that will be assessed in your exam, and it contains a reference to the relevant legislation that you are required to study in order to understand the task / criteria. <b>Appendix A</b> in the Preparation Guide
2	Look at the number of criteria for each task.	These are the knowledge and skill components you require to be able to perform. <b>RE 1 has 16 tasks that will be tested</b> <b>RE 5 has 8 tasks that will be tested</b> If you have studied all the criteria for every task, then you would be properly prepared to write the RE1 or RE5 – whichever exam applies to you.
3	To prepare for the exam, you must spend time each day and study the <b>legislation</b> and supporting training material. One should systematically select one criteria at a time.	Group the criteria together in groups of 3 or 4 and allocate study hours per day to prepare. The total number of hours will individually differ due to ones circumstances. At least 2 hours per day is the suggested number of hours.
4	To start, read the task, and then the first criteria. Then refer to the legislation for these criteria, and read the legislation referred to.	It is important to first read the legislation so that you can see what terms are used and how the legislation is structured.
5	Now refer to the additional support or training material (for example the INSETA training material) and study the section in the training material dealing with those particular criteria.	The support material explains the particular concepts in simple language so that it is easier to understand what the legislation is actually saying and what it means.
6	Then go back to the legislation itself, and read it again.	Now that you have gained a better understanding of what the legislation is about, you may find reading the legislation again will make more sense to you if you didn't understand it the first time around.

## 5.2 Study material and training

Numerous training materials have been developed by various training providers for the purpose of the regulatory level 1 exams.

It should be noted that the FSB does not endorse any of these training materials.

It is advisable to still refer back to the relevant legislation as contained in the acts and regulations in order to eliminate difference in terminology use, if you decide to use designed study material and/or training.

**\*Please note:** Examination bodies may not provide training and/or study material for the regulatory exams. Examination bodies will make FSB approved study guides with reference to suggested material available on their website; however the sourcing of appropriate study material and/or training providers is the responsibility of the candidates.

## 5.3 Study tips for multiple choice exams

It is necessary and very possible to study successfully for multiple choices exam. Follow the following guidelines in order to help you in your preparation for the regulatory exams.

### Multiple choice question tend to focus on detail

- Look for similarities and differences that might be used to distinguish between the options in the exam for e.g. internal vs external

### Multiple choice exams cover a broader range of material than essay exams

- Start early with the preparation
- Repeat information and detail
- Cover all knowledge criteria - do not spot, skim or cram the knowledge

## 5.4 Study styles for multiple choice tests

There are numerous styles of learning and remembering facts. . Please remember that every person learns differently, and there is only the “right way” for you and a “wrong way” for you. Your method may be different from that of your friend.

One of the most effective ways to prepare for multiple choice tests is by study reading, but you are welcome to investigate other methods of studying. References to relevant websites are included in paragraph 9.

**Study reading** is the reading style used when the purpose is to read difficult material at a high level of comprehension. When using the Study Reading style, you should read at a rate that is slower than your normal reading rate. Further, as you read you must challenge yourself to understand the material. Study Reading will often require you to read material more than once to achieve a high level of understanding. Sometimes, reading the material aloud will also help you improve your understanding.



## 5.5 Improving concentration

Many people have difficulty concentrating while studying. Being able to concentrate while you are studying is essential to doing well in exams.

Here are suggestions for improving your study concentration:

- Study in a quiet place that is free from distractions and interruptions. Try to create a space designated solely for studying.
- Make a study schedule that shows what tasks you need to accomplish and when you plan to accomplish each task. This will provide you with the structure you need for effective studying.
- Try to study at the time of day you work best. Some people work well early in the morning, others late at night. You know what works best for you.
- Try to study at the same time every day, as you will start to adapt to study mode automatically at that time of the day.
- Make sure you are not tired and/or hungry when you study. Otherwise, you won't have the energy you need to concentrate. Also, maintain your physical fitness.
- Don't try to do two tasks at the same time. You won't be able to concentrate on either one very well. Concentration means focusing on one thing to the exclusion of all else.
- Break large tasks into series of smaller tasks that you can complete one at a time. If you try to complete a large task all at once, you may feel overwhelmed and will be unable to maintain your concentration.
- Relax. It's hard to concentrate when you're tense. It's important to relax when working on a task that requires concentration. Meditation is helpful to many students.
- Clear your mind of worrisome thoughts. Mental poise is important for concentration. You can get distracted by your own thoughts. Monitor your thoughts and prevent yourself from following any that take you off track. Don't daydream.
- Develop an interest in what you are studying. Try to relate what you are studying to your own life to make it as meaningful as possible. This can motivate you to concentrate.
- Take breaks whenever you feel fatigued. There is no set formula for when to take breaks. You ENROLMENT FOR THE EXAM

## 5.6 Registering with the correct examination body

There are two recognized examination bodies. Candidates must select the examination body through which they would like to enrol for the examinations.



Once you have identified an examination body that offers the examination you need to write, you must check whether they offer the exam at a venue that suits you. If you are satisfied with the venue, check for a date and time that suits you. You must then enrol for the examination with the exam body.

Each exam body has their own registration procedures, which they explain on their websites. They allow for different methods of registration. It is important to check carefully before you register for an examination, to ensure that you selected the correct examination, and the venue, date and time that suits you.

## 5.7 Special needs

Candidates with special needs must contact the examination body when they are registering in order to make arrangements for any assistance they might require. The examination bodies will do everything they can to assist with the requests of the candidates. Candidates may be required to produce a valid medical certificate in order to verify their special need or disability.

## 6. TAKING THE EXAM

### 6.1 What to expect when writing these examinations

Strict examination procedures will apply at all times. This will help to ensure that the integrity of the exams is protected. You will have to identify yourself before the exams start, using a photo ID document. The acceptable documents include a SA identity document, a passport or a driver's license.

Please ask your examining body for a copy of the terms and conditions of the examination.

### 6.2 Exam taking tips for multiple choice exams

Read the directions carefully. Many people often make the mistake of skipping the directions.

Write what is on your mind. Write down your mental stimulus or associations on the scrap paper provided.

Pace yourself. Try to answer all the questions but do not procrastinate around a question – rather return to the question later.

The following is a guideline for the allowable time per type of question:

- Knowledge: ½ - 1 minutes per question
- Understanding: 1 - 1½ minutes per question
- Application and analysis: 1½ - 2 minutes per question

Read through the question carefully. Be watchful for negative questions and all or nothing words such as all/any/most ex.

Know if the question has one or more correct options – roman numeral type of questions.

Read through all the options carefully. Do not mark the first option which you think may be correct.

Do not assume facts. The only facts that you have to take note of are the facts given in the question. If the question tells you that unicorns exist, do not argue with the question.

Do not ignore your answer. Many examinees ignore answers because they assume that every multiple choice question is a trick question. Remember that if you are ready, you should know the answer and if you know the answer, there should be nothing stopping you from answering correctly.

Every question is an isolated question. There are no patterns in multiple choice exams. Just because you have answered "C" for ten consecutive times, it doesn't mean the next answer will be "C". Many myths have been told that the answer that appears more commonly is the best guess. There is no truth in that belief.

If time allows, review both questions and answer. It is possible you misread questions the first time.

Improve your odds, think critically:

- Cover the options, read the stem, and try to answer.
- Select the option that most closely matches your answer.
- Read the stem with each option.
- Treat each option as a true-false question, and choose the "most true".

Multiple choice exams are not intimidating if you are prepared to face them. If you are prepared, multiple choice exams are not as formidable as they may seem.

### 6.3 Bubble answer sheets

Taking a multiple choice exam using an answer sheet in which you trace in a bubble presents its own unique difficulty. Always make sure you are paying attention to what you are doing and always go back over the answer sheet before you turn it in. All those bubbles and numbers can wreak havoc on your perception, and if you accidentally miss just one row it throws every answer following that one off. The quickest way to get a terrifying grade on this kind of exam is to unwittingly fill in the wrong answer on nearly every question because you missed one row of bubbles or filled that row in twice for two different questions.

It is useful to take a ruler with you to the exam room, and to place the ruler under each row of questions and bubbles for the options. Move the ruler down line by line. This should help you to answer the right answer next to the right bubble option.

## 7. FINDING RESULTS

The exam bodies will make the exam results available.

## 8. FREQUENTLY ASKED QUESTIONS

### 8.1 What is the difference between a key individual and a representative examination?

The key individual level 1 examination addresses the tasks, knowledge and criteria that is relevant to the role and function of a key individual (KI). Remember that the KI is responsible to “manage and oversee” the rendering of financial services within a FSP. The questions will thus be aimed at finding out whether the KI understands the aspects he/she is held accountable for in terms of the legislation.

The level 1 regulatory examination for representatives focuses on those tasks, knowledge and skill criteria that describe what they are held responsible for in terms of the legislation. Remember that the representative actually gives advice and/or renders the intermediary service. The questions will thus focus on these activities that are performed by the representative.

### 8.2 When will the regulatory exams be updated if the legislation is changed or amended?

Draft legislation cannot be used as reference material when updating the regulatory examinations and therefore any new or amended legislation must first be published before it can be used for examination update purposes. Once the legislation is published the impact on the existing examination must be established, and the extent of the update required has a significant impact on the timeframe within which an examination(s) can be updated. If the extent of the update required is limited, then the update can be done in a relative short space of time. If the extent of the update is significant, then the update may take much longer. Therefore, when an update is required, the FSB will communicate the timeframes with the industry as soon as the impact on the examination question bank was established. It is therefore important to ensure that the FAIS Information Circulars are monitored continuously for this type of information.

### 8.3 What do I do if I have special needs?

Candidates with special needs must contact the examination body when they are registering, to make arrangements for any assistance they require. The examination bodies will do everything they can to assist with the requests of the candidates.

### 8.4 What are the names of the regulatory examinations?

The names of the regulatory examinations are included in Appendix A of this document. Each examination has a number and a name.

### 8.5 What is the pass mark of the regulatory examinations?

Examination	Number of Questions	Duration of examination	Pass rate
RE 1	80	2 hours 30 minutes	65%
RE 5	50	2 hours	66%

## 9. MORE INFORMATION

***You can visit the following websites for more information on study styles and test taking skills:***

[http://www.ehow.com/way\\_5375891\\_tips-answering-multiple-choice-questions.html](http://www.ehow.com/way_5375891_tips-answering-multiple-choice-questions.html)

<http://www.test-preparation.ca/study-center/answering-multiple-choice-questions/>

<http://studygs.net/tsttak3.htm>

[http://en.wikipedia.org/wiki/Study\\_skills](http://en.wikipedia.org/wiki/Study_skills)

Best Way - Tips on Answering Multiple Choice Questions | eHow.com [http://www.ehow.com/way\\_5375891\\_tips-answering-multiple-choice-questions.html#ixzz0ywPhccy8](http://www.ehow.com/way_5375891_tips-answering-multiple-choice-questions.html#ixzz0ywPhccy8)

Best Way - Tips on Answering Multiple Choice Questions | eHow.com [http://www.ehow.com/way\\_5375891\\_tips-answering-multiple-choice-questions.html#ixzz0ywPcR7hr](http://www.ehow.com/way_5375891_tips-answering-multiple-choice-questions.html#ixzz0ywPcR7hr)

<http://www.how-to-study.com/study-skills/en/studying/98/>

**APPENDIX A: Qualifying Criteria / Reference to legislation Map**

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
1.	Describe the role of the key individual in terms of the FAIS Act.	1. Describe the roles and responsibilities of key individuals as defined in the FAIS Act.	K	FAIS Act - Sec 1 Definition of Key Individual FAIS Act - Sec 19 Guidance Note on Key Individual BN 104 of 2008 - Sec 1 Definition of Services under Supervision
		2. Explain the requirements for licensing by the FSB for the role of the key individual.	K	FAIS Act - Sec 1 Definition of Key Individual FAIS Act - Sec 8 FAIS Act - Sec 8(1) & 8(2) BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 2(3) BN 106 of 2008 - Sec 4 BN 106 of 2008 - Sec 9 BN 106 of 2008 - Sec 9(1)
		3. Describe what the key individual's management responsibility entails regarding the regulated functions of the FSP.	K	FAIS Act - Sec 1 Definition of Key Individual BN 106 of 2008 - Sec 8(1) FAIS Act - Sec 8(1)(b) FAIS Act - Sec 17(5) FAIS Act - Sec 18
		4. Perform the necessary management and oversight functions regarding their functioning within the FSP.	S	FAIS Act - Sec 1 Definition of Key Individual FAIS Act - Sec 19(1) BN 106 of 2008 - Sec 3(5) BN 106 of 2008 - Sec 8 BN 106 of 2008 - Sec 8(8)
		5. Describe what the honesty and integrity requirements are for a key individual.	K	BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 2(1) BN 106 of 2008 - Sec 2(3) FAIS Act - Sec 8 GCOC - Sec 10(1)
		6. Check whether a potential/current key individual meets the requirements regarding honesty and integrity.	S	BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 2(3)
		7. Explain what the implications are for the key individual if a key individual's personal situation changes and he/she is no longer fit and proper. (Refers to honesty and integrity requirement.)	K	BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 2(3) FAIS Act - Sec 8(4) FAIS Act - Sec 9
		8. Take the appropriate action where a potential/current key individual does not meet the requirements regarding honesty and integrity.	S	FAIS Act - Sec 8(1) & (2) FAIS Act - Sec 13(2) FAIS Act - Sec 14A BN 106 of 2008 - Sec 2(3)
		9. Explain what the implications are for the FSP if a key individual's personal situation changes and he/she is no longer fit and proper. (Refers to honesty and integrity requirement.)	K	FAIS Act - Sec 8(4) FAIS Act - Sec 9(1) FAIS Act - Sec 13 FAIS Act - Sec 14A FAIS Act - Sec 19(1), (2) & (4) Licence conditions BN 106 of 2008 - Sec 3(5)
		10. Explain the competence/qualification requirements that a key individual needs to meet.	K	FAIS Act – Sec 6A BN 106 of 2008 - Sec 3(2) BN 106 of 2008 - Sec 5

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		11. Check, where applicable, whether a potential/current key individual meets the competence/qualification requirements.	S	FAIS Act - Sec 8 FAIS Act - Sec 14 BN 106 of 2008 - Sec 3(2) BN 106 of 2008 - Sec 4 Table A BN 106 of 2008 - Sec 5 BN 268 of 2013
		12. Explain the experience requirements that the key individual must meet.	K	BN 106 of 2008 - Sec 4 BN 106 of 2008 - Sec 4(1) & 10(7) BN 106 of 2008 - Sec 4 Table A BN 106 of 2008 - Sec 3(6) BN 104 of 2008 - Sec 6(2)
		13. Check, where applicable, whether a potential key individual meets the experience requirements.	S	BN 106 of 2008 - Sec 3(2)
		14. Explain what management responsibilities should be carried out by a key individual.	K	BN 106 of 2008 - Sec 8 BN 106 of 2008 - Sec 8(3) FAIS Act - Sec 14 & 14A BN 123 of 2009 Guidance Note on Key Individuals
		15. Oversee the implementation of processes I and controls to ensure the sufficient management and oversight of the financial services rendered.	S	FAIS Act - Sec 13(2). GCOC - Sec 16 (2)
		16. Explain when an individual can commence acting as a key individual.	K	BN 122 of 2003 - Sec 5 FAIS Act - Sec 8 FAIS Act - Sec 8(4) & 8(4)(b)
2.	Describe the role of the representative in terms of the FAIS Act.	1. Describe the roles and responsibilities of representatives as defined in the FAIS Act.	K	BN 104 of 2008 FICA Act - Sec 29 GCOC - Sec 2 FAIS Act - Sec 13(1) FAIS Act - Sec 13(2) FAIS Act - Sec 13(4) FAIS Act - Sec 14 FAIS Act - Sec 16(1) BN 106 of 2008 - Sec 2
		2. Explain the requirements for licensing by the FSB for the role of the representative.	K	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 13(1) FAIS Act - Sec 13(4) BN 104 of 2008 - Sec 3(b) FSP 5 form
		3. Explain when an individual is obliged to be registered as a representative in terms of FAIS.	K	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 13 FAIS Act - Sec 13(4)

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		4. Explain the fit and proper requirements that apply to representatives.	K	BN 106 of 2008 - Sec 3 BN 106 of 2008 - Sec 3(5) & (6) BN 106 of 2008 - Sec 3(7) BN 106 of 2008 - Sec 4 Table A BN 106 of 2008 - Sec 5(1) BN 104 of 2008 - Sec 3(b) BN 104 of 2008 - Sec 3(b)(i)
		5. Discuss the purpose of the register of representatives.	K	FAIS Act - Sec 13(3) FAIS Act - Sec 13(4) FAIS Act - Sec 13(5) BN 104 of 2008 - Sec(2)(a)
		6. Verify that the FSP maintains a register of representatives in accordance to the FAIS requirements.	S	FAIS Act - Sec 13 (3)-(5) FAIS Act - Sec 13(4) Rep Import Spread sheet
		7. Explain the qualification requirements for representatives.	K	BN 106 of 2008 - Sec 6(1) BN 104 of 2008 - Sec 3(b) BN 104 of 2008 - Sec 4(4)
3.	<b>Manage and oversee the appointment of representatives.</b>	1. Describe the Fit and Proper requirements that apply to representatives in terms of the legislation.	K	FAIS Act - Sec 13(2) FAIS Act - Sec 14 BN 105 of 2008 BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 2(3) BN 106 of 2008 - Sec 3 BN 106 of 2008 - Sec 3(2) BN 106 of 2008 - Sec 4(1) BN 106 of 2008 - Sec 10 Table E BN 106 of 2008 - Sec 10(3) BN 104 of 2008 - Sec 3(b) BN 104 of 2008 - Sec 4(5)
		2. Verify that the necessary HR processes are , at developed/amended to enable the FSP to check recruitment stage, whether a potential representative meets at least the entry level Fit and Proper requirements.	S	BN 104 of 2008 - Sec 3 BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 3 BN 106 of 2008 - Sec 3(7)
		3. Explain what recruitment and appointment procedures have to be implemented when appointing representatives.	K	BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 3
4.	<b>Manage the rendering of services under supervision.</b>	1. Explain when representatives can act under supervision.	K	BN 104 of 2008 - Sec 1 Definition of Services under Supervision BN 104 of 2008 - Sec 1 Definition of Direct Supervision BN 104 of 2008 - Sec 1 Definition BN 104 of 2008 - Sec 3(b) BN 104 of 2008 - Sec 4(3) &(4) BN 104 of 2008 - Sec 4(6)e BN 104 of 2008 - Sec 6(2) BN 106 of 2008 - Sec 4(1) & Sec 5(1) FAIS Act - Sec 14



**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		2. Confirm that there are enough role-players (key individuals/ representatives) that meet the criteria and can act as supervisors.	S	BN 104 of 2008 - Exemption for services under Supervision. BN 104 of 2008 - Sec 1 Definition of Supervisor BN 104 of 2008 - Sec 4(3) BN 104 of 2008 - Sec 4(9)(f) BN 104 of 2008 - Sec 6(2)
		3. Describe the supervision requirements that must be in place when representatives act under supervision.	K	BN 104 of 2008 - Sec 4(1) BN 104 of 2008 - Sec 4(2) BN 104 of 2008 - Sec 4(7) BN 104 of 2008 - Sec 4(9) BN 106 of 2008 - Sec 4(9)(f) FAIS Act - Sec 13
		4. Ensure that the supervisors understand their roles and have the capacity to carry this out.	S	BN 104 of 2008 - Sec 4(9) BN 104 of 2008 - Sec 7 & 9 BN 104 of 2008 - Sec 9(c)
		5. Verify that there are levels of supervision in place to oversee the representatives.	S	BN 104 of 2008 - Sec 1 Definition of Ongoing Level of Supervision BN 104 of 2008 - Sec 1 Definition of Direct Supervision BN 104 of 2008 - Sec 4(9) BN 104 of 2008 - Sec 4 Table A
		6. Perform the necessary management and oversight functions regarding the representative that are overseen by you.	S	BN 104 of 2008 - Sec 2 BN 104 of 2008 - Sec 4(4) BN 104 of 2008 - Sec 4(9)
		7. Explain the disclosure requirements that representatives are responsible for.	K	BN 104 of 2008 - Sec 4(9) GCOC - Sec 5(f) FAIS Act – Sec 13(1)(b)
		8. Check that disclosures are adequate to enable client's ability to make an informed decision.	S	BN 104 of 2008 - Sec 4(9) BN 104 of 2008 - Sec 9(d) GCOC - Sec 5(f) GCOC - Sec 7(1)
5.	<b>Manage and oversee the ongoing development/employment of representatives.</b>	1. Describe the implications of Section 8 and Section 13 of the Act, and what this means in terms of training and development of representatives.	K	FAIS Act - Sec 13(1) FAIS Act - Sec 13(2) GCOC - Sec 2
		2. Verify that the processes are documented to ensure that records are kept of training programmes attended, including continued educational training for your key individuals and representatives.	S	FAIS Act - Sec 13(2) BN 106 of 2008 - Sec 8(3)(i)
		3. Implement and maintain a documented process to ensure that all representatives are trained, competent and will provide financial services on behalf of the FSP efficiently, honestly and fairly.	S	FAIS Act - Sec 13(2) GCOC - Sec 2 BN 104 of 2008 - Sec 4 BN 106 of 2008 - Sec 8(3)(i)



**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		4. Check that there are training processes in place to provide representatives with information and skills regarding: ' * Processes * Systems * Products * Services * Compliance requirements * Regulatory requirements when rendering financial services.	S	BN 106 of 2008 - Sec 3(2) BN 106 of 2008 - Sec 8(3) FAIS Act - Sec 13(2) FIC Act - Schedule 1
		5. Describe the implications if a representative does not meet all the requirements in terms of Fit and Proper by the relevant date.	K	FAIS Act - Sec 13(2) FAIS Act - Sec 14 BN 106 of 2008 - Sec 4 BN 106 of 2008 - Sec 10 Table E
		6. Check that the necessary HR processes are developed/amended to enable the FSP to check at regular intervals, whether a representative is making the required progress regarding reaching all the Fit and Proper requirements as it applies to his/her appointment conditions.	S	FAIS Act - Sec 13(2) FAIS Act - Sec 18e BN 106 of 2008 - Sec 3(2)
6.	<b>Debar representatives that have been found to act fraudulently, or committed any other act that gives rise to debarment.</b>	1. Discuss the purpose of debarment	K	GCOC - Sec 3(2) FAIS Act - Sec 14
		2. Check that the employment/mandatory agreement with representatives include the reasons for possible debarment.	S	FAIS Act - Sec 13(2) FAIS Act - Sec 14 FAIS Act - Sec 18 BN 82 of 2003 - Sec 2
		3. Describe when the debarment of a representative should take place	K	FAIS Act - Sec 14 FAIS Act - Sec 14(2) BN 106 of 2008 - Sec 2 BN 82 of 2003 - Sec 2 BN 106 of 2008 - Sec 3(2) BN 106 of 2008 - Sec 13(2) Guidance Note on Debarment
		4. Confirm that all role players in the FSP are informed about: * The reasons why debarment would be considered, * The process that would be followed in such instances, * Any recourse a representative may have.	S	FAIS Act - Sec 14 FAIS Act - Sec 27(1) BN 82 of 2003 - Sec 2
		5. Discuss how the debarment of a representative should take place.	K	FAIS Act - Sec 13(2) FAIS Act - Sec 14 FAIS Act - Sec 14(3) BN 82 of 2003 - Sec 2 BN 82 of 2003 - Sec 2(c)

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		6. Verify that the FSP's HR and disciplinary code has been amended to provide for debarment procedures.	S	FAIS Act - Sec 13(2)
		7. Explain the actions a representative may take that would give rise to debarment procedures.	K	FAIS Act - Sec 14 FAIS Act - Sec 14(2)(a)(b) BN 82 of 2003 - Sec 2 BN 106 of 2008 - Sec 2 BN 106 of 2008 - Sec 9
		8. Describe the ramifications for a FSP if it debars a representative unfairly.	K	BN 82 of 2003 - Sec 2 BN 106 of 2008 - Sec 2 FAIS Act - Sec 14
		9. Explain the processes that should be followed before a representative is debarred.	K	FAIS Act - Sec 14
		10. Verify that there are internal processes and procedures that are followed when a representative is debarred.	S	FAIS Act - Sec 14 BN 82 of 2003 - Sec 2 BN 106 of 2008 - Sec 2
		11. Explain the process and timeframe to notify the Registrar that a representative has been debarred.	K	FAIS Act - Sec 14 FAIS Act - Sec 13(2) Guidance Note on Debarment
		12. Verify that there are internal processes and procedures that are followed to inform the Registrar when a representative is debarred.	S	
		13. Check the compliance officer performs monitoring procedures on all cases where representatives are debarred.	S	FAIS Act - Sec 14 FAIS Act - Sec 17 GCOC - Sec 20(c)
7.	<b>Awareness of the regulatory environment in which the FSP functions</b>	1. Describe the Act and requirements thereof.	K	FAIS Act - Sec 1 Definitions FAIS Act - Sec 7 FAIS Act - Sec 17(1) FAIS Act - Sec 18 FAIS Act - Sec 46 FAIS Act - Preamble
		2. Explain in general which department and/or contact person(s) at the Regulator's office should be contacted with regards to the maintenance of a FSP license.	K	FAIS Act - Sec 8 FAIS Act - Sec 8(3) FAIS Act - Sec 8(10) Licensing Conditions
		3. Interact with the regulator when and where required.	S	Licensing Conditions FSP Licensing Forms FAIS Act - Sec 3 FAIS Act - Sec 8 FAIS Act - Sec 17
		4. Explain what format of communication with the Regulator is required.	K	FAIS Act - Sec 4(4) FSP Licensing Forms
		5. Explain what processes are required to remain updated with regards to other legislation, amendments, updates and requirements published that will affect the FSP.	K	GCOC - Sec 11 GCOC - Sec 12 FAIS Act - Sec 13(2)

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		6. Describe the implication for a FSP if the Registrar publishes a notice regarding an "undesirable business practice"	K	FAIS Act - Sec 34 FAIS Act - Sec 34(4) FAIS Act - Sec 34(5) FAIS Act - Sec 34(6) FAIS Act - Sec 36(a)
		7. Check that there are processes in place to check whether the Registrar has published notices regarding "undesirable business practices"	S	FAIS Act - Sec 34 FAIS Act - Sec 34(1) GCOC - Sec 3A(1)
		8. Verify that there are processes in place to ensure that the business is informed about "undesirable business practices" and that they cease any such actions.	S	FAIS Act - Sec 34 FAIS Act - Sec 34(1)
8.	<b>Awareness of the specific obligations in terms of the relevant Code of Conduct and other subordinate legislation.</b>	1. Explain the obligations and requirements when client funds or premiums are received.	K	GCOC - Sec 10 GCOC - Sec 10(1) GCOC - Sec 10(1)(d) GOOC - Sec 10(3) BN 123 of 2009 - Sec 3(b) BN 106 of 2008 - Sec 9(3) FAIS Act - Sec 19(3)
		2. Confirm that there is a separate bank account with a registered bank into which client monies are deposited.	S	FAIS Act - Sec 19(3) GCOC - Sec 10 GCOC - Sec 10(1) GCOC - Sec 10(1)(d)
		3. Not Applicable Board Notice 60	K	
		4. Not Applicable Board Notice 60	S	
		5. Not Applicable Board Notice 60	K	
		6. Not Applicable Board Notice 60	S	
		7. Not Applicable Board Notice 60	S	
		8. Explain the importance of disclosures.	K	GCOC - Sec 2 GCOC - Sec 4 GCOC - Sec 7 GCOC - Sec 7(1)
		9. Check that disclosures are adequate to enable client's ability to make an informed decision.	S	GCOC - Sec 4 GCOC - Sec 5 GCOC - Sec 7 GCOC - Sec 7(1)

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		10. Discuss how to ensure transparency and manage conflict of interests.	K	GCOC - Sec 1 Definition of Conflict of Interest GCOC - Sec 2 GCOC - Sec 3 GCOC - Sec 3A(1) GCOC - Sec 3(1) GCOC - Sec 3(1)(c) GCOC - Sec 4 GCOC - Sec 7(1)
		11. Distinguish between actions regarded as advice and intermediary services in terms of the Act.	K	FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Advice
		12. Describe the concept of ethical conduct in the financial services environment.	K	GCOC - Sec 2 & 3 FAIS Act - Sec 16
		13. Discuss the impact and requirements regarding the disclosure rules of the FSP.	K	GCOC - Sec 4(4) GCOC - Sec 5 GCOC - Sec 5(e) GCOC - Sec 7 GCOC - Sec 7(1)
		14. Apply the requirements of the General Code of Conduct.	S	BN 106 of 2008 - Sec 8 GCOC - Sec 8(1)(a)
		15. Discuss the effect of disclosure requirements on commission is explained with reference to line of business and specific product/policy.	K	GCOC - Sec 7(1)
		16. Describe the disclosure requirements regarding the FSP, product suppliers, product suppliers acting as FSP's and financial services.	K	GCOC - Sec 4 GCOC - Sec 4(1) GCOC - Sec 5 GCOC - Sec 7 GCOC - Sec 15(3)
		17. Apply disclosure requirements in terms of financial products.	S	GCOC - Sec 7(1) GCOC - Sec 7(1)(c)(bb)
		18. Explain the manner in which complaints are to be handled by the industry with reference to the FAIS General Code of Conduct.	K	GCOC - Sec 8(4) GCOC - Sec 16 GCOC - Sec 16(2) GCOC - Sec 19 FAIS Act - Sec 20 FAIS Act - Sec 27
		19. Verify that complaints procedures and processes are in place.	S	GCOC - Sec 17 GCOC - Sec 19(1) GCOC - Sec 21
		20. Explain the steps that must be taken by a FSP/representative when providing advice.	K	GCOC - Sec 7(1) GCOC - Sec 8 GCOC - Sec 8(1) GCOC - Sec 8(4)

Regulatory Exam: 1

Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		21. Explain the provisions of the General Code relating to: *custody, *complaints, * risk management, * insurance, * advertising and *termination	K	GCOC - Sec 10 GCOC - Sec 10(1) GCOC - Sec 11 GCOC - Sec 12 GCOC - Sec 14 GCOC - Sec 14(1) GCOC - Sec 14(2) (a) GCOC - Sec 16 GCOC - Sec 16(2) GCOC - Sec 17 GCOC - Sec 18 GCOC - Sec 19(1) GCOC - Sec 20 GCOC - Sec 20(a)(i) GCOC - Sec 20(c) FAIS Act - Sec 13(1) BN 123 of 2009 - Sec 3(a) BN 81 of 2003 - Sec 4 BN 81 of 2003 - Sec 6
9.	Oversee and manage the compliance functions as required by the FAIS Act.	1. Explain the requirements for approval of a Compliance Officer by the Registrar.	K	BN 127 of 2010 - Sec 3 BN 127 of 2010 - Sec 3(1) BN 127 of 2010 - Sec 4(3) FAIS Regulations - Reg 4 FAIS Act - Sec 17 FAIS Act - Sec 17(1)
		2. Check that the CO is approved by the Registrar.	S	FAIS Act - Sec 17(1) FAIS Act - Sec 17(2)
		3. Describe the role and function of a Compliance Officer.	K	FAIS Act - Sec 17 FAIS Act - Sec 17(4) FAIS Regulations - Reg 5 FAIS Regulations - Reg 5(1) FAIS Regulations - Reg 5(3)
		4. Replace the intended CO if he/she does not have the required approval of the Registrar.	S	BN 127 of 2010 - Sec 3(1) & 4 FAIS Act - Sec 17(1) FAIS Act - Sec 17(2) & 19
		5. Confirm the compliance practice has sufficient resources to provide a proper compliance service where an outsourced compliance practice is used.	S	BN 127 of 2010 - Sec 4(2) & 4(4) BN 127 of 2010 - Sec 2 & 3 FAIS Act - Sec 17
		6. Explain why it is important for the Compliance Officer to be/act independent from the management of the FSP.	K	BN 127 of 2010 - Sec 4(3)
		7. Confirm that the CO / compliance practice can function objectively and sufficiently independent of the FSP.	S	BN 127 of 2010 - Sec 4(2) & 4(3)

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/OR Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		8. Verify that any internal compliance function is staffed and equipped to provide a proper compliance service.	S	BN 127 of 2010 - Sec 4(2) BN 127 of 2010 - Sec 4(4)
		9. Explain why it is important for the Compliance Officer to be able to avoid conflicts of interest regarding the execution of their duties	K	BN 127 of 2010 - Sec 4(3) BN 127 of 2010 – Sec 4(3)b FAIS Regulations - Reg 5(1) FAIS Regulations – Reg 5(2)
		10. Manage potential conflict of interest where management is also responsible for the compliance function, i.e. a sole proprietor.	S	GCOC - Sec 3(1) GCOC - Sec 3A(2) BN 127 of 2010 - Sec 4(3)
		11. Explain what internal audit and control functions are required to enable the CO to function in a manner ensuring that no actual or potential conflicts of interest arise as regards the duties and functions of other employees.	K	FAIS Act - Sec 1 Definition of Representative GCOC - Sec 3 GCOC - Sec 3A(2) BN 127 of 2010 - Sec 3(2)
		12. Implement internal audit and control functions to enable the CO to function in a manner ensuring that no actual or potential conflicts of interests arise as regards the duties and functions of other employees.	S	BN 127 of 2010 - Sec 3(2) BN 127 of 2010 - Sec 4(2) FAIS Act - Sec 17(3)
		13. Demonstrate understanding of the content of the compliance report in order to be able to sign it off.	K	FAIS Act - Sec 17(4)
		14. Verify that the FSP has procedures in place to monitor the compliance of supervisors with the requirements as set out in the relevant Determination.	S	BN 104 of 2008 - Sec 4(9) BN 104 of 2008 - Sec 1 Definition of Services under Supervision BN 104 of 2008 - Sec 1 Definition of Supervisor
		15. Check that the compliance officer performs monitoring procedures on rendering of services under supervision.	S	BN 84 of 2003 – Sec - 2 (c)(iv) BN 104 of 2008 FAIS Regulations - Reg 5
		16. Explain what the compliance function requirements are within the FSP.	K	FAIS Act - Sec 17 FAIS Act - Sec 17(1) FAIS Act - Sec 17(2) FAIS Act - Sec 17(3) FAIS Regulations - Reg 5 BN 99 of 2004 - Sec 3
		17. Establish the compliance function with the FSP.	S	FAIS Act - Sec 17(1)
		18. Confirm that where the compliance officer found any instances of non-compliance that this is addressed and rectified.	S	GCOC - Sec 3(1) BN 104 of 2008 - Sec 4(9) FAIS Regulations - Reg 5(3) FAIS Act - Sec 17(4) FAIS Act - Sec 18(d)
		19. Confirm that the CO performs monitoring procedures on rendering of financial services within the limitations on categories and subcategories for which the license is issued.	S	GCOC - Sec 8(1) BN 106 - Sec8(2) BN 127 - Sec 4(3)(f)



Regulatory Exam: 1

Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
10.	Maintain the license of the FSP including the management of the licensing conditions.	1. Explain the impact of licensing conditions on an FSP.	K	Annexure to FSP license FSP Form 1, 3, 4 & 5 BN 123 of 2009 FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Advice FAIS Act - Sec 9 & 18
		2. Manage the licensing conditions.	S	BN 106 of 2008 - Sec 3(5) FAIS Act - Sec 8 FAIS Act - Sec 8(2) FAIS Act - Sec 8(4)
		3. Explain what the implication is for a FSP if a key individual leaves the employ of the FSP.	K	BN 106 of 2008 - Sec 3(5) FAIS Act - Sec 8(7) FAIS Act - Sec 9
		4. Confirm that all role-players are informed and able to execute their duties.	S	FAIS Act - Sec 8 FAIS Act - Sec 8(10) FAIS Act - Sec 13(2)
		5. Explain what levies are payable to the Registrar and when should this be paid.	K	BN 121 of 2013 The Financial Services Board Act – Sec 15A
		6. Verify that there are processes in place to pay the levies, and that this is done within the correct timeframes.	S	BN 121 of 2013 The Financial Services Board Act - Sec 15A
		7. Describe what civil remedies and penalties the Registrar may impose under FAIS.	K	This section of the Act has been repealed
		8. Describe what actions will lead to the Registrar imposing civil remedies and penalties under FAIS.	K	This section of the Act has been repealed
		9. Explain what changes must be reported.	K	FSP Forms FSP 5 Form Licensing Conditions FAIS Act - Sec 1 Definition of Intermediary Services Guidance Note on Intermediary Services Change in FSP1 details BN 193 of 2011 - Sec 3(1)
		10. Confirm that the Registrar is informed within 15 days of any changes to the FSP licensing details.	S	Rep Import Spreadsheet Licensing Conditions Change in FSP1 details and Licensing Conditions explanatory note 1.7 FSP Forms FAIS Act - Sec 8

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/OR Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		11. Explain what licensing conditions regarding products and services must be met.	K	FAIS Act - Sec 7(3) FAIS Act - Sec 8(4) FAIS Act - Sec 17 BN 123 of 2009 Licensing Conditions
		12. Confirm that the FSP has procedures in place to ensure that it can comply with condition 1 of the licensing conditions that requires the FSP to update its business information as provided during applications within 15 days of any change occurring.	S	Licensing Conditions
		13. Describe the implications for the FSP if the licensing conditions regarding products and services are not met.	K	FAIS Act - Sec 1 Definition of Advice FAIS Act - Sec 8 FAIS Act - Sec 9 FAIS Act - Sec 36
		14. Verify that the FSP changes the name of the financial services business (as reflected on the license concerned) that the FSP obtains prior approval from the Registrar in compliance with <u>condition 4 of the licensing conditions.</u>	S	Licensing Conditions Licensing Conditions 4
		15. Describe the implications for the FSP if the Registrar publishes a notice regarding an undesirable business practice.	K	FAIS Act - Sec 34 FAIS Act - Sec 34(4) FAIS Act - Sec 36
		16. 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 - Sec 7 FAIS Act - Sec 8(4) FAIS Act - Sec 13(2) Licensing Conditions
		17. Explain what the implications are for a key individual and/or FSP in an accreditation is suspended or withdrawn or lapsed in terms of the Medical Schemes Act, 1998, or any enabling legislation such as the Banks or Insurance legislation.	K	BN 106 of 2008 - Sec 3(5) FAIS Act - Sec 8(7) FAIS Act - Sec 9
		18. Discuss the requirements around the display of licenses.	K	FAIS Act - Sec 8(8)
		19. Describe the conditions under which suspensions, withdrawals and reinstatements of authorisation may be imposed.	K	FAIS Act - Sec 9(1) FAIS Act - Sec 9(2) FAIS Act - Sec 11 FAIS Act - Sec 39



**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		20. Provide an overview of the different types of financial services and financial products a FSP can deal with.	K	FAIS Act - Sec 1 Definition of Financial Product FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Advice GN868 of GG37022
		21. Explain the different financial products with examples of products in each category.	K	BN 106 of 2008 - Sec 1 Definition of Retail Pension Benefits FAIS Act - Sec 1 Definition of Financial Product Long Term Insurance Act of 1998 - Sec 1 Definition of Assistance Policy
		22. Explain the relationship between different industry players.	K	BN 81 of 2003 - Introduction Financial Services Board Act - Sec 1 Definitions Financial Institution
		23. Describe the interrelationships between FSP's in terms of co-responsibility.	K	FAIS Act - Sec 7 GCOC - Sec 2
11.	<b>Take the necessary action if the FSP voluntarily lapses its license.</b>	1. Discuss the effect of voluntary sequestration, winding-up or closure of a business on its licensing status. (Section 38)	K	FAIS Act - Sec 11 FAIS Act - Sec 38
		2. Explain the reasons why a license can be suspended or withdrawn.	K	FAIS Act - Sec 8(8) FAIS Act - Sec 9 FAIS Act - Sec 9(1) FAIS Act - Sec 9(2) FAIS Act - Sec 9(3) FAIS Act - Sec 41(2)
		3. Discuss what recourse the FSP has in such a case where a license was suspended / withdrawn. (Sections 9 and 10)	K	FAIS Act - Sec 39
		4. Discuss the reasons why a FSP would lapse a license.	K	FAIS Act - Sec 11
		5. Describe how lapsing a license differs from suspension or withdrawals. (Section 11)	K	FAIS Act - Sec 9 FAIS Act - Sec 11
12.	<b>Verify that the proper record keeping activities are carried out.</b>	1. Explain the record keeping obligations as imposed by the FAIS Act.	K	GCOC - Sec 3 FAIS Act - Sec 13(4) FAIS Act - Sec 18 FICA - Sec 23
		2. Ensure that there are processes in place to provide the management information that is required to complete the reports required by the legislation.	S	Compliance Reports FAIS Act - Sec 18 FAIS Act - Sec 19(2) & (3)
		3. Explain the requirements regarding records and the maintenance thereof in terms of the FAIS Act.	K	GCOC - Sec 3(2) GCOC - Sec 5, 6, 7 & 8 GCOC - Sec 14(2) GCOC - Sec 15(5) FAIS Act - Sec 18 FICA - Sec 24(1)

Regulatory Exam: 1

Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		4. Ensure that there are processes in place to submit the reports required by the legislation by the due dates.	S	BN 106 of 2008 - Sec 8(6) FAIS Act - Sec 17(4) BN 84 of 2011
		5. Describe the requirements imposed when record keeping is outsourced to a third party.	K	GCOC - Sec 3(2) BN 106 of 2008 - Sec 8(2)
		6. Confirm that third party outsourcing agreements are executed correctly.	S	GCOC - Sec 3(2) BN 106 of 2008 - Sec 8(2) FICA Act - Sec 24(2)
		7. Explain in what format the records should be stored and retrieved in accordance to the industry standard.	K	GCOC - Sec 3(2) GCOC - Sec 3(2)(c) GCOC - Sec 14(2)(a)
		8. Verify the necessary checks and balances are carried out regarding the record keeping functionality, including retrieval of records.	S	BN 106 of 2008 - Sec 8(3) GCOC - Sec 11 FAIS Act - Sec 18
		9. Explain what the security requirements for these records are in terms of confidentiality and access to records.	K	GCOC - Sec 3(3) BN 106 of 2008 - Sec 8(3)
		10. Explain the reporting obligations imposed by the Act.	K	FAIS Act - Sec 19
		11. Verify that the reporting obligations are met in accordance to the Act.	S	FICA - Sec 7(1)
		12. Understand the requirements regarding records and the maintenance thereof in terms of the Act and other applicable legislative requirements, including FIC Act.	K	FAIS Act - Sec 18 FICA Regulations - Sec 20 FICA - Sec 22
		13. Ensure that there are processes in place to submit the reports required by the legislation by the due dates.	S	FICA - Sec 24(3) FICA - Sec 29
		14. Explain the requirements regarding the maintenance of records in Section 18 of FAIS.	K	FAIS Act - Sec 8(1) FAIS Act - Sec 13(3) & (4) FAIS Act - Sec 18 FAIS Act - Sec 18(c) FAIS Act - Sec 18(d) GCOC - Sec 3 GCOC - Sec 3(2) GCOC - Sec 14 BN 106 of 2008 - Sec 3 BN 106 of 2008 - Sec 8
13.	Manage and oversee / participate in the setting up and/or managing of the infrastructure of the FSP.	1. Describe what are the operational ability requirements that the FSP must meet.	K	FAIS Act - Sec 8(4) GCOC - Sec 3(2) BN 106 of 2008 - Sec 4 & 5 BN 106 of 2008 - Sec 8 BN 106 of 2008 - Sec 8(1) BN 106 of 2008 - Sec 8(3) BN 106 of 2008 - Sec 8(6) BN 106 of 2008 - Sec 8(7)

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		2. Establish a fixed business address.	S	BN 106 of 2008 - Sec 8(1)
		3. Explain what does the requirement regarding financial soundness implies for the FSP.	K	BN 106 of 2008 - Sec 9 BN 106 of 2008 - Sec 9(1) BN 106 of 2008 - Sec 9(2) BN 106 of 2008 - Sec 9(5)
		4. Confirm that the requirements regarding financial soundness are adhered to, and where this is not in place, actively towards achieving it.	S	BN 106 of 2008 - Sec 9
		5. Explain the requirements in terms of monthly management accounts.	K	FAIS Act - Sec 19(1)
		6. Explain what it means if an application is granted by the Registrar, but conditions and restrictions are imposed.	K	FAIS Act - Sec 8(4) Licensing Conditions
		7. Confirm that there is adequate access to communication facilities including at least a full time telephone or cell phone service, typing and document duplication facilities.	S	BN 106 of 2008 - Sec 8 BN 106 of 2008 - Sec 8(1)(b)
		8. Explain what gives rise to a profile change and when should it be submitted.	K	Licensing Conditions BN 60 of 2009
		9. Confirm that there is adequate storage and filing systems for the safe keeping of records, business communications and correspondence.	S	GCOC - Sec 3(2) BN 106 of 2008 - Sec 8 FAIS Act - Sec 3(2)(a) FAIS Act - Sec 18
		10. Explain what the offenses are under FAIS.	K	FAIS Act - Sec 7(1) FAIS Act - Sec 8(8) FAIS Act - Sec 13(1) FAIS Act - Sec 14 FAIS Act - Sec 14(1) FAIS Act - Sec 18 FAIS Act - Sec 36 FAIS Act - Sec 36(d) FAIS Act - Sec 41(2) GCOC - Sec 18(b)
		11. Verify that the FSP has an account with a registered bank, including, where required by the Act, specific account for depositing client monies.	S	BN 106 of 2008 - Sec 8 BN 106 of 2008 - Sec 8(1) GCOC – Sec 10(1)
		12. Explain all processes and procedures required when handling complaints.	K	GCOC - Sec 16 GCOC - Sec16(1) GCOC - Sec16(2) GCOC - Sec17 GCOC - Sec 18 GCOC - Sec 19 GCOC - Sec 19(1) GCOC - Sec 19(2)

**Regulatory Exam: 1**

**Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		13. Establish and maintain compliance and reporting arrangements for the FSP activities.	S	FAIS Act - Sec 17(1) FAIS Regulations - Reg 5(1) FAIS Regulations - Reg 5(2)
		14. Explain the requirements regarding advertising and direct marketing in terms of the Act.	K	FAIS Act - Sec 8(8) GCOC - Sec 1 Definition of Direct Marketer GCOC - Sec 14 GCOC - Sec 14(1) GCOC - Sec 14(3) GCOC - Sec 15 GCOC - Sec 15(3) GCOC - Sec 15(5)
		15. Check that the compliance arrangements specify how often compliance with procedures are monitored and reported on.	S	FAIS Act - Sec 17 BN 127 of 2010 - Sec 4(a) BN 127 of 2010 - Sec 4(4)
		16. Implement and maintain a documented process to maintain the adequacy of your compliance and monitoring arrangements.	S	FAIS Act - Sec 18 FAIS Act - Sec 18(b) BN 104 of 2008 - Sec 1 BN 104 of 2008 - Sec 4
		17. Confirm that the processes are documented to ensure records are kept in training programs attended, including continued educational training, for your key individuals and/or representatives.	S	BN 103 of 2008 - Sec 5(3) BN 106 of 2008 - Sec 7(1)
		18. Establish documented processes for the supervision and monitoring of representatives to ensure that they comply with the Act.	S	BN 104 of 2008 - Sec 4(3) BN 104 of 2008 - Sec 4(9)
		19. Implement and maintain a documented process to ensure that all representatives are trained, competent and will provide financial services on your behalf efficiently, honestly and fairly.	S	FAIS Act - Sec 2(a) FAIS Act - Sec 13(b) BN 106 of 2008 - Sec 3(7)
		20. Implement and maintain guarantees, professional indemnity or fidelity insurance cover in respect of the clients of the provider or representatives.	S	BN 123 of 2009 - Sec 3 BN 123 of 2009 - Sec 4. BN 106 of 2008 - Sec 8(2) GCOC - Sec 5(e) GCOC - Sec 13
		21. Ensure that written service levels agreements are in place, where activities are outsourced.	S	BN 106 of 2008 - Sec 8(2) GCOC - Sec 10(1)
		22. Check that there are processes in place to ensure that providers selected for any outsourced functions are suitable.	S	FAIS Act - Sec 7(3)
		23. Confirm that where outsourced entities provide advice and/or intermediary services, that they are authorised FSP's.	S	FAIS Act - Sec 7(3)

Regulatory Exam: 1

Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		24. Check that there are processes in place to notify the FSB of any profile changes, and that this is done within the correct timeframes.	S	Licensing Conditions Licensing Conditions 1
		25. Ensure that there are processes in place to avoid actions that can give rise to civil remedies and/or fines being imposed under FAIS.	S	This section of the Act has been repealed
		26. Ensure that there are processes in place to avoid actions that can be regarded as offences under FAIS.	S	FAIS Act - Sec 36 FAIS Act - Sec 36(a)
		27. Where applicable, implement and maintain guarantees, professional indemnity or fidelity insurance cover in respect of the clients of the provider or representatives.	S	BN 123 of 2009 - Sec 4
		28. Ensure that there are policies and processes in place to deal with complaints.	S	GCOC - Sec 16 GCOC - Sec 16(2) GCOC - Sec 18 GCOC - Sec 19
		29. Ensure that there are processes in place to comply with the advertising and marketing provisions of the general Code of Conduct.	S	GCOC - Sec 14 GCOC - Sec 14(1) GCOC - Sec 14(3)
		30. Explain the importance of contingency planning / processes for the FSP.	K	BN 106 of 2008 - Sec 8 GCOC - Sec 20(b)
		31. Record contingency plan for the FSP.	S	BN 106 of 2008 - Sec 8(3)
		32. Create a contingency plan for the FSP with regards to the KI (i.e. sole proprietor.)	S	BN 106 of 2008 - Sec 8(3)(j) GCOC - Sec 20(b)
14.	Manage and oversee the requirements that auditors/accounting officers must adhere to.	1. Describe what is the auditing and accounting requirements for an authorised FSP.	K	FAIS Act - Sec 19 FAIS Act - Sec 19(1) BN 96 of 2003 - Sec 2 & 3
		2. Check that the required auditing and accounting requirements as it applies to the FSP, is in place and carried out accurately and timeously.	S	FAIS Act - Sec 19 FAIS Act - Sec 19(1)
		3. Explain the financial record keeping requirements the FSP must adhere to.	K	FAIS Act - Sec 19(2) FAIS Act - Sec 19(3) FAIS Act - Sec 41(2) BN 96 of 2003 - Sec 2 BN 96 of 2003 - Sec 3
		4. Confirm that the auditing firm / accounting officer is organisationally independent from the FSP (or the group of which it is part of) and able to maintain an objective frame of mind in accomplishing its responsibilities.	S	FAIS Act - Sec 1 Definition of Auditor FAIS Act - Sec 19 FAIS Act - Sec 19(2) FSP 9 Form Guidance notes on Auditing
		5. Confirm that the auditing firm / accounting officer is sufficiently knowledgeable about the industry for the engagement.	S	FAIS Act - Sec 19 FAIS Act - Sec 19(2) FAIS Act - Sec 19(3)

Regulatory Exam: 1

Description: RE 1 : First Level Regulatory Examination: Applicants And/Or Key Individuals In Category I, II, IIA and III

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
15.	<b>Manage and oversee the FSP's adherence to the requirements of FICA and other relevant anti-money laundering legislation, as it applies to the FSP.</b>	1. Explain what FICA governs and requires.	K	FICA Preamble FICA Schedule 1 FICA - Sec 21 FICA - Sec 22 FICA - Sec 23 FICA - Sec 29 FICA - Sec 29(1) FICA - Sec 42 GN R1596 in GG 24176 - Sec 7
		2. Verify that there are written internal rules in place as required by the Financial Intelligence Centre Act (Act no. 38 of 2001) and that all staff are familiar with this.	S	FICA Schedule 1 FICA - Sec 42 Money Laundering & Terrorist Financing Control Regulations - Sec 25 Money Laundering & Terrorist Financing Control Regulations - Sec 27
		3. Describe how the FSP is impacted by FICA.	K	FICA Schedule 1 FICA Schedule 3 FICA - Sec 25 & 26 & 27 & 27A & 29 FICA - Sec 42 FICA - Sec 43A FICA - Sec 61 & 61A FICA - Sec 62 & 62 A - D FICA - Sec 68 FICA - Sec 68(2) GN R1596 in GG 24176 - Sec 7
		4. Verify that the FSP has processes in place to ensure compliance with the identification, verification, record-keeping and reporting obligations under Act no. 38 of 2001, and that all staff are familiar with this.		FIC Act Schedule 1 FIC Act - Sec 22 FIC Act - Sec 23(a) FIC Act - Sec 43 FIC Act - Sec 43(a) FIC Act - Sec 28A Money Laundering & Terrorist Financing Control Regulations - Sec (4) Guidance Notes - On residential address
		5. Explain what actions should be taken by the FSP in regard to FICA.	K	FICA - Sec 43(b)
		6. Check that there are processes in place to ensure that employees receive training in respect of, and are aware of, their obligation to report suspicious transactions.	S	FICA - Sec 43(a)



16.	<b>Manage any processes required in the event of an investigation by the FAIS Ombud.</b>	1. Discuss the obligations of the FSP/key individual in respect of an investigation conducted by the FSB and FAIS Ombud.	K	FAIS Act - Sec 3(a)(ii) FAIS Act - Sec 13(1) FAIS Act - Sec 17(3) FAIS Act - Sec 27(2) BN 81 of 2003 - Sec 5(c) BN 81 of 2003 - Sec 6 BN 81 of 2003 - Sec 6(b) GCOC - Sec 19(1)(b)(iii)
		2. Check that there are processes in place to ensure that the business cooperates in the case of an investigation by the Ombud.	S	FAIS Regulations - Reg 5(3) FAIS Act - Sec 27(5) FAIS Act - Sec 27(6) FAIS Act - Sec 31 BN 81 of 2003 - Sec 6
		3. Explain what the role and powers of the Ombud are.	K	FAIS Act - Sec 1 Definition of Complaint FAIS Act - Sec 20(3) FAIS Act - Sec 27(a) & (b) FAIS Act - Sec 27(3) FAIS Act - Sec 27(4) FAIS Act - Sec 28 FAIS Act - Sec 28(1) BN 81 of 2003 - Sec 3 BN 81 of 2003 - Sec 4(c)

Regulatory Exam: 5

Description: RE 5: First Level Regulatory Examination: Representatives

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivations
1.	<b>Execute the required actions as a representative, in terms of the FAIS Act.</b>	1. Describe the roles, responsibilities and requirements regarding representatives as defined in the FAIS Act.	K	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 13 FAIS Act - Sec 13(1) FAIS Act - Sec 13(2) FAIS Act - Sec 14 FICA - Sec 29 BN 104 of 2008 - Sec 1 Definition of Supervisee Guidance Note on Intermediary Services and Representatives
		2. Apply knowledge of the role of the representative in terms of the FAIS Act.	S	FAIS Act – Sec 19
		3. Describe the role and responsibilities of the key individual as defined in the FAIS Act.	K	FAIS Act - Sec 1 Definitions FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 1 Definition of Key Individual FAIS Act - Sec 7(3) FAIS Act - Sec 19 BN 104 of 2008 - Sec 1 Definition of Services under Supervision BN 106 of 2008 - Sec 2(4)
		4. Explain the requirements for licensing by the FSB for the role of the representative.	K	Annexure to Licence FAIS Act - Sec 8 FAIS Act - Sec 13(4) FAIS Act - Sec 13(5) FAIS Act - Sec 17(1) BN 104 of 2008 - Sec 1 Definition of Services under Supervision BN 106 of 2008 - Sec 3(7)
		5. Explain when an individual is obliged to be registered as a representative in terms of FAIS.	K	FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 13
		6. Explain the fit and proper requirements that apply to the representatives.	K	BN 106 of 2008 - Sec 3 BN 106 of 2008 - Sec 3(5) BN 106 of 2008 - Sec 3(6) BN 106 of 2008 - Sec 3(7) BN 104 of 2008 - Sec 3(b)(i)
		7. Discuss the purpose of the register of representatives.	K	FAIS Act - Sec 13(3) FAIS Act - Sec 13(4) BN 104 of 2008 - Sec 4(2)(a)
		8. Distinguish between advise and intermediary services in terms of the Act.	K	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 1 Definition of Advice FAIS Act - Sec 1 Definition of Intermediary Services



**Regulatory Exam: 5**

**Description: RE 5: First Level Regulatory Examination: Representatives**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivations
		9. Explain when representatives can act under supervision.	K	FAIS Act - Sec 1 Definition of Services under Supervision BN 104 of 2008 - Sec 2 BN 104 of 2008 - Sec 4(2) BN 104 of 2008 - Sec 3(b) BN 104 of 2008 - Sec 4(4) & 4(6)(e) BN 106 of 2008 - Sec 4(10)(b) BN 104 of 2008 - Sec 6(2) BN 106 of 2008 - Sec 3(7) BN 106 of 2008 - Sec 10 Table E BN 106 of 2008 - Part X Transitional Arrangements
		10. Describe the implications if a representative does not meet all the requirements in terms of Fit and Proper by the relevant date.	K	FAIS Act - Sec 14 BN 106 of 2008 - Sec 10 Table E
		11. Explain the record keeping requirements in terms of Section 18 of the FAIS Act and the General Code of Conduct.	K	FAIS Act - Sec 13(3) FAIS Act - Sec 13(4) FAIS Act - Sec 18 FAIS Act - Sec 18(d) GCOC - Sec 3(2)
		12. Keep records in terms of the requirements of the Act and General Code of Conduct.	S	FAIS Act - Sec 18 GCOC - Sec 3(2)
2.	Contribute towards maintaining a FSP license.	1. Explain the requirements a FSP must meet to maintain a FSP license.	K	FAIS Act - Sec 8 FAIS Act - Sec 8(1) FAIS Act - Sec 8(2) FAIS Act - Sec 9 FAIS Act - Sec 13 Annexure to License BN 106 of 2008 - Sec 3(5)
		2. Assist in maintaining a FSP license by executing the required actions as a representative, in terms of the Act.	S	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 8(1) FAIS Act - Sec 13(1) FAIS Act - Sec 13(2) GCOC - Sec 2
		3. Explain what processes are required to remain updated with regards to other legislation, amendments, updates and requirements published that will affect the FSP.	K	FAIS Act - Sec 7(3) FAIS Act - Sec 13(2) GCOC - Sec 11 GCOC - Sec 12
		4. Explain what is meant by "undesirable practices".	K	FAIS Act - Sec 34(2) FAIS Act - Sec 34(4) FAIS Act - Sec 34(6)
		5. Describe the implication for a FSP if the Registrar publishes a notice regarding an "undesirable business practice."	K	FAIS Act - Sec 14 FAIS Act - Sec 34 FAIS Act - Sec 34(2) FAIS Act - Sec 34(4) FAIS Act - Sec 34(6)

**Regulatory Exam: 5**

**Description: RE 5: First Level Regulatory Examination: Representatives**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivations
		6. Explain the reparation measures available to the Registrar if a FSP continues with undesirable business practices.	K	FAIS Act - Sec 34 FAIS Act - Sec 34(5) FAIS Act - Sec 34(6) FAIS Act - Sec 36 BN 106 of 2008 - Sec 7 Table D
		7. Check that executives of duties and actions do not constitute undesirable business practices.	S	FAIS Act - Sec 34 FAIS Act - Sec 34(2)
		8. Discuss the requirements of the Act around the display of licenses.	K	FAIS Act - Sec 8(8)
		9. Explain the reasons why a license can be suspended or withdrawn.	K	FAIS Act - Sec 9 FAIS Act - Sec 9(1) FAIS Act - Sec 9(2) FAIS Act - Sec 9(3) FAIS Act - Sec 41(2)
		10. Explain what recourse a FSP has in case where its license has been suspended or withdrawn.	K	FAIS Act - Sec 9 FAIS Act - Sec 39
		11. Discuss the reasons why a FSP would lapse a license.	K	FAIS Act - Sec 11
		12. Describe how lapsing a license differs from suspension or withdrawals.	K	FAIS Act - Sec 9 FAIS Act - Sec 9(2) FAIS Act - Sec 9(4) FAIS Act - Sec 11
		13. Describe the conditions under which a license can be reinstated.	K	FAIS Act - Sec 9 FAIS Act - Sec 9(3) FAIS Act - Sec 9(4) FAIS Act - Sec 39
		14. Describe the conditions under which reinstatements of authorisation may be imposed.	K	FAIS Act - Sec 9(2)
		15. Describe the role and powers of the Ombud.	K	FAIS Act - Sec 20(3) & (4) FAIS Act - Sec 27(3) FAIS Act - Sec 27(3)(a)(ii) FAIS Act - Sec 27(4) FAIS Act - Sec 28 BN 81 of 2003 - Sec 3
		16. Comply with any requirements the Ombud may have in the event of an investigation.	S	FAIS Act - Sec 27 FAIS Act - Sec 27(3) FAIS Act - Sec 27(5) FAIS Act - Sec 27(6) FAIS Act - Sec 31 BN 81 of 2003 - Sec 9(a)
3.	Adhere to the specific obligations in terms of the relevant Code of Conduct and other subordinate legislation.	1. Explain the obligations and requirements when client funds or premiums are received.	K	GCOC- Sec 10 GCOC - Sec 10(1) GCOC - Sec 10(1)(b) GCOC - Sec 10(1)(d) BN 106 of 2008 - Sec 9(3) FAIS Act - Sec 19(1) FAIS Act - Sec 19(3)

**Regulatory Exam: 5**

## Description: RE 5: First Level Regulatory Examination: Representatives

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivations
		2. Adhere to the requirements of the Code when depositing client's monies.	S	GCOC - Sec 10(1) GCOC - Sec 10(1)(d)
		3. Explain the importance of disclosures.	K	GCOC - Sec 2 GCOC - Sec 4 GCOC - Sec 5 GCOC - Sec 6 GCOC - Sec 7 GCOC - Sec 7(1) GCOC - Sec 8
		4. Use disclosures that are adequate to enable client's ability to make an informed decision.	S	BN 104 of 2008 - Sec 4(9) GCOC - Sec 7(1)
		5. Discuss the impact of requirements regarding the disclosure rules of the FSP.	K	GCOC - Sec 4(1) GCOC - Sec 5(e) GCOC - Sec 7(1)
		6. Apply the requirements of the General Code of Conduct.	S	GCOC - Sec 2 GCOC - Sec 3 GCOC - Sec 5 GCOC - Sec 8 GCOC - Sec 8(1) GCOC - Sec 8(4) GCOC - Sec 10 GCOC - Sec 18 FAIS Act - Sec 18
		7. Discuss the effect of disclosure requirements on commission is explained with reference to line of business and specific product/policy.	K	GCOC - Sec 7(1) GCOC - Sec 7(1)(c)(iii)(bb)
		8. Apply disclosure requirements in terms of financial products.	S	GCOC - Sec 5 GCOC - Sec 7(c) GCOC - Sec 7(1)(c)(bb) GCOC - Sec 7(4) GCOC - Sec 8(3)
		9. Describe the disclosure requirements regarding the FSP, product suppliers, product suppliers acting as FSPs and financial services.	K	GCOC - Sec 4 GCOC - Sec 4(1) GCOC - Sec 4(2) GCOC - Sec 5 GCOC - Sec 7 GCOC - Sec 15(3)
		10. Discuss how to ensure transparency and manage conflict of interests.	K	GCOC - Sec 3 GCOC - Sec 3(1) GCOC - Sec 3(1)(c) GCOC - Sec 3A GCOC - Sec 4 GCOC - Sec 5 GCOC - Sec 7

**Regulatory Exam: 5**

**Description: RE 5: First Level Regulatory Examination: Representatives**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivations
		11. Distinguish between actions regarded as advice and intermediary services in terms of the Act.	K	FAIS Act - Sec 1 Definition of Advice FAIS Act - Sec 1 Definition of Intermediary Services
		12. Describe the concept of ethical conduct in the financial services environment.	K	FAIS Act - Sec 16 FICA Regulations - Sec 20 GCOC - Sec 2 GCOC - Sec 7(1)
		13. Behave ethically when providing financial services within the financial services environment.	S	GCOC - Sec 2 GCOC - Sec 8(1)
		14. Discuss your role in terms of ethical conduct in the financial services environment.	K	GCOC - Sec 2 GCOC - Sec 7 GCOC - Sec 8(1) FAIS Act - Sec 17(4)
		15. Provide an example of ethical vs. unethical conduct in the financial services environment.	S	GCOC - Sec 2 GCOC - Sec 7
		16. Explain the manner in which complaints are to be handled by the industry with reference to the FAIS General Code of Conduct.	K	GCOC - Sec 16 GCOC - Sec 19 GCOC - Sec 19(1) FAIS Act - Sec 20 FAIS Act - Sec 27
		17. Follow the complaints procedures and processes that are in place.	S	GCOC - Sec 16 GCOC - Sec 16(1) GCOC - Sec 19
		18. Explain the steps that must be taken by a FSP/representatives when providing advice.	K	GCOC - Sec 7(1) GCOC - Sec 8(1) GCOC - Sec 8(4)
		19. Explain the provisions of the General Code relating to : * custody, * complaints, * risk management, * insurance, * advertising and * termination"	K	GCOC - Sec 1 Definition of Direct Marketing GCOC - Sec 10 GCOC - Sec 11 GCOC - Sec 12 GCOC - Sec 14 GCOC - Sec 14(1) GCOC - Sec 14(2)(a) GCOC - Sec 16 GCOC - Sec 17 GCOC - Sec 19 GCOC - Sec 20 GCOC - Sec 20(a) FAIS Act - Sec 13(1) BN 123 of 2009 - Sec 3
4.	Apply knowledge of financial products.	1. Provide an overview of the different types of financial services and financial products a FSP can deal with.	K	FAIS Act - Sec 1 Definition of Financial Product FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Advice FAIS Act FSP 2 Form

Regulatory Exam: 5

Description: RE 5: First Level Regulatory Examination: Representatives

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		2. Explain the relationship between different industry players.	K	FAIS Act - Sec 36 & 13(1) FAIS Act - Sec 20(3) Financial Services Board Act - Sec 1 Definitions FICA - Sec 3 BN 106 of 2008 - Sec 1 Definition of Qualifications
		3. Apply knowledge of the financial products and role players within the financial services environment.	S	FAIS Act - Sec 1 Definition of Financial Product FAIS Act - Sec 7(3) FAIS Act - Sec 13(2) Long Term Insurance Act -Sec 1 Definition of Long Term Policy
5.	<b>Awareness of consequences for representatives that have been found to act fraudulently, or committed any other act that gives rise to debarment.</b>	1. Discuss the purpose of debarment.	K	FAIS Act - Sec 14 FAIS Act - Sec 14(3)
		2. Check that the employment/mandatory agreement with representatives include the reasons for possible debarment.	S	FAIS Act - Sec 13(2) FAIS Act - Sec 14 FAIS Act - Sec 18 BN 82 of 2003 - Sec 2
		3. Describe the reasons why debarment would be considered.	K	FAIS Act - Sec 13(2) FAIS Act - Sec 14 BN 82 of 2003 - Sec 2 BN 106 of 2008 - Sec 2(3)(f).
		4. Discuss the process that would be followed in such instances.	K	FAIS Act - Sec 14 FAIS Act - Sec 14(1) FAIS Act - Sec 14A(3) BN 81 of 2003 - Sec 10 BN 82 of 2003 - Sec 2 Guidance notes on Debarment
		5. Explain what recourse a representative may have.	K	BN 82 of 2003 - Sec 2(a) BN 82 of 2003 - Sec 2(b) BN 82 of 2003 - Sec 2(c) FAIS Act - Sec 14
		6. Explain the process and timeframe in which the FSP should notify the Registrar that a representative has been debarred.	K	FAIS Act - Sec 14 FAIS Act - Sec 14(3)
6	<b>Align execution of duties and actions with the compliance requirements.</b>	1. Describe the role and function of a Compliance Officer.	K	FAIS Act - Sec 17 FAIS Act - Sec 17(1) FAIS Act - Sec 17(2) FAIS Act - Sec 17(4) FAIS Act - Sec 18 FAIS Regulations - Reg 5(1) FAIS Regulations - Reg 5(3)

**Regulatory Exam: 5**

**Description: RE 5: First Level Regulatory Examination: Representatives**

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
		2. Confirm that where the compliance officer found any instances of non-compliance that this is addressed and rectified.	S	FAIS Act - Sec 14 FAIS Act - Sec 14A FAIS Act - Sec 17(1) FAIS Act - Sec 17(4) FAIS Act - Sec 18(d) FAIS Regulation - Reg 5(3) GCOC - Sec 3(1)
7.	Carry out the proper record keeping activities.	1. Explain the record keeping obligations as imposed by the FAIS Act.	K	FAIS Act - Sec 13(4) FAIS Act - Sec 18 GCOC - Sec 3 GCOC - Sec 3(2) FICA - Sec 23
		2. Follow the processes in place to provide the management information that is required to complete the reports in terms of legislation.	S	FAIS Act - Sec 8(1) FAIS Act - Sec 17(4) FAIS Act - Sec 13 GCOC - Sec 5 GCOC - Sec 8(4)
		3. Explain the requirements regarding the maintenance of records in terms of the FAIS Act.	K	FAIS Act - Sec 13(2) FAIS Act - Sec 18 FAIS Act - Sec 18(c) GCOC - Sec 3(2) GCOC - Sec 9
		4. Explain the requirements regarding records and the maintenance thereof in terms of other applicable legislative requirements, including FICA.	K	FAIS Act - Sec 18 FICA - Sec 24(1)
		5. Describe the requirements imposed when record keeping is outsourced to a third party.	K	GCOC - Sec 3(2) FICA - Sec 24
		6. Execute the third party outsourcing agreement correctly where applicable.	S	BN 104 of 2008 - Sec 1 Definition of Supervisor BN 106 of 2008 - Sec 8(2)
		7. Explain in what format the records should be stored and retrieved in accordance to the industry standard	K	GCOC - Sec 3(2) BN 106 of 2008 - Sec 8(2)
		8. Carry out the record keeping functionality, correctly including retrieval of records.	S	GCOC - Sec 3(2) GCOC - Sec 10(1) FAIS Act - Sec 18
		9. Explain what the security requirements for these records are in terms of confidentiality and access to records.	K K	GCOC - Sec 3(3) BN 106 of 2008 - Sec 8(3)

Regulatory Exam: 5

Description: RE 5: First Level Regulatory Examination: Representatives

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Motivation
8.	Adhere to the requirements of FICA and other relevant anti-money laundering legislation, as it applies to the FSP.	1. Describe how the FSP is impacted by FICA.		FICA - Schedule 1 FICA - Schedule 3 FICA - Sec 21(1) FICA - Sec 22 FICA – Sec 25 & 26 & 27 & 27A FICA - Sec 23 FICA - Sec 29(1) FICA - Sec 43A FICA - Sec 61 & 61A FICA - Sec 62 & 62A - D FICA - Sec 68(2) GN R1596 of 2002 Exemption - Sec 7 (1)(f)
		2. Comply with the identification, verification, record-keeping and reporting obligations under Act no. 38 of 2001.	S	FICA - Schedule 1 FICA – Sec 22 FICA - Sec 23 FICA - Sec 43(a) Money Laundering & Terrorist Financing Control Regulations - Sec (4) Guidance Notes - On residential address