

BOARD NOTICE 90 OF 2007

FINANCIAL SERVICES BOARD

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

**DETERMINATION OF COMPLIANCE REPORTS BY COMPLIANCE OFFICERS
AND AUTHORISED FINANCIAL SERVICES PROVIDERS, 2007**

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

- (a)
 - (i) That a report conforming to the report in the Schedule A hereto, in written form or in the prescribed electronic format determined from time to time must be submitted to me by the compliance officer concerned two months after the expiration of the reporting date as set out in Column Two of Table A below; or
 - (ii) that a report conforming to the report in the Schedule B hereto, in written form or in the prescribed electronic format determined from time to time, must be submitted to me by the provider where the provider need not in terms of the Act have a compliance officer and the provider has not appointed a compliance officer two months after the expiration of the reporting date as set out in Column Two of Table A below;

- (b)
 - (i) that the categories of FSPs concerned must answer all questions in the relevant sections as indicated below:
 - Section 1 – all financial services providers
 - Section 2 – administrative financial services providers
 - Section 3 – discretionary financial services providers
 - Section 4 – forex financial services providers
 - Section 5 – financial services providers authorised for rendering financial services as regards health services benefits
 - Section 6 – all financial services providers
 - Section 7 – all financial services providers; and
 - (ii) that documentary proof of compliance must be attached as annexures to the report when specifically so required and the relevant annexure number must be noted in column 5 and listed in section 7 of the Schedules A and B hereto;

- (iii) that should any questions be identified by the provider as developmental areas this must be noted in column 4 where allowed for;
 - (iv) that answers should only be provided in columns that are not shaded in gray; and
 - (v) that if a question is dependent on the answer to another question and is not required to be answered no answer is required;
- (c) that in this Notice and the Schedules, unless the context otherwise indicates or it is otherwise clearly inappropriate –
- (i) any word or expression to which a meaning has been assigned in the Act (including any measure contemplated in the definitions of “this Act” in section 1(1) of the Act), has that meaning;
 - (ii) “Code of Conduct” means any such Code published under section 15 of the Act, including the General Code of Conduct, the Specific Code of Conduct for Authorised Financial Services Providers and Representatives conducting Short-term Deposit-taking Business, 2004, the Codes of Conduct for Administrative and Discretionary FSPs, 2003 and the Forex Investment Business Code of Conduct;
 - (iii) “Determination of fit and proper requirements” means the Determination of fit and proper requirements for Financial Services Providers, 2006.
 - (iv) “developmental area” means any control, process or compliance issue that has been identified during the monitoring of compliance as an area in respect of which the need for improvement of such control, process or compliance issue has been identified by the provider , and plans are in place to effect such improvements within a reasonable time;
 - (v) “FICA” means the Financial Intelligence Centre Act, 2001 (Act No 38 of 2001)
 - (vi) “Forex Investment Business Code of Conduct” means the code of conduct for Authorised Financial Service Providers, and their Representatives, involved in Forex Investment Business, 2004;
 - (vii) “FSP” and “ financial services provider” means an authorised financial services provider, and includes, where appropriate, any representative of the provider;
 - (viii) “General Code of Conduct” or “General Code” means the Code of Conduct for Authorised Financial Services Providers and their Representatives, 2003;

- (ix) “Regulations” means the Financial Advisory and Intermediary Services Regulations, 2003;
- (x) “reporting date” means, where a provider has a financial year-end as referred to in Column One of Table A, the date set out in Column Two of Table A.
- (xi) “reporting period” means the period from the later of the date of authorisation as financial services provider in terms of section 8 of the Act or first day of the month following the reporting period for the 2006 compliance report, until the reporting date.

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

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

R J G BARROW,
Registrar of Financial Services Providers

SCHEDULE A

**Compliance Report in terms of section 17(4) of the
Financial Advisory and Intermediary Services Act, 2002 (Act No 37 of 2002) ("the Act")
by Compliance Officers for financial year-ends between 1 January 2007 and 31 December 2007**

Scope

In accordance with section 17(4) of the Act, I/we (the approved Compliance Officer(s) of the Financial Services Provider ("the FSP") hereby report as follows as regards compliance with the Act by(full name of the FSP and the FSP Number) and any representatives of the FSP, for the reporting period/...../.....to/...../..... (date reporting period started to date reporting period ended)

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
SECTION 1 – ALL FSPs					
1. Conditions and restrictions imposed, made, given or issued by Registrar <i>Section 8(4)(a) and 8(5)(b) of the Act</i>					
1.1. Updating of business information Condition 1 imposed by the Registrar in terms of section 8(4) of the Act					
1.1.1. Does the FSP have procedures in place to ensure that it can inform the Registrar within 15 days after the change has taken place, of any change in respect of business information of the FSP as provided in Form FSP1, FSP3, FSP4, FSP9, FSP10, FSP10A or FSP11, respectively, of the Application Form as provided for in condition 1 of the licensing conditions?					
1.1.2. Did the FSP comply with licensing condition 1 in all instances?					
1.1.3. <i>If the answer to question 1.1.2 is NO</i> Did the FSP rectify the position?					
1.1.4. <i>If the answer to question 1.1.3 is NO</i> Provide detail of instances where the Registrar was not notified within the 15-day period and indicate the annexure number in column 5.					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
1.2. Change of name of the entity <i>Condition 4 imposed by the Registrar in terms of section 8(4) of the Act</i>					
1.2.1. Did the FSP change the name of the financial services business as reflected on the licence concerned, and carry on any financial services business under such a changed name?					
1.2.2. If the answer to question 1.2.1 is YES –					
1.2.2.1. Did the FSP inform the Registrar of the change of name?					
1.2.2.2. Did the FSP fully comply with the provisions of any other law other than the Act, which regulates such change of business name (if any)?					
1.2.2.3. Has the FSP fully disclosed to the Registrar the details of compliance with such other law?					
1.2.2.4. Did the FSP replace all licence copies displayed in terms of section 8(8)(a) with the copies of the licence as amended under the provisions of section 8(5)(b)(i) of the Act?					
1.3. Financial Products in respect of which FSP renders financial services <i>Condition 5 imposed by the Registrar in terms of section 8(4) of the Act</i>					
1.3.1. Does the FSP have internal controls and procedures in place to ensure that any investment product of a financial nature in respect of which the provider intends to render a financial service, qualifies as a financial product contemplated in the Act?					
1.3.2. Did the FSP render services relating to products (excluding any credit related products) of a financial nature that do not qualify as financial products as contemplated in the Act?					
1.3.3. <i>If the answer to question 1.3.2 is YES</i> Provide details of these products in a separate annexure and indicate the annexure number in column 5.					
1.4. Financial Products in respect of which FSP renders financial services <i>Authorisation in terms of the licence of the FSP</i>					
1.4.1. Does the FSP have internal controls and procedures in place to ensure that financial services are rendered within the limitations on categories and sub-categories for which the licence is issued?					
1.4.2. Did you (compliance officer) perform monitoring procedures (testing) on a sample basis during the monitoring process to ensure that the financial services rendered are in terms of limitations on the category and sub-category for which the licence is issued?					
1.4.3. <i>If the answer to question 1.4.2 is YES</i> Did the FSP in all instances in the selected sample comply with limitations on the licence?					

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

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

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

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

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
7. Maintenance of records <i>Section 18 of the Act and the General Code of Conduct</i>					
7.1. Does the FSP have appropriate procedures and systems in place to record cases of non compliance with the Act and reasons for such non-compliance contemplate as contemplated in Section 18 of the Act and section 3(2) of the General Code of Conduct					
7.2. Does the FSP have appropriate procedures and systems in place to record known premature cancellations of transactions or financial products by clients of the provider as contemplated in Section 18 of the Act and section 3(2) of the General Code of Conduct					
7.3. Does the FSP have appropriate procedures and systems in place to record written and verbal communications to clients relating to the rendering of financial services as contemplated in Section 18 of the Act and section 3(2) of the General Code of Conduct					
7.4. Does the FSP have appropriate procedures and systems in place to record verbal (telephonic) communications with clients relating to the rendering of financial services?					
7.5. Are any records stored in an electronic format?					
7.5.1. <i>If the answer to question 7.5 is YES</i> Are the records accessible and readily reducible to written or printed form?					
7.6. Does the FSP utilise off-site storing facilities?					
7.7. Does the FSP utilise the services of a third party to store records?					
7.7.1. <i>If the answer to question 7.7 is YES-</i> Can the records be available for inspection within seven days of a request by the Registrar?					
7.8. Are these records stored in a manner that is in accordance with acceptable standards that it will be safe from destruction?					
7.9. Does the FSP have a process in place to ensure that records are kept for a period of five years, after termination, of the product concerned or, in any other case, after the rendering of the financial service concerned?					

Question	Column				
	1	2	3	4	5
	Yes	No	Not applicable	Develop - mental area	Note No. Comment/ Annexure
8. General Code of Conduct					
8.1. General provisions <i>Section 3 of the General Code of Conduct</i>					
8.1.1. Does the FSP have an internal policy with regard to conflict of interest (as described in section 3 of the General Code of Conduct)?					
8.1.2. Did the FSP or its representatives during the reporting period receive non-cash incentives and / or other indirect considerations for the rendering of financial services from another provider, product supplier or other person?					
8.1.3. <i>If the answer to question 8.1.2 is YES</i> Did the FSP disclose the non-cash incentives and other indirect considerations to its clients where applicable?					
8.1.4. Does the FSP have procedures and internal controls in place to ensure that it does not disclose any confidential information acquired from clients without obtaining written consent from the client beforehand?					
8.1.5. Does the FSP enter into any written contractual relationship with its clients before rendering financial services?					
8.2. Disclosure requirements <i>Sections 4, 5 and 7 of the General Code of Conduct</i>					
8.2.1. Does the FSP have procedures and internal controls in place to ensure that all the relevant information in terms of sections 4, 5 and 7 of the General Code of Conduct is disclosed to clients?					
8.2.2. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP is provided in plain language?					
8.2.3. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP is provided timeously so as to afford the client sufficient time to make an informed decision about the proposed transactions?					
8.2.4. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP is not misleading;					
8.2.5. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the disclosure documentation of the FSP where provided in writing, in clear and readable print size, spacing and format?					

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

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

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

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

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

9.3.2. Did you (compliance officer) perform monitoring procedures on a sample basis during the monitoring process to ensure that the financial services provider complied with the sections of the General Code as well as the Code of conduct for Discretionary FSP's that are not covered by the exemption in terms of Board Notice 97 of 2004.					
9.3.3. <i>If the answer to question 0 is YES</i> Please submit details of non-compliance in a separate attachment and indicate the annexure number in column 5.					
10. Money laundering control procedures					
10.1. Does the FSP have control procedures in place to ensure that it complies with paragraph 4(2) of the Determination for Fit and Proper Requirements for Financial Services Providers, 2003?					
10.2. Is the FSP an accountable institution in terms of Schedule A of the FICA?					
10.3. <i>If the answer to question 10.2 is YES –</i>					
10.3.1. Does the FSP have internal rules in terms of FICA? Please attach a copy of internal rules in terms of FICA as an annexure to this report, if the rules were amended during the reporting period, and indicate the annexure number in column 5					
10.3.2. Does the FSP have a money laundering control compliance officer? Please attach in a separate annexure the name, ID number and telephone number of the money laundering control compliance officer, if the person was appointed during the reporting period, and indicate the Annexure number in column 5.					
10.3.3. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP obtained the information relating to its clients as provided for in terms of the FICA?					
10.3.4. <i>If the answer to question 10.3.3 is YES –</i> Provide details of non-compliance in a separate attachment and indicate the annexure number in column 5.					
10.3.5. Did the FSP during the reporting period provide its employees with training as required by FICA?					
10.3.6. Did any other accountable institution rely on the verification of clients by the FSP in terms of Exemption 4 of the FICA?					
11. Financial soundness					
11.1. Did the FSP during the reporting period have controls in place to ensure that it complies with paragraph 5(2) of the Fit and Proper Requirements for Financial Services Providers and the exemption granted in terms of Board Notice 96 of 2003?					
11.2. Did the FSP comply with the solvency requirements as required in terms of paragraph 5(2) of the Fit and Proper requirements for Financial Services Providers?					
11.3. Does the FSP prepare monthly accounting records in terms of section 19 of the Act?					

11.4. Did the FSP provide the Registrar with annual financial statements as required in terms of Section 19(2)(b) of the Act?					
SECTION 2 – ADMINISTRATIVE FSPs					
12. Particular duties/obligations relating to administrative FSPs					
12.1. Prohibitions and duties of administrative FSP <i>Section 3 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.1.1. Does the FSP have procedures in place to ensure that it does not directly or indirectly engage in the netting of transactions?					
12.1.2. Does the FSP have procedures in place to ensure that it does not directly or indirectly sell any financial products owned by the FSP to any client or buy for own account any financial product owned by any client?					
12.1.3. Did the FSP exercise a vote in a ballot conducted by a collective investment scheme on behalf of clients?					
12.2. General Functions <i>Section 4 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.2.1. Does the FSP have procedures in place to ensure that prior to accepting instructions from a person who is providing an intermediary service on behalf of a client, whether the person giving the instructions may in terms of its authorisation as a financial services provider render the intermediary services on behalf of a client?					
12.2.2. Does the FSP offer wrap funds or structured funds on its platform?					
12.2.3. <i>If the answer to question 12.2.2 is YES –</i> Please provide in a separate attachment full details of the funds and underlying assets in the wrap or structured fund. Provide the annexure number in column 5.					
12.2.4. Does the FSP offer hedge funds on its platform?					
12.2.5. <i>If the answer to question 12.2.4 is YES –</i> Please provide in a separate attachment full details of the fund as well as the underlying assets of the fund. Provide the annexure number in column 5.					
12.2.6. Did you (compliance officer) perform monitoring procedures on a sample basis to ensure that the FSP verifies in all instances that any other FSP that it receives an instruction from is authorised to render the specific financial services without any restrictions on its license?					
12.2.7. <i>If the answer to question 12.2.6 is YES –</i> Provide details of non-compliance in a separate attachment and provide the annexure number in column 5.					

12.3. Relationship with clients <i>Sections 5 and 6 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.3.1. Did the Registrar approve all specimen application form/s used by the FSP?					
12.3.2. Did the FSP amend any of its specimen application form/s during the reporting period?					
12.3.3. <i>If the answer to question 12.3.2 is YES</i> Did the Registrar approve all the substantial amendments to the specimen application form/s?					
12.3.4. Does the FSP have procedures in place to ensure that it only deals with clients in respect of whom application forms comply with section 5 of the said Code have been obtained?					
12.3.5. Does the FSP have procedures in place to ensure that it notifies clients of an increase in costs within 14 days of the receipt of the notification from the product supplier?					
12.4. Record keeping <i>Section 7 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.4.1. Are client records maintained to identify the specific financial product owned per client?					
12.5. Independent nominee <i>Section 9 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.5.1. Does the FSP have a written agreement with the independent nominee?					
12.5.2. Did the Registrar approve the written agreement between the FSP and the independent nominee as required by regulation 8 of the Regulations?					
12.5.3. Did you (compliance officer) perform monitoring procedures to ensure that all bank and unit reconciliations were up to date on reporting date?					
12.5.4. If the reconciliations were not up to date, provide full details of the discrepancies, steps taken to rectify as well as by when it will be rectified as a separate attachment and provide the annexure number in column 5.					
12.5.5. Provide the extent of the fidelity guarantee and professional indemnity insurance held by the independent nominee in column 5.					
12.5.6. Is the independent nominee structured in such a way that clients' investments are at all times protected from its creditors or those of the administrative FSP and anyone else as required in the Regulations?					
12.5.7. Are regular board or trustee meetings held by the directors or trustees of the independent nominee?					
12.5.8. Provide the dates of the last and next meeting of the board of directors or trustee of the independent nominee in a separate attachment and indicate the annexure number in column 5.					
12.5.9. Are more than 50 percent of the directors, trustees or other persons responsible for management and control of the independent nominee, independent from the administrative FSP as well as from companies within the same group of the FSP before entering into an agreement?					

12.6. Reporting to clients <i>Section 10 of the Code of Conduct for Administrative FSPs, 2003</i>					
12.6.1. Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP did send the client reports within the period as required by the said section 10?					
12.6.2. Provide a specimen report layout as a separate attachment and provide the annexure number in column 5.					
12.7. Information systems					
12.7.1. Was frequent down time experienced during the reporting period?					
12.7.2. Did the FSP have any system developments and/or changes that affected bank and asset holding reconciliations in any way?					
12.7.3. <i>If the answer to question 12.7.2 is YES</i> Provide full details thereof in a separate attachment and provide the annexure number in column 5.					
12.7.4. Does the FSP plan to change their information systems within the next reporting period?					
12.7.5. <i>If the answer to question 12.7.4 is YES</i> Provide full details thereof in a separate attachment and provide the annexure number in column 5.					
12.8. Assets under administration					
12.8.1. Provide the amount of assets under administration on reporting date in column 5.					
12.8.2. Provide the balance of the separate bank account (if applicable) at reporting date in column 5					
SECTION 3 – DISCRETIONARY FSPs					
13. Particular duties/obligations relating to discretionary FSP					
13.1. Prohibitions and duties of discretionary FSP <i>Section 3 of the Code of Conduct for Discretionary FSPs, 2003</i>					
13.1.1. Does the FSP have procedures in place to ensure that it does not sell to or provide a third party with client's detail, unless obliged by, or in terms of, any law to do so?					
13.1.2. Does the FSP have procedures in place to ensure that it does not directly or indirectly sell any financial products owned by the FSP to any client or buy for own account any financial product owned by any client?					
13.1.3. Does the FSP have procedures in place to ensure that it does not directly or indirectly engage in the netting of transactions?					
13.1.4. Did the FSP exercise a vote in a ballot conducted by a collective investment scheme or exercise voting rights on behalf of clients without relevant client's prior approval?					

13.2. Mandate <i>Section 5 of the Code of Conduct for Discretionary FSPs, 2003</i>					
13.2.1. Did the Registrar approve all specimen mandate/s used by the FSP?					
13.2.2. Did the FSP amend any of its specimen mandate/s during the reporting period?					
13.2.3. <i>If the answer to question 13.2.2 is YES</i> Did the Registrar approve all substantial amendments to the specimen mandate/s?					
13.2.4. Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP only deals with clients in respect of whom mandates, which comply with paragraph 5 of the said Code, have been obtained?					
13.2.5. <i>If the answer to question 13.2.4 is YES</i> Provide details of all instances of non-compliance in a separate attachment and provide the annexure number in column 5.					
13.2.6. Did you (compliance officer) perform monitoring procedures to determine whether all cash, assets and documents of title are returned to the clients on termination of the mandate?					
13.2.7. Did you (compliance officer) perform procedures to ensure that the clients are issued with final accounts?					
13.2.8. Did you (compliance officer) perform procedures to establish whether the client's investments are managed in terms of the mandates?					
13.2.9. Did the FSP invest any funds of clients in terms of the mandate into companies and/or structures in which the FSP or any associated group or entity have an interest in?					
13.2.10. <i>If the answer to question 13.2.9 is YES –</i> Provide full details of such instances in a separate attachment and provide the annexure number in column 5.					
13.3. Reporting to clients <i>Section 6 of the Code of Conduct for Discretionary FSPs, 2003</i>					
13.3.1. Did you (compliance officer) perform procedures during the monitoring process on a sample basis to ensure that the FSP did send the client reports within the periods as required by the said section 6?					
13.3.2. <i>If the answer to question 13.3.1 is YES –</i> Provide details of any non-compliance in a separate attachment and indicate the annexure number in column 5.					
13.4. Administration					
13.4.1. As a separate attachment, submit an organigram of the FSP as well as full details of the FSP's administrative system and procedures for managing client assets and indicate the annexure number in column 5.					
13.4.2. Are any assets managed on behalf of retirement funds or insurance companies?					

13.4.3. <i>If the answer to 13.4.2 is YES</i> Did you (compliance officer) perform monitoring procedures to ensure that the assets are held in the name of the retirement fund or insurance company directly or in the name of an approved Nominee company?					
13.5. Assets under management					
13.5.1. Provide the amount of assets under management on reporting date in column 5.					
13.5.2. Provide the balance of the separate bank account (if applicable) at reporting date in column 5.					
13.6. Nominee companies <i>Section 8 of the General Code of Conduct for Discretionary FSPs, 2003</i>					
13.6.1. Does the FSP hold client investments in its own nominee company?					
13.6.2. <i>If the answer to question 13.6.1 is YES,</i> Did the Registrar approve the nominee company as required by regulation 6 of the Regulations?					
13.6.3. <i>If the answer to question 13.6.2 is NO</i> Do you utilise the services of another nominee company?					
13.6.4. As a separate attachment, attach a list of assets held by the FSP. Please also indicate in whose name the assets are registered. Provide the annexure number in column 5.					
13.7. General functions					
13.7.1. Does the FSP manage client's funds in a wrap funds or structured funds on an administrative FSP's platform?					
13.7.2. <i>If the answer to question 13.7.1 is YES –</i> Please provide in a separate attachment full details of the funds and underlying assets in the wrap funds or structured funds. Provide the annexure number in column 5.					
13.7.3. Does the FSP manage the assets of hedge fund?					
SECTION 4 – FOREX FSPs					
14. Particular duties/obligations relating to forex FSPs					
14.1. Is the FSP licensed to render financial services relating to foreign currency denominated investment instruments?					
14.2. <i>If the answer to question 14.1 is YES,</i> Does the FSP render forex investment business as defined in the Forex Investment Business Code of Conduct?					

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

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

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

SECTION 7 – ATTACHMENTS		
Question number	Comments	Additional Information attached Annexure reference no

To be completed by the compliance officer or, in the absence of a compliance officer, the FSP

Name of compliance officer of FSP _____

ID number of the compliance officer _____

Name of the compliance practice (if applicable) _____

Reference number of compliance officer/practice _____

Signature of the compliance officer _____

Date _____

Address _____

Telephone number _____

Fax number _____

E-mail address _____

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

Name of the FSP _____

FSP Number _____

Name of Key Individual _____

ID number of the key individual _____

Date appointed as key individual _____

Signature _____

Date _____