

## Table of Contents

<b>INTRODUCTION.....</b>	<b>5</b>
ESTABLISHMENT OF A COMPLIANCE FUNCTION.....	5
DUTIES OF THE COMPLIANCE OFFICER .....	6
ESTABLISHING PROCEDURES .....	7
MONITORING PROCEDURES.....	7
SUMMARY.....	9
<b>LICENCE CONDITIONS.....</b>	<b>10</b>
CONDITION 1 - UPDATING OF BUSINESS INFORMATION .....	10
CONDITION 5 - FINANCIAL PRODUCTS.....	10
OBSERVING LIMITATIONS ON CATEGORIES OF FINANCIAL PRODUCTS.....	12
<b>CONDUCTING BUSINESS WITH OTHER PROVIDERS .....</b>	<b>13</b>
<b>FIT AND PROPER STATUS OF ALL OWNERS.....</b>	<b>14</b>
ONGOING COMPLIANCE.....	14
NEW APPOINTMENTS.....	14
<b>KEY INDIVIDUALS .....</b>	<b>15</b>
<b>THE LICENCE.....</b>	<b>16</b>
DISPLAY OF THE LICENCE .....	16
REFERENCE TO THE LICENCE IN ALL BUSINESS DOCUMENTATION AND ADVERTISEMENTS.....	16
COPIES OF LICENCE TO BE MADE AVAILABLE .....	16
<b>OPERATIONAL ABILITY .....</b>	<b>17</b>
GENERAL .....	17
SERVICE LEVEL AGREEMENTS .....	17
SEGREGATION OF DUTIES .....	17
LOGICAL ACCESS SECURITY .....	18
CONTROL OF ACCESS RIGHTS .....	18
DOCUMENTED BUSINESS PROCESSES.....	18
SYSTEMS APPLICATION TESTING .....	18
DISASTER RECOVERY PROCEDURES.....	19
TRAINING REQUIREMENTS.....	19
BUSINESS CONTINUITY PLAN.....	19
MONITORING .....	20
DATA PROCESSING.....	20
KEY INDIVIDUAL RESPONSIBILITIES.....	21
<b>REPRESENTATIVES .....</b>	<b>21</b>
CONFIRMATION OF STATUS OF REPRESENTATIVES .....	21
COMPETENCY OF REPRESENTATIVES.....	22
REPRESENTATIVES' COMPLIANCE WITH THE CODE OF CONDUCT .....	23
REGISTER OF REPRESENTATIVES AND KEY INDIVIDUALS OF REPRESENTATIVES .....	23
DEBARMENT OF REPRESENTATIVES .....	24
<b>COMPLIANCE FUNCTION .....</b>	<b>25</b>
ESTABLISHMENT OF A COMPLIANCE FUNCTION.....	25
MONITORING OF COMPLIANCE.....	26
REPORTING IRREGULARITIES.....	26
SUBMISSION OF A COMPLIANCE REPORT .....	27



<b>MAINTENANCE OF RECORDS</b> .....	<b>28</b>
<b>CONFIDENTIALITY OF CLIENT INFORMATION</b> .....	<b>29</b>
<b>DISCLOSURE REQUIREMENTS</b> .....	<b>29</b>
INFORMATION ON PRODUCT SUPPLIERS - SECTION 4 .....	29
INFORMATION ON PROVIDERS – SECTION 5 .....	31
INFORMATION ABOUT THE FINANCIAL SERVICE – SECTION 7 .....	32
REGULAR WRITTEN STATEMENTS TO CLIENTS.....	35
<b>FURNISHING OF ADVICE</b> .....	<b>36</b>
SUITABILITY .....	36
NEEDS ANALYSIS.....	36
REPLACEMENT PRODUCTS .....	37
INABILITY TO CONDUCT A NEEDS ANALYSIS .....	37
ADVICE OR RECOMMENDATIONS NOT FOLLOWED .....	38
<b>RECORD OF ADVICE</b> .....	<b>38</b>
<b>PROVIDERS WHO HAVE CUSTODY OF FINANCIAL PRODUCTS AND FUNDS</b> .....	<b>39</b>
CLIENT FUNDS TO BE READILY DISCERNIBLE .....	39
PROVIDERS WHO RECEIVE SHORT TERM INSURANCE PREMIUMS .....	39
INSURANCE.....	41
FINANCIAL SOUNDNESS .....	41
PREPARATION OF ANNUAL FINANCIAL STATEMENTS .....	41
AUDIT REQUIREMENTS.....	42
CONTENT AND FORM OF FINANCIAL STATEMENTS.....	43
SUBMISSION OF ANNUAL FINANCIAL STATEMENTS .....	43
AUDITOR’S REPORT.....	44
<b>RISK MANAGEMENT</b> .....	<b>44</b>
CONTROL MEASURES.....	44
SPECIFIC CONTROL OBJECTIVES .....	48
INSURANCE.....	49
<b>ADVERTISING</b> .....	<b>50</b>
<b>DIRECT MARKETING</b> .....	<b>51</b>
DISCLOSURES REQUIRED .....	51
PROVIDING ADVICE.....	51
ON CONCLUSION OF A TRANSACTION .....	52
RECORD OF ADVICE.....	53
RECORDING OF ALL TELEPHONE CONVERSATIONS .....	53
<b>COMPLAINTS</b> .....	<b>54</b>
<b>MONEY LAUNDERING CONTROL PROCEDURES</b> .....	<b>56</b>
<b>WAIVER OF RIGHTS</b> .....	<b>58</b>
<b>FINANCIAL SOUNDNESS</b> .....	<b>58</b>
<b>ANNUAL FINANCIAL STATEMENTS</b> .....	<b>59</b>
PREPARATION .....	59
AUDIT REQUIREMENTS.....	60
CONTENT AND FORM OF FINANCIAL STATEMENTS.....	60
SUBMISSION OF ANNUAL FINANCIAL STATEMENTS.....	61

