

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 B (the Guide) is made available for the purpose of providing preparation guidelines to financial advisors and intermediaries. The Guide provides guidelines only for preparation and does not constitute professional or educational advice concerning the contents of examinations.

The Guide is not presented by the FSB as an exhaustive summary of the qualifying criteria and provisions of the Financial Advisory and Intermediary Services Act, 2002 inclusive of its subordinate legislation.

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 5.

The FSB accepts no responsibility for any loss or prejudice which may be suffered by any user of the Guide.

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 have been appointed to assist with the development of the regulatory exam questions and the delivery on a national basis. The approved examination bodies are as follow:

Financial Planning Institute (FPI):

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

Leselo:

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

Moonstone:

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

SAIFM (South African Institute for Financial Markets):

<http://www.regulatoryexams.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 top right hand corner on FAIS
- Select the link – Fit and Proper: All the relevant board notices are hosted on this page.

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.

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.	

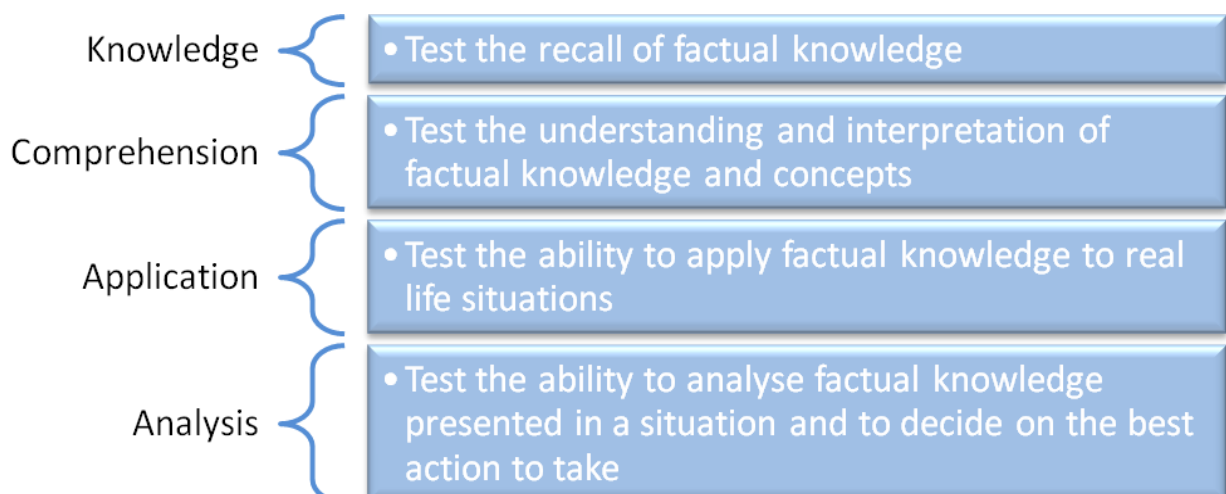
3.3 Question development

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	28%	22 Questions
Level 2 questions	40%	32 Questions
Level 3 questions	20%	16 Questions
Level 4 questions	12%	10 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 B for a mapping of criteria to relevant material:

- The FAIS Act
- 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:

1. Identify the regulatory examination(s) that apply to your situation.
2. Find the corresponding sets of qualifying criteria, for each of the relevant regulatory examinations that you must prepare for. See appendix B for the qualifying criteria for the regulatory level 1 exams.
3. Work through the qualifying criteria and make sure you understand them against the relevant acts and legislation.
4. Use of additional study material is advisable but optional.
5. Repeat step 3 as many times as necessary to store the factual knowledge in the long term memory.

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; 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 four recognized examination bodies. Candidates must select the examination body through which they would like to enrol for the examinations.



The examination bodies do not offer all the same exams; refer to appendix A for a list of the exams and the examining bodies that offer them.

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. Exam results will also be made available on the FSB website. Please check the FSB website 6 weeks after the exams, under the FAIS page. You will use your ID number to access your results

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/amended?

The regulatory examinations will be updated within 6 months of the publication of the amendment to the legislation.

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.

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.test-preparation.ca/study-center/answering-multiple-choice-questions/>

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

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

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.how-to-study.com/study-skills/en/studying/98/>

APPENDIX A: List of examinations

RE No	Description	Section in BN 105	Examination body that will offer			
			Moon stone	FPI	Leselo	SAIFM
LEVEL 1 EXAMS						
1	KI Level 1: Cat I, II, IIA, III and IV (General)	1	X	X	X	X
2	KI Level 1: Cat 1.1 & 1.19	1&5	X	X	X	X
3	KI Level 1: Cat II & IIA	2	X	X	X	X
4	KI Level 1: Cat III	3	X	X	X	X
5	Representatives	4	X	X	X	X
LEVEL 2 EXAMS						
6	Category IV level 2 exam	14	X	X		
7	Long-term insurance category B1 (risk)	15	X	X		
8	Long-term insurance category B2 (Investment)	16	X	X		
9	Long-term insurance category C and retail pension benefits	7	X	X		
10	Collective Investment Schemes	8	X	X		
11	Health Care Benefits	12	X	X		
12	Short-term insurance: Personal lines	10	X		X	
13	Short-term insurance: Commercial lines	11	X		X	
14	Pension Fund Benefits	13	X		X	
15	Deposits	6	X		X	
16	S & I: Shares Cat I & III	9	X			X
17	S & I: Money markets Cat I & III	9	X			X
18	S & I: Debentures Cat I & III	9	X			X
19	S & I: Warrants Cat I & III	9	X			X
20	S & I: Bonds I & III	9	X			X
21	S & I: Derivatives I & III	9	X			X
22	Forex Investment business I & III	9				X
23	Long Term Insurance category A	5	X			X
24	S&I - General exam - Cat I & II & III	9	X			X
25	S & I: Shares Cat II	9	X			X
26	S & I: Money markets Cat II	9	X			X
27	S & I: Debentures Cat II	9	X			X
28	S & I: Warrants Cat II	9	X			X
29	S & I: Bonds Cat II	9	X			X
30	S & I: Derivatives Cat II	9	X			X
31	Forex Investment business Cat II	9				X

Appendix B: Qualifying Criteria / Reference to legislation Map

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)	Reference
1	Describe the role of the key individual in terms of the FAIS Act.	Describe the roles and responsibilities of key individuals as defined in the FAIS Act.	K	FAIS Act - Sec 1 Definition of Key Individual. Guidance Note on Key individuals. FAIS Act - Sec 19.
		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(1). BN 106 of 2008 - Sec 4. FAIS Act - Sec 8. BN 106 of 2008 - Sec 9. BN 106 of 2008 - Sec 2(3). BN 106 of 2008 - Sec 9(1). FAIS Act - Sec 8(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1		Describe what the key individual's management responsibility entails regarding the regulated functions of the FSP.	K	FAIS Act - Sec 18. BN 106 of 2008 - Sec 8(1). FAIS Act - Sec 8(1)(b). FAIS Act - Sec 17(5). FAIS Act - Sec 1 Definition of Key Individual.
		Perform the necessary management and oversight functions regarding their functioning within the FSP.	S	BN 106 of 2008 - Sec 3(5). FAIS Act - Sec 19(1). FAIS Act - Sec 1 Definition of Key Individual. BN 106 of 2008 - Sec 8(8). BN 106 of 2008 - Sec 8.
		Describe what the honesty and integrity requirements are for a key individual.	K	BN 106 of 2008 - Sec 2(1). BN 106 of 2008 - Sec 2. General Code of Conduct - Sec 10(1). BN 106 of 2008 - Sec 2(3). FAIS Act - Sec 8

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1		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).
		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	FAIS Act - Sec 8(4). BN 106 of 2008 - Sec 2. BN 106 of 2008 - Sec 2(3). FAIS Act - Sec 9.
		Take the appropriate action where a potential/current key individual does not meet the requirements regarding honesty and integrity.	S	FAIS Act - Sec 13(2). FAIS Act - Sec 14A. BN 106 of 2008 - Sec 2(3). FAIS Act - Sec 8(1) and (2).
		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 13. BN 106 of 2008 - Sec 3(5) FAIS Act - Sec 8(4). BN 106 of 2008 - Sec 3(5). FAIS Act - Sec 14A, 19(1), (2) and (4). FAIS Act - Sec 9(1).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1		Explain the competence/qualification requirements that a key individual needs to meet.	K	BN 106 of 2008 - Sec 3(2). BN 106 of 2008 - Sec 5.
		Check, where applicable, whether a potential /current key individual meets the competence/qualification requirements.	S	BN 106 of 2008 - Sec 3(2). FAIS Act - Sec 8. FAIS Act - Sec 14. BN 106 of 2008 - Sec 4 Table A. BN 106 of 2008 - Sec 5. BN 44 of 2010.
		Explain the experience requirements that the key individual must meet.	K	BN 106 of 2008 - Sec 4(1). BN 106 of 2008 - Sec 4 and 10(7). BN 104 of 2008 - Sec 6(2). BN 106 of 2008 - Sec 4 Table A. BN 106 of 2008 - Sec 3(6).
		Check, where applicable, whether a potential key individual meets the experience requirements.	S	BN 106 of 2008 - Sec 3(2).
		Explain what management responsibilities should be carried out by a key individual.	K	Guidance Note on Key Individuals. BN 106 of 2008 - Sec 8(3) and (8). FAIS Act - Sec 14 and 14A. BN 123 of 2009.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1		Oversee the implementation of processes and controls to ensure the sufficient management and oversight of the financial services rendered.	S	FAIS Act - Sec 13(2). General Code of Conduct - Sec 16 (2).
		Explain when an individual can commence acting as a key individual.	K	FAIS Act - Sec 8(4). BN 106 of 2008 - Sec 3. FAIS Act - Sec 8. BN 122 of 2003 - Sec 5. FAIS Act - Sec 8(4)(b).
2	Describe the role of the representative in terms of the FAIS Act.	Describe the roles and responsibilities of representatives as defined in the FAIS Act.	K	FAIS Act - Sec 16(1). FAIS Act - Sec 13(2). FAIS Act - Sec 14. BN 104 of 2008. FAIS Act - Sec 13(4). FAIS Act - Sec 13(1). FIC Act - Sec 29. BN 106 of 2008 - Sec 2. General Code of Conduct - Sec 2.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
2		Explain the requirements for licensing by the FSB for the role of the representative.	K	FAIS Act - Sec 13(1). FAIS Act - Sec 1 Definition of Representative. FAIS Act - Sec 13(4). FAIS Act - Sec 8(1). BN 106 of 2008 - Sec 3(5). BN 104 of 2008 - Sec 3(b). FSP 5 form. BN 106 of 2008 - Sec 3.
		Explain when an individual is obliged to be registered as a representative in terms of FAIS.	K	BN 104 of 2008 - Sec 1 Definition of Services under supervision. BN 106 of 2008 - Sec 4(1). FAIS Act - Sec 13(4). FAIS Act - Sec 13. FAIS Act - Sec 1. FAIS Act - Sec 1 Definition of Representative. FAIS Act - Sec 1 Definition of Intermediary Services.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
2		Explain the fit and proper requirements that apply to representatives.	K	BN 106 of 2008 - Sec 4 Table A. BN 106 of 2008 - Sec 3. BN 106 of 2008. BN 104 of 2008 - Sec 3(b). BN 106 of 2008 - Sec 3(5) and (6). BN 106 of 2008 - Sec 3(7). BN 106 of 2008 - Sec 5(1).
		Discuss the purpose of the register of representatives.	K	FAIS Act - Sec 13(3) and (4). FAIS Act - Sec 13(5).
		Verify that the FSP maintains a register of representatives in accordance to the FAIS requirements.	S	FAIS Act - Sec 13 (3)-(5). Rep Import Spreadsheet. FAIS Act - Sec 13(4).
		Explain the qualification requirements for representatives.	K	BN 104 of 2008 - Sec 3(b). BN 104 of 2008 - Sec 4(4). BN 106 of 2008 - Sec 6(1).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
3	Manage and oversee the appointment of representatives.	Describe the Fit and Proper requirements that apply to representatives in terms of the legislation.	K	BN 105 of 2008. BN 106 of 2008 - Sec 4(1). BN 106 of 2008 - Sec 2. BN 106 of 2008 - Sec 3. FAIS Act - Sec 13(2). BN 106 of 2008 - Sec 2(3). BN 104 of 2008 - Sec 3(b). BN 104 of 2008 – Sec 4(5). BN 106 of 2008 - Sec 3(2). BN 106 of 2008 - Sec 10(3).
		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.	S	BN 106 of 2008 - Sec 3(7). BN 106 of 2008 - Sec 2. BN 106 of 2008 - Sec 3. BN 104 of 2008 - Sec 3.
		Explain what recruitment and appointment procedures have to be implemented when appointing representatives.	K	BN 106 of 2008 - Sec 3. BN 106 of 2008 - Sec 2.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
4	Manage the rendering of services under supervision.	Explain when representatives can act under supervision.	K	BN 104 of 2008 - Sec 1 Definition of Services under supervision BN 104 of 2008 - Sec 6(2). BN 104 of 2008 - Sec 3(b). BN 104 of 2008 - Sec 4(3). BN 104 of 2008 - Sec 1 Definition of Direct Supervision. BN 104 of 2008 - Sec 1 Definitions. BN 106 of 2008 - Sec 4(1) and Sec 5(1). BN 104 of 2008 - Sec 4(4). FAIS Act - Sec 14.
		Confirm that there are enough role-players (key individuals/ representatives) that meet the criteria and can act as supervisors.		BN 104 of 2008 - Sec 1 Definition of Supervisor. BN 104 of 2008 - Sec 4(3). BN 104 of 2008 – Sec 6(2).
		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(9). BN 104 of 2008 - Sec 4(7). BN 104 of 2008. FAIS Act - Sec 13. BN 106 of 2008.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
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 and 9. BN 104 of 2008 - Sec 9(c).
		Verify that there are levels of supervision in place to oversee the representatives.	S	BN 104 of 2008 - Sec 1 Definition of Direct Supervision. BN 104 of 2008 - Sec 1 Definition of Ongoing Level of Supervision. BN 104 of 2008 - Sec 4(9). BN 104 of 2008 - Sec 4 Table A. BN 106 of 2008 - Sec 4 Table A.
		Perform the necessary management and oversight functions regarding the representatives 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).
		Explain the disclosure requirements that representatives are responsible for.	K	BN 104 of 2008 - Sec 4(9). General Code of Conduct - Sec 5(f).
		Check that disclosures are adequate to enable client's ability to make an informed decision.	S	BN 104 of 2008 - Sec 4(9). General Code of Conduct - Sec 5(f). BN 104 of 2008 - Sec 9(d). General Code of Conduct - Sec 7(1). General code of Conduct - Sec 4, 5 and 7.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
5	Manage and oversee the ongoing development/employment of representatives.	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). General Code of Conduct - Sec 2.
		Verify that the processes are documented to ensure that records are kept of training programmers attended, including continued educational training for your key individuals and representatives.	S	FAIS Act - Sec 13(2).
		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	General Code of Conduct - Sec 2. FAIS Act - Sec 13(2). BN 106 of 2008 - Sec 3(2). BN 104 of 2008 - Sec 4.
		Check that there are training processes in place to provide representatives with information and skills regarding: <ul style="list-style-type: none"> ' * Processes '* Systems '* Products '* Services '* Compliance requirements '* Regulatory requirements when rendering financial services.	S	BN 106 of 2008 - Sec 3(2). FAIS Act - Sec 13(2). FIC Act - Schedule 1.
		Describe the implications if a representative does not meet all the requirements in terms of Fit and Proper by the relevant date.	K	BN 106 of 2008 - Sec 10 Table E. BN 106 of 2008 - Sec 4. FAIS Act - Sec 13(2). FAIS Act - Sec 14.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
5		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	BN 106 of 2008 - Sec 3(2). FAIS Act - Sec 13(2). FAIS Act - Sec 18(e).
6	Debar representatives that have been found to act fraudulently, or committed any other act that gives rise to debarment.	Discuss the purpose of debarment	K	FAIS Act - Sec 14. General Code of Conduct - Sec 3(2). BN 106 of 2008 - Sec 2.
		Check that the employment/mandatory agreement with representatives include the reasons for possible debarment	S	FAIS Act - Sec 14. FAIS Act - Sec 18. BN 82 of 2003 - Sec 2. FAIS Act - Sec 13(2).
		Describe when the debarment of a representative should take place	K	BN 106 of 2008 - Sec 2. FAIS Act - Sec 14. BN 106 of 2008 - Sec 3(2). Guidance Note on Debarment. FAIS Act - Sec 14(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
6		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.
		Discuss how the debarment of a representative should take place	K	FAIS Act - Sec 14. BN 82 of 2003 - Sec 2(c). Labour Relations Act - Sec 1(9). FAIS Act - Sec 13(2). BN 82 of 2003 - Sec 2.
		Verify that the FSP's HR and disciplinary code has been amended to provide for debarment procedures.	S	FAIS Act - Sec 13(2).
		Explain the actions a representative may take that would give rise to debarment procedures.	K	FAIS Act - Sec 14. BN 106 of 2008 - Sec 2. BN 106 of 2008 - Sec 9. BN 82 of 2003 - Sec 2.
		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.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
6		Explain the processes that should be followed before a representative is debarred.	K	FAIS Act - Sec 14.
		Verify that there are internal processes and procedures that are followed when a representative is debarred	S	BN 82 of 2003 - Sec 2. BN 106 of 2008 - Sec 2. FAIS Act - Sec 14.
		Explain the process and timeframe to notify the Registrar that a representative has been debarred.	K	FAIS Act - Sec 14. Guidance Note on Debarment. FAIS Act - Sec 13(2).
		Verify that there are internal processes and procedures that are followed to inform the Registrar when a representative is debarred.	S	
		Check the compliance officer performs monitoring procedures on all cases where representatives are debarred.	S	FAIS Act - Sec 17. FAIS Act - Sec 14.
7	Awareness of the regulatory environment in which the FSP functions	Describe the Act and requirements thereof	K	FAIS Act - Sec 7. FAIS Act - Sec 18. FAIS Act - Sec 17(1). FAIS Act - Schedule. FAIS Act - Sec 46. FAIS Act - Preamble.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
7		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(3). FAIS Act - Sec 8(10). FAIS Act - Sec 8. Licensing Conditions.
		Interact with the regulator when and where required	S	Licensing Conditions. FAIS Act - Sec 3. FAIS Act - Sec 8. FSP Licensing Forms. FAIS Act - Sec 17.
		Explain how format of communication with the Regulator is required	K	FSB Newsletter. FSP Licensing Forms. FAIS Act - Sec 4(4).
		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. General code of Conduct - Sec 11. General Code of Conduct - Sec 12.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
7		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).
		Check that there are processes in place to check whether the Registrar has published notices regarding "undesirable business practices"	S	FAIS Act - Sec 34. General Code of Conduct - Sec 3A(1). FAIS Act - Sec 34(1).
		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	Awareness of the specific obligations in terms of the relevant Code of Conduct and other subordinate legislation.	Explain the obligations and requirements when client funds or premiums are received.	K	BN 123 of 2009 - Sec 3(b). General code of Conduct - Sec 10. BN 106 of 2008 - Sec 9(3). FAIS Act - sec 19(3).
		Confirm that there is a separate bank account with a registered bank into which client monies are deposited.	S	FAIS Act - Sec 19(3). General Code of Conduct - Sec 10.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
8		Not Applicable Board Notice 60	K	
		Not Applicable Board Notice 60	S	
		Not Applicable Board Notice 60	K	
		Not Applicable Board Notice 60	S	
		Not Applicable Board Notice 60	S	
		Explain the importance of disclosures.	K	General code of Conduct - Sec 4. General code of Conduct - Sec 7(1). General Code of Conduct - Sec 7. General code of Conduct - Sec 2.
		Check that disclosures are adequate to enable client's ability to make an informed decision.	S	General Code of Conduct - Sec 4. General Code of Conduct - Sec 7(1). General Code of Conduct - Sec 5. General Code of Conduct - Sec 7.
		Discuss how to ensure transparency and manage conflict of interests.	K	General Code of Conduct - Sec 1 Definition of Conflict of Interest. Administrative and Discretionary Code of Conduct - Sec 3.3. General Code of Conduct - Sec 3A(1). General Code of Conduct - Sec 7(1). General Code of Conduct - Sec 3(1). General Code of Conduct - Sec 3. General Code of Conduct - Sec 2. General code of Conduct - Sec 4.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
8		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.
		Describe the concept of ethical conduct in the financial services environment.	K	General code of Conduct - Sec 2. General Code of Conduct - Sec 3.
		Discuss the impact and requirements regarding the disclosure rules of the FSP.	K	General Code of Conduct - Sec 4(4). General Code of Conduct - Sec 5. General Code of Conduct - sec 7. General code of Conduct - sec 7(1). General code of Conduct - Sec 5(e).
		Apply the requirements of the General Code of Conduct.	S	General code of Conduct - Sec 14. General Code of Conduct. BN 106 of 2008 – Sec 8. General Code of Conduct - Sec 8(1)(a).
		Discuss the effect of disclosure requirements on commission is explained with reference to line of business and specific product/policy.	K	General code of Conduct - Sec 7(1).
		Describe the disclosure requirements regarding the FSP, product suppliers, product suppliers acting as FSP's and financial services.	K	General code of Conduct - Sec 15(3). General Code of Conduct - Sec 7. General Code of Conduct - Sec 4(1). General Code of Conduct - Sec 4, 5 and 7.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
8		Apply disclosure requirements in terms of financial products.	S	General code of Conduct - Sec 7(1).
		Explain the manner in which complaints are to be handled by the industry with reference to the FAIS General Code of Conduct.	K	General code of Conduct - Sec 16. FAIS Act – Sec 20. General code of Conduct - Sec 19. FAIS Act – Sec 27. General code of Conduct - Sec 8(4).
		Verify that complaints procedures and processes are in place.	S	General Code of Conduct - Sec 19(1). General Code of Conduct - Sec 21.
		Explain the steps that must be taken by a FSP/representative when providing advice.	K	General Code of Conduct – Sec 8(1). General Code of Conduct – Sec 7(1). General Code of Conduct – Sec 8(4). General Code of Conduct – Sec 8.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
8		<p>Explain the provisions of the General Code relating to: *custody, *complaints, *risk management, *insurance, *advertising and *termination</p>	K	<p>General code of Conduct – Sec 16. General code of Conduct – Sec 10(1). BN 123 of 2009 – Sec 3(a) General code of Conduct – Sec 14(1). General code of Conduct – Sec 19(1). General code of Conduct – Sec 20(a). General code of Conduct – Sec 17. General code of Conduct – Sec 20 FAIS Act – Sec 13(1). General code of Conduct – Sec 18. General code of Conduct – Sec 14. BN 81 of 2003 – Sec 6. BN 81 of 2003 – Sec 4. General code of Conduct – Sec 14 and 15(3). General code of Conduct – Sec 10. General code of Conduct – Sec 12. General code of Conduct – Sec 11. General code of Conduct – Sec 16(2).</p>

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
9	Oversee and manage the compliance functions as required by the FAIS Act.	Explain the requirements for approval of a Compliance Officer by the Registrar.	K	FAIS Act - Sec 17. BN 127 of 2010 - Sec 4(3). BN 127 of 2010 - Sec 3. FAIS Act - Sec 17(1). BN 127 of 2010 - Sec 3(1). FAIS Regulations - Reg 4.
		Check that the CO is approved by the Registrar	S	FAIS Act - Sec 17
		Describe the role and function of a Compliance Officer.	K	FAIS Act - Sec 17. FAIS Regulations – Reg 5.
		Replace the intended CO if he/she does not have the required approval of the Registrar.	S	BN 127 of 2010 - Sec 3(1). BN 127 of 2010 - Sec 4. FAIS Act - Sec 17 and 19.
		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 2. BN 127 of 2010 - Sec 3. BN 127 of 2010 - Sec 4(2). BN 127 of 2010 - Sec 4(4). FAIS Act - Sec 17.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
9		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).
		Confirm that the CO / compliance practice can function objectively and sufficiently independent of the FSP	S	BN 127 of 2010 - Sec 4(2) and 4(3). FAIS Act - Sec 17(1).
		Verify that any internal compliance function is staffed and equipped for provide a proper compliance service.	S	BN 127 of 2010 - Sec 4(4). BN 127 of 2010 - Sec 4(2).
		Explain why it is important for the Compliance Officer to be able to avoid conflicts of interest regarding the execution of their duties	K	FAIS Regulations - Reg 5(1). FAIS Act - Sec 1(c). BN 127 of 2010 - Sec 4(3).
		Manage potential conflict of interest where management is also responsible for the compliance function, i.e. a sole proprietor.	S	BN 127 of 2010 - Sec 4(3). General Code of Conduct - Sec 3(1). General Code of Conduct - Sec 3A(2).
		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	General Code of Conduct - Sec 3A(2). General Code of Conduct - Sec 3. FAIS Act – Sec 1 Definition of Representative. BN 127 of 2010 - Sec 3(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
9		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 4(2). FAIS Act - Sec 17(3). BN 127 of 2010 - Sec 3(2).
		Demonstrate understanding of the content of the compliance report in order to be able to sign it off.	K	FAIS Act - Sec 17(4).
		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.
		Check that the compliance officer performs monitoring procedures on rendering of services under supervision.	S	BN 104 of 2008. FAIS Regulations - Reg 5.
		Explain what the compliance function requirements are within the FSP.	K	FAIS Regulations - Reg 5. BN 99 of 2004 - Sec 3. FAIS Act - Sec 17. FAIS Act - Sec 17(1). FAIS Act - Sec 17(2). FAIS Act - Sec 17(3).
		Establish the compliance function with the FSP.	S	FAIS Act - Sec 17(1).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
9		Confirm that where the compliance officer found any instances of non-compliance that this is addressed and rectified.	S	FAIS Act – Sec 17(4). FAIS Act – Sec 18(d). General code of Conduct – Sec 3(1). BN 104 of 2008 – Sec 4(9).
		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	General code of Conduct – Sec 8(1).
10	Maintain the license of the FSP including the management of the licensing conditions	Explain the impact of licensing conditions on an FSP.	K	FAIS Act – Sec 18. FSP 3 Form. BN 123 of 2009. FAIS Act – Sec 1 Definition of Intermediary Services. FAIS Act – Sec 1 Definition of Advice. FAIS Act – Sec 9. Licensing Conditions. FSP1, 4 and 5 Form.
		Manage the licensing conditions.	S	FAIS Act - Sec 8(4). FSP 2 and 3 Form. FSP 5 Form. FAIS Act - Sec 8(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
10		Explain what the implication is for a FSP if a key individual leaves the employ of the FSP.	K	FAIS Act - Sec 8(7). BN 106 of 2008 - Sec 3(5). FAIS Act - Sec 9.
		Confirm that all role-players are informed and able to execute their duties.	S	FAIS Act - Sec 13(2). FAIS Act - Sec 8. FAIS Act - Sec 8(10). FAIS Act - Sec 8(4).
		Explain what levies are payable to the Registrar and when should this be paid.	K	BN 75 of 2010.
		Verify that there are processes in place to pay the levies, and that this is done within the correct timeframes.	S	BN 75 of 2010. The Financial Services Board Act - Sec 15A.
		Describe what civil remedies and penalties the Registrar may impose under FAIS.	K	FAIS Act - Sec 9. FAIS Act - Sec 33(1) and (2) FAIS Act - Sec 36.
		Describe what actions will lead to the Registrar imposing civil remedies and penalties under FAIS.	K	FAIS Act - Sec 33(4). FAIS Act - Sec 33(2). FAIS Act - Sec 33(3). FAIS Act - Sec 33(6). FAIS Act - Sec 33(1).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
10		Explain what changes must be reported.	K	FAIS Act - Sec 14. FSP 5 Form. FSP Forms. Licensing Conditions. General Code of Conduct - Sec 10. FAIS Act - Sec 19. FAIS Act - Sec 1 Definition of Intermediary Services. Guidance Note on Intermediary Services.
		Confirm that the Registrar is informed within 15 days of any changes to the FSP licensing details.	S	Licensing Conditions. FSP 1 Rep Import Spreadsheet. FAIS Act - Sec 8. FSP Forms.
		Explain what licensing conditions regarding products and services must be met.	K	BN 123 of 2009. FAIS Act - Sec 17. FAIS Act - Sec 7(3). Licensing Conditions. FAIS Act - Sec 8(4).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
10		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. FSP Forms.
		Describe the implications for the FSP if the licensing conditions regarding products and services are not met.	K	FAIS Act - Sec 36. FAIS Act - Sec 9. FAIS Act - Sec 1 Definition of Advice. FAIS Act - Sec 8.
		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 condition 4 of the licensing conditions.	S	Licensing Conditions.
		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.
		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.
		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	FAIS Act - Sec 8(7). FAIS Act - Sec 9. BN 106 of 2008 - Sec 3(5).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
10		Discuss the requirements around the display of licenses.	K	FAIS Act - Sec 8(8).
		Describe the conditions under which suspensions, withdrawals and reinstatements of authorisation may be imposed.	K	FAIS Act - Sec 9(1). FAIS Act - Sec 11. FAIS Act - Sec 9(2).
		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. GN459 of GG 30987. FAIS Act - Sec 1 Definition of Intermediary Services. FAIS Act - Sec 1 Definition of Advice.
		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. GN459 of GG 30987.
		Explain the relationship between different industry players.	K	BN 81 of 2003 - Introduction. Financial Services Board Act - Sec 1 Definitions. Financial Services Ombud Scheme Act 2004. Financial Institutions (Protection of Funds) Act 28 of 2001 - Sec 1 and Sec 6A.
		Describe the interrelationships between FSP's in terms of co-responsibility.	K	General Code of Conduct – Sec 2. FAIS Act - Sec 7.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
11	Take the necessary action if the FSP voluntarily lapses its license.	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.
		Explain the reasons why a license can be suspended or withdrawn.	K	FAIS Act - Sec 9(1). FAIS Act - Sec 9(3). FAIS Act - Sec 8(8). FAIS Act - Sec 9. FAIS Act - sec 41(2). FAIS Act - Sec 9(2).
		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.
		Discuss the reasons why a FSP would lapse a license.	K	FAIS Act – Sec 11.
		Describe how lapsing a license differs from suspension or withdrawals. (Section 11)	K	FAIS Act – Sec 9. FAIS Act – Sec 11.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
12	Verify that the proper record keeping activities are carried out.	Explain the record keeping obligations as imposed by the FAIS Act.	K	FAIS Act - Sec 13(4). FAIS Act - Sec 18. FAIS Act - Sec 18. General code of Conduct – Sec 3. FIC Act Sec 23.
		Ensure that there are processes in place to provide the management information that is required to complete the reports required by the legislation.	S	FAIS Act – Sec 19(2) and (3). Compliance Reports. FAIS Act – Sec 18.
		Explain the requirements regarding records and the maintenance thereof in terms of the FAIS Act.	K	General Code of Conduct - Sec 14(2). General Code of Conduct - Sec 15(5). FIC Act - Sec 24(1). General code of Conduct - Sec 5, 6, 7 and 8.
		Ensure that there are processes in place to submit the reports required by the legislation by the due dates.	S	BN 84 of 2011. FAIS Act - Sec 17. FAIS Act - Sec 17(4).
		Describe the requirements imposed when record keeping is outsourced to a third party.	K	BN 106 of 2008 - Sec 8(2). General Code of Conduct - Sec 3(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
12		Confirm that third party outsourcing agreements are executed correctly.	S	FIC Act - Sec 24(2). BN 106 of 2008 - Sec 8(2). General Code of Conduct - Sec 3(2).
		Explain in what format the records should be stored and retrieved in accordance to the industry standard.	K	General Code of Conduct - Sec 14(2). General Code of Conduct - Sec 3(2).
		Verify the necessary checks and balances are carried out regarding the record keeping functionality, including retrieval of records.	S	General Code of Conduct - Sec 11. FAIS Act - Sec 18. BN 106 of 2008 - Sec 8(3).
		Explain what the security requirements for these records are in terms of confidentiality and access to records.	K	General code of Conduct - Sec 3(3). BN 106 of 2008 - Sec 8(3).
		Explain the reporting obligations imposed by the Act.	K	FAIS Act - Sec 19. BN 84 of 2011.
		Verify that the reporting obligations are met in accordance to the Act.	S	FIC Act - Sec 7(1). Licensing Conditions.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
12		Understand the requirements regarding records and the maintenance thereof in terms of the Act and other applicable legislative requirements, including FIC Act.	K	FIC Act Regulations - Sec 20. FIC Act - Sec 22. FAIS Act - Sec 18.
		Ensure that there are processes in place to submit the reports required by the legislation by the due dates.	S	FIC Act - Sec 24(3). FIC Act - Sec 22. FIC Act - Sec 29.
		Explain the requirements regarding the maintenance of records in Section 18 of FAIS.	K	FAIS Act - Sec 18(c) & 8(1). BN 106 of 2008 – Sec 3. General Code of Conduct - Sec 3. General Code of Conduct - Sec 14. FAIS Act - Sec 18(d). FAIS Act - Sec 13(3) and (4). FAIS Act - Sec 18. General code of Conduct - Sec 3(2). BN 106 of 2008 - Sec 8.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
13	Manage and oversee / participate in the setting up and/or managing of the infrastructure of the FSP.	Describe what are the operational ability requirements that the FSP must meet.	K	BN 106 of 2008 - Sec 8(6). FAIS Act - Sec 8(4). BN 106 of 2008 - Sec 8(1). General Code of Conduct - Sec 3(2). Board Notice - Sec 4 and 5. BN 106 of 2008 - Sec 8(7). BN 106 of 2008 - Sec 8(3). BN 106 of 2008 - Sec 8.
		Establish a fixed business address	S	BN 106 of 2008 - Sec 8(1).
		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(2). BN 106 of 2008 - Sec 9(1). BN 106 of 2008 - Sec 9(5).
		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. BN 106 of 2008 - Sec 10. BN 127 of 2010 - Sec 3(1). BN 106 of 2008 - Sec 9(3).
		Explain the requirements in terms of monthly management accounts.	K	FAIS Act - Sec 19(1).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
13		Explain what it means if an application is granted by the Registrar, but conditions are restrictions are imposed.	K	Licensing Conditions. FAIS Act - Sec 8(4).
		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(3). BN 106 of 2008 - Sec 8.
		Explain what gives rise to a profile change and when should it be submitted.	K	Licensing Conditions.
		Confirm that there is adequate storage and filing systems for the safe keeping of records, business communications and correspondence.	S	General Code of Conduct - Sec 3(2). FAIS Act - Sec 18. FAIS Act - Sec 3(2)(a). BN 106 of 2008 - Sec 8.
		Explain what the offenses are under FAIS.	K	FAIS Act - Sec 41(2). FAIS Act - Sec 36. FAIS Act - Sec 7(1) & Sec 8(8). FAIS Act – Sec 13(1) & Sec 18. FAIS Act - Sec 14(1). FAIS Act - Sec 36. FAIS Act - Sec 36(d) General Code of Conduct - Sec 18(b).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
13		Verify that the FSP has an account with a registered bank, including, where required by the Act, specific account for depositing client monies.	S	General Code of Conduct - Sec 10(1). BN 106 of 2008 - Sec 8(1). BN 106 of 2008 - Sec 8.
		Explain all processes and procedures required when handling complaints.	K	General Code of Conduct - Sec 16 & 17. General Code of Conduct - Sec 18 & 19. General Code of Conduct - Sec 19(1). FAIS Act - Sec 16(2). General Code of Conduct - Sec 16(2).
		Establish and maintain compliance and reporting arrangements for the FSP activities.	S	FAIS Act - Sec 17(1). FAIS Regulations - Reg 5(1) & 5(2). General Code of Conduct - Sec 11 & 12.
		Explain the requirements regarding advertising and direct marketing in terms of the Act.	K	General Code of Conduct - Sec 14. FAIS Act - Sec 8(8). General Code of Conduct - Sec 14(1). General Code of Conduct - Sec 15(3). General Code of Conduct - Sec 15. General Code of Conduct - Sec 15(5). General Code of Conduct - Sec 14(3). General Code of Conduct - Sec 1 Definition of Direct Marketer.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
13		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).
		Implement and maintain a documented process to maintain the adequacy of your compliance and monitoring arrangements.	S	FAIS Act - Sec 18(b). FAIS Act - Sec 18. BN 104 of 2008 - Sec 1. BN 104 of 2008 - Sec 4.
		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 106 of 2008 - Sec 7(1).
		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(9). BN 104 of 2008 - Sec 4(3). BN 104 of 2008 - Sec 4(7).
		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 13(b). FAIS Act - Sec 2(a). BN 106 of 2008 - Sec 3(7).
		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 106 of 2008 - Sec 8(2). General Code of Conduct - Sec 5(e). General Code of Conduct - Sec 13. BN 123 of 2009 - Sec 4.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
13		Ensure that written service levels agreements are in place, where activities are outsourced.	S	General Code of Conduct - Sec 10(1). BN 106 of 2008 - Sec 8(2).
		Check that there are processes in place to ensure that providers selected for any outsourced functions are suitable.	S	FAIS Act - Sec 7(3). BN 106 of 2008 - Sec 8(1) & (2).
		Confirm that where outsourced entities provide advice and or intermediary services, that they are authorised FSP's.	S	FAIS Act - Sec 7(3).
		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.
		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	FAIS Act - Sec 33(1). FAIS Act - Sec 33. FAIS Act - Sec 13. FAIS Act - Sec 36. FAIS Act - Sec 13(2).
		Ensure that there are processes in place to avoid actions that can be regarded as offences under FAIS.	S	FAIS Act - Sec 36(a). FAIS Act - Sec 36. FAIS Act - Sec 13(1).
		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

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
13		Ensure that there are policies and processes in place to deal with complaints.	S	General Code of Conduct - Sec 17. General Code of Conduct - Sec 16. General Code of Conduct - Sec 19. General Code of Conduct - Sec 18. FAIS Act - Sec 17(3). General Code of Conduct - Sec 16(2).
		Ensure that there are processes in place to comply with the advertising and marketing provisions of the general Code of Conduct.	S	General Code of Conduct - Sec 14. General Code of Conduct - Sec 14(1). General Code of Conduct - Sec 14(3).
		Explain the importance of contingency planning / processes for the FSP.	K	BN 106 of 2008 - Sec 8. General Code of Conduct - Sec 2. General Code of Conduct - Sec 20(b).
		Record contingency plan for the FSP.	S	BN 106 of 2008 - Sec 8(3).
		Create a contingency plan for the FSP with regards to the KI (i.e. sole proprietor.)	S	General Code of Conduct - Sec 20(b). BN 106 of 2008 - Sec 8(3)(j). BN 106 of 2008 - Sec 8(3).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
14	Manage and oversee the requirements that auditors/accounting officers must adhere to.	Describe what is the auditing and accounting requirements for an authorised FSP.	K	FAIS Act - Sec 19. BN 96 of 2003 - Sec 2 & 3. FAIS Act - Sec 19(1).
		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(3). FAIS Act - Sec 19(1). FAIS Act - Sec 19.
		Explain the financial record keeping requirements the FSP must adhere to.	K	FAIS Act - Sec 19. FAIS Act - Sec 41(2). FAIS Act - Sec 19. BN 96 of 2003 - Sec 2 & 3. FAIS Act - Sec 19(3). FAIS Act - Sec 19(4). FAIS Act - Sec 19(2). General Code of Conduct - Sec 10.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
14		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(2).
		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(3). FAIS Act - Sec 19(2).
15	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.	Explain the FICA governs and requires.	K	FIC Act - Preamble. FIC Act - Sec 29. GN R1596 in GG 24176 - Sec 7. FIC Act - Sec 23. FIC Act - Sec 22. FIC Act - Sec 21. FIC Act - Schedule 1. FIC Act - Sec 43(b).
		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	FIC Act - Sec 42. FIC Act - Sec 43(a). FIC Act - Sec 42. FIC Act - Schedule 1. Money Laundering & Terrorist Financing Control Regulations - Sec 25 & 27. FIC Act - Sec 42

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
15		Describe how the FSP is impacted by FICA.	K	FIC Act - Schedule 1. FIC Act - Sec 68. FIC Act - Sec 42. FIC Act - Sec 61. FIC Act - Sec 68. GN R1596 in GG 24176 - Sec 7. FIC Act - Sec 62 and 68(2). FIC Act - Sec 43A. FIC Act - Schedule 1. FIC Act - Sec 29.
		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	S	FIC Act - Sec 28A. FIC Act - Sec 22. FIC Act - Sec 43(a). FIC Act - Schedule 1. FIC Act - Sec 23(a).
		Explain what actions should be taken by the FSP in regard to FICA.	K	FIC Act – Sec 43(b). FIC Act – Sec 29. FIC Act – Sec 28.
		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	FIC Act – Sec 29(1). FIC Act – Sec 43(a). FIC Act – Sec 43. FIC Act – Sec 29.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
16	Manage any processes required in the event of an investigation by the FAIS Ombud	Discuss the obligations of the FSP/key individual in respect of an investigation conducted by the FSB and FAIS Ombud.	K	General Code of Conduct - Sec 19(1). FAIS Act - Sec 27(2) & 3(a)(ii). BN 81 of 2003 - Sec 5(c). FAIS Act - Sec 27. FAIS Act - Sec 13(1). BN 81 of 2003 - Sec 6. FAIS Act - Sec 17(3). BN 81 of 2003 - Sec 6(b).
		Check that there are processes in place to ensure that the business cooperates in the case of an investigation by the Ombud.	S	BN 81 of 2003 - Sec 6. FAIS Act - Sec 27(6). FAIS Act - Sec 27(5). FAIS Regulations - Reg 5(3). FAIS Act - Sec 31.
		Explain what the role and powers of the Ombud are.	K	FAIS Act - Sec 28. FAIS Act - Sec 27(3). FAIS Act - Sec 27(4). BN 81 of 2003 - Sec 3. FAIS Act - Sec 20(3). FAIS Act - Sec 28(1). FAIS Act - Sec 1 Definition of Complaint. BN 18 of 2003 – Sec 4(c). FAIS Act – Sec 27(a) & (b).

Regulatory Exam: 5

Description: RE 4 : First Level Regulatory Examination: Representatives

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1	Execute the required actions as a representative, in terms of the FAIS Act.	Describe the roles, responsibilities and requirements regarding representatives as defined in the FAIS Act.	K	FAIS Act - Sec 13. FAIS Act - Sec 13(2). FAIS Act - Sec 14. BN 104 of 2008. FAIS Act - Sec 1 Definition of Representative. Guidance Note on Intermediary Services and Representatives. BN 104 of 2008 - Sec 1 Definition of Supervisee. FAIS Act - Sec 13(1). FIC Act - Sec 29.
Apply knowledge of the role of the representative in terms of the FAIS Act.		S		
Describe the role and responsibilities of the key individual as defined in the FAIS Act.		K	FAIS Act - Sec 19. FAIS Act - Sec 7(3). FAIS Act - Sec 1 Definition of Advice. FAIS Act - Sec 14(1). FAIS Act - Sec 1 Definition of Key Individual. BN 106 of 2008 - Sec 2(4). BN 104 of 2008 - Sec 1 Definition of Services under Supervision.	

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1		Explain the requirements for licensing by the FSB for the role of the representative.	K	FAIS Act - Sec 13(3). Annexure to License. FAIS Act - Sec 13(4) and (5). FAIS Act - Sec 17(1). FAIS Act - Sec 8. BN 104 of 2008 - Sec 1 Definition of Services under Supervision. BN 106 of 2008 - Sec 3(7).
		Explain when an individual is obliged to be registered as a representative in terms of FAIS.	K	FAIS Act - Sec 13. FAIS Act - Sec 1 Definition of Representative. FAIS Act - Sec 1 Definition of Intermediary Services.
		Explain the fit and proper requirements that apply to the representatives	K	BN 106 of 2008 - Sec 3. BN 106 of 2008 - Sec 3(7). BN 106 of 2008. BN 106 of 2008 - Sec 3(5) and (6).
		Discuss the purpose of the register of representatives	K	FAIS Act - Sec 13(3). BN 104 of 2008. FAIS Act - Sec 13(4).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1		Distinguish between advise and intermediary services in terms of the Act.	K	FAIS Act - Sec 1 Definition of Advice. FAIS Act - Sec 1 Definition of Intermediary Services. FAIS Act - Sec 1 Definition of Representative.
		Explain when representatives can act under supervision.	K	BN 104 of 2008 - 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 4(4). BN 104 of 2008 – Sec 4(6). BN 104 of 2008 - Sec 6(2). BN 106 of 2008 - Sec 10 Table E. BN 106 of 2008 - Sec 3(7).
		Describe the implications if a representative does not meet all the requirements in terms of Fit and Proper by the relevant date.	K	BN 106 of 2008 - Sec 10 Table E. FAIS Act - Sec 14.
		Explain the record keeping requirements in terms of Section 18 of the FAIS Act and the General Code of Conduct.	K	FAIS Act - Sec 18. FAIS Act - Sec 18(d). FAIS Act - Sec 13(3) and (4). General code of Conduct - Sec 3(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
1		Keep records in terms of the requirements of the Act and General Code of Conduct.	S	FAIS Act - Sec 18. General code of Conduct - Sec 3(2).
2	Contribute towards maintaining a FSP license.	Explain the requirements a FSP must meet to maintain a FSP license.	K	BN 106 of 2008 - Sec 8(1). FSP License Forms. FAIS Act - Sec 8(1). Annexure to License. FAIS Act - Sec 13. FAIS Act - Sec 9. FAIS Act - Sec 8(2). BN 106 of 2008 - Sec 3(5).
		Assist in maintaining a FSP license by executing the required actions as a representative, in terms of the Act.	S	FAIS Act - Sec 13(1). FAIS Act - Sec 8(1). FAIS Act - Sec 13(2). FAIS Act - Sec 1 Definition of Representative. FAIS Act - Sec 1 Definition of Intermediary Services. General code of Conduct - Sec 2. FAIS Act - Sec 13.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
2		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 13(2). FAIS Act - Sec 7(3). General code of Conduct - Sec 11. FAIS Act - Sec 35(1). FAIS Act - Sec 15. General code of Conduct - Sec 11. General code of Conduct - Sec 12. FAIS Act - Sec 15.
		Explain what is meant by "undesirable practices."	K	FAIS Act - Sec 34(6). FAIS Act - Sec 34(2). FAIS Act - Sec 34(4).
		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 14. FAIS Act - Sec 34(2). FAIS Act - Sec 34(6).
		Explain the reparation measures available to the Registrar if a FSP continues with undesirable business practices.	K	FAIS Act - Sec 34(5) and (6). FAIS Act - Sec 36. Protection of Funds Act - Sec 6D(2). FAIS Act - Sec 34. BN 106 of 2008 - Sec 7 Table D.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
2		Check that executives of duties and actions do not constitute undesirable business practices.	S	FAIS Act - Sec 34. FAIS Act - Sec 34(2).
		Discuss the requirements of the Act around the display of licenses.	K	FAIS Act - Sec 8(8).
		Explain the reasons why a license can be suspended or withdrawn.	K	FAIS Act - Sec 11. FAIS Act - Sec 8(7). FAIS Act - Sec 9. FAIS Act - sec 41(2). FAIS Act - Sec 9(1). FAIS Act - Sec 9(2). FAIS Act - Sec 9(3).
		Explain what recourse a FSP has in case where its license has been suspended or withdrawn.	K	FAIS Act - Sec 39. FAIS Act - Sec 9.
		Discuss the reasons why a FSP would lapse a license.	K	FAIS Act - Sec 11.
		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).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
2		Describe the conditions under which a license can be reinstated.	K	FAIS Act - Sec 9. FAIS Act - Sec 11. FAIS Act - Sec 9(2). FAIS Act - Sec 39. FAIS Act - Sec 9(1).
		Describe the conditions under which reinstatements of authorisation may be imposed.	K	FAIS Act - Sec 9(2).
		Describe the role and powers of the Ombud.	K	FAIS Act - Sec 27(4). FAIS Act - Sec 27(3). FAIS Act - Sec 28. FAIS Act - Sec 21. FAIS Act - Sec 24. FAIS Act - Sec 20(3) and (4). BN 81 of 2003 - Sec 3.
		Comply with any requirements the Ombud may have in the event of an investigation.	S	FAIS Act - Sec 27(3). FAIS Act - Sec 31. FAIS Act - Sec 27(6). FAIS Act - Sec 27(5). BN 81 of 2003 - Sec 9(a). FAIS Act - Sec 27.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
3	Adhere to the specific obligations in terms of the relevant Code of Conduct and other subordinate legislation.	Explain the obligations and requirements when client funds or premiums are received.	K	General code of Conduct - Sec 10. BN 106 of 2008 - Sec 9(3). FAIS Act - Sec 19(1) and (3).
		Adhere to the requirements of the Code when depositing client's monies.	S	General code of Conduct - Sec 10(1).
		Explain the importance of disclosures.	K	General code of Conduct - Sec 4. General code of Conduct - Sec 7(1). General code of Conduct - Sec 5, 6, 7 and 8. General code of Conduct - Sec 2. General code of Conduct - Sec 3(1). BN 104 of 2008 - Sec 4(9)(d)(iii).
		Use disclosures that are adequate to enable client's ability to make an informed decision.	S	BN 104 of 2008 - Sec 4(9). General code of Conduct - Sec 7(1). General code of Conduct - Sec 4, 5 and 7.
		Discuss the impact of requirements regarding the disclosure rules of the FSP.	K	General code of Conduct - Sec 5(e). General code of Conduct - Sec 4(1). General code of Conduct - sec 7(1). General code of Conduct - Sec 5.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
3		Apply the requirements of the General Code of Conduct.	S	FAIS Act - Sec 18. General code of Conduct - Sec 14. General code of Conduct - Sec 18. General code of Conduct - Sec 2. General code of Conduct - Sec 3. General code of Conduct - Sec 5. General code of Conduct - Sec 8(1). General code of Conduct - Sec 8, 10, 18. General code of Conduct - Sec 8(4).
		Discuss the effect of disclosure requirements on commission is explained with reference to line of business and specific product/policy.	K	General code of Conduct - Sec 7(1).
		Apply disclosure requirements in terms of financial products.	S	General code of Conduct - Sec 7(1). General code of Conduct - Sec 8(3). General code of Conduct - Sec 7(4). General code of Conduct - Sec 7(c). General code of Conduct - Sec 5.
		Describe the disclosure requirements regarding the FSP, product suppliers, product suppliers acting as FSPs and financial services.	K	General code of Conduct - Sec 15(3). General code of Conduct - Sec 4, 5 and 7. General code of Conduct - Sec 4(1). General code of Conduct - Sec 5. General code of Conduct - Sec 4(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
3		Discuss how to ensure transparency and manage conflict of interests.	K	General code of Conduct - Sec 3(1). General code of Conduct - Sec 3A. General code of Conduct - Sec 4, 5 and 7. General code of Conduct - Sec 3
		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.
		Describe the concept of ethical conduct in the financial services environment.	K	FIC Act Regulations - Sec 20. General code of Conduct - Sec 7(1). General code of Conduct - Sec 2.
		Behave ethically when providing financial services within the financial services environment.	S	General code of Conduct - Sec 8(1). General code of Conduct - Sec 2 and 3.
		Discuss your role in terms of ethical conduct in the financial services environment.	K	General code of Conduct - Sec 2 and 7. FAIS Act - Sec 17(4). General code of Conduct - Sec 8(1).
		Provide an example of ethical vs. unethical conduct in the financial services environment.	S	General code of Conduct - Sec 7. General code of Conduct - Sec 2.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
3		Explain the manner in which complaints are to be handled by the industry with reference to the FAIS General Code of Conduct.	K	General code of Conduct - Sec 19. FAIS Act – Sec 27. General code of Conduct - Sec 19(1). General code of Conduct - Sec 16. FAIS Act – Sec 20. General code of Conduct - Sec 16(2).
		Follow the complaints procedures and processes that are in place.	S	General code of Conduct - Sec 16 and 19. General code of Conduct - Sec 16(1).
		Explain the steps that must be taken by a FSP / representatives when providing advice.	K	General code of Conduct - Sec 7(1). General code of Conduct - Sec 8(1). General code of Conduct - Sec 8(4).
		Explain the provisions of the General Code relating to : * custody, * complaints, * risk management, * insurance, * advertising and * termination.	K	General code of Conduct - Sec 12. General code of Conduct - Sec 14(1). General code of Conduct - Sec 1 Definition of Direct Marketing. General code of Conduct - Sec 16 and 19. FAIS Act - Sec 13(1). General code of Conduct - Sec 17. General code of Conduct - Sec 20. General code of Conduct - Sec 20(a). BN 123 of 2009 - Sec 3. General code of Conduct - Sec 10. General code of Conduct - Sec 14 and 15(3). General code of Conduct - Sec 11.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
4	Apply knowledge of financial products.	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. FSP 2 Form. FAIS Act - Sec 1 Definition of Intermediary Services. FAIS Act - Sec 1 Definition of Advice. FSP 2 Form.
		Explain the relationship between different industry players.	K	BN 106 of 2008 - Sec 1 Definition of Qualifications. FAIS Act. Pension Funds Act. FAIS Act - Sec 20(2). FAIS Act - Sec 20(3). FIC Act - Sec 3. Financial Institution Protection of Funds Act 28 of 2001 - Sec.6A and 6D FAIS Act - Sec.36 & 13(1). Financial Services Board Act - Sec 1 Definitions. Financial Services Ombud Scheme Act 2004.
		Apply knowledge of the financial products and role players within the financial services environment.	S	FAIS Act - Sec 13(2). FAIS Act - Sec 1 Definition of Financial product. FAIS Act - Sec 7(3). General code of Conduct - Sec 8(1). Long Term Insurance Act - Sec 1 Definition of Long Term Policy.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
5	Awareness of consequences for representatives that have been found to act fraudulently, or committed any other act that gives rise to debarment.	Discuss the purpose of debarment.	K	FAIS Act - Sec 14(3). FAIS Act - Sec 14.
Check that the employment/mandatory agreement with representatives include the reasons for possible debarment.		S	FAIS Act - Sec 14. BN 82 of 2003 - Sec 2. FAIS Act – Sec 13(2). FAIS Act - Sec 18.	
Describe the reasons why debarment would be considered.		K	BN 104 of 2008 - Sec 4(6). BN 106 of 2008 - Sec 2(3). BN 82 of 2003 - Sec 2. FAIS Act - Sec 14. FAIS Act - Sec 13(2).	
Discuss the process that would be followed in such instances.		K	FAIS Act - Sec 14. FAIS Act - Sec 14(1). BN 81 of 2003 - Sec 10. BN 82 of 2003 - Sec 2. FAIS Act - Sec 14A(3).	

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
5		Explain what recourse a representative may have.	K	BN 82 of 2003 – Sec 2(b). FAIS Act – Sec 14. BN 82 of 2003 – Sec 2(c). Labour Relations Act – Sec 1(9). BN 82 of 2003 – Sec 2(a).
		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	Align execution of duties and actions with the compliance requirements.	Describe the role and function of a Compliance Officer.	K	FAIS Act - Sec 17(4). FAIS Regulations - Sec 5(1). FAIS Act - Sec 17. FAIS Act - Sec 18. FAIS Regulations - Reg 5(3). FAIS Act - Sec 17(2). FAIS Act - Sec 17(1). FAIS Act - Sec 14.
		Confirm that where the compliance officer found any instances of non-compliance that this is addressed and rectified.	S	FAIS Act - Sec 17(4). FAIS Act - Sec 14. FAIS Act - Sec 14A. General code of Conduct - Sec 3(1). FAIS Act - Sec 18(d). FAIS Act - Sec 17(1). FAIS Regulations - Sec 5.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
7	Carry out the proper record keeping activities.	Explain the record keeping obligations as imposed by the FAIS Act.	K	General code of Conduct - Sec 3(2). FAIS Act - Sec 18. FIC Act Sec 23. FAIS Act - Sec 13(4).
		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 13. FAIS Act - Sec 17(4). FAIS Act - Sec 8(1). General code of Conduct - Sec 5. General code of Conduct - Sec 8(4).
		Explain the requirements regarding the maintenance of records in terms of the FAIS Act.	K	FAIS Act - Sec 13(2). FAIS Act - Sec 18.
		Explain the requirements regarding records and the maintenance thereof in terms of other applicable legislative requirements, including FICA.	K	FAIS Act - Sec 18. FIC Act - Sec 24(1). General code of Conduct - Sec 3(2).
		Describe the requirements imposed when record keeping is outsourced to a third party.	K	FICA – Sec 24. General code of Conduct - Sec 3(2).

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
7		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).
		Explain in what format the records should be stored and retrieved in accordance to the industry standard.	K	General code of Conduct - Sec 3(2). BN 106 of 2008 - Sec 8(2).
		Carry out the record keeping functionality correctly, including retrieval of records.	S	General code of Conduct - Sec 3(2). General code of Conduct - Sec 10(1). FAIS Act - Sec 18.
		Explain what the security requirements for these records are in terms of confidentiality and access to records.	K	General code of Conduct - Sec 3(3). BN 106 of 2008 - Sec 8(3).
8	Adhere to the requirements of FICA and other relevant anti-money laundering legislation, as it applies to the FSP.	Describe how the FSP is impacted by FICA.	K	FIC Act – Sec 21(1). FIC Act – Sec 62 and 68(2). FIC Act – 43A. General code of Conduct – Sec 2 FIC Act – Sec 23. FIC Act – Sec 22. FIC Act – Schedule 1. FIC Act – Sec 29(1). FIC Act – Schedule 3.

Task No	Task	Qualifying Criteria	Knowledge (K) or Skill (S)	Reference
8		Comply with the identification, verification, record-keeping and reporting obligations under Act no.38 of 2001.	S	FIC Act – Schedule 1. FIC Act – Sec 22. FIC Act – Sec 23. FIC Act – Sec 43(a). Money Laundering & Terrorist Financing Control Regulations.