

## Regulatory Exam: 5

### Description: RE 5: Regulatory Examination: Representatives in all Categories of FSPs

Task No	Task	QC	Qualifying Criteria	Knowledge (K) or Skill (S)	Legislation Reference
1	<b>Demonstrate understanding of the FAIS Act as a regulatory framework.</b>	1	Describe the FAIS Act and subordinate legislation.	K	GCOC – Definition of Direct Marketing FAIS Act - Sec 1 Definitions FAIS Act - Preamble
		2	Provide an overview of the financial services and different types of financial products a Representative can deal with.	K	FAIS Act - Sec 1 Definition of Financial Product FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Advice GCOC – Sec 4 & 5 & 7
		3	Apply knowledge of the financial products within the financial services environment.	S	FAIS Act - Sec 1 Definition of Financial Product FAIS Act - Sec 7(3) Long-term Insurance Act - Sec 1 Definition of Long-Term Policy GCOC - Sec 8(1)
		4	Describe the role and function of a Compliance Officer.	K	FAIS Act - Sec 17 FAIS Act - Sec 17(1) FAIS Act - Sec 17(1)(c) FAIS Act - Sec 17(4) FAIS Act - Sec 18 FAIS Act - Sec 18(d) FAIS Regulations - Reg 5 FAIS Regulations - Reg 5(1) FAIS Regulations - Reg 5(3) GCOC - Sec 3(1)

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2	Contribute towards maintaining a FSP licence.	1	Explain the requirements a FSP must meet to maintain a FSP licence.	K	FAIS Act - Sec 8 FAIS Act - Sec 8(2) & (4) FAIS Act - Sec 8(10)(a)(i) FAIS Act - Sec 9 FAIS Act - Sec 9(1) FAIS Act - Sec 9(1)(g) FAIS Act - Sec 9(2) FAIS Act - Sec 9(3) & (4) FAIS Act - Sec 11 FAIS Act - Sec 13 FAIS Act - Sec 19 FAIS Act - Sec 41(2) BN 123 of 2009 - Sec 3 Licensing conditions
		2	Assist in maintaining a FSP licence by executing the required actions as a Representative, in terms of the Act.	S	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 8 & 8(1) & 8(8) FAIS Act - Sec 13(1) & 13(2) FAIS Act - Sec 17(4) GCOC - Sec 2 GCOC - Sec 21
		3	Discuss the requirements around the display of licences.	K	FAIS Act - Sec 8(8)
		4	Explain the implications for a Representative if an accreditation is suspended or withdrawn or lapsed in terms of the Medical Schemes Act, 1998, or any other enabling legislation.	K	FAIS Act - Sec 8(7) FAIS Act - Sec 9 FAIS Act - Sec 9(1)(b) FAIS Act - Sec 9(2) FAIS Act - Sec 11
		5	Explain what is meant by "undesirable practices".	K	FAIS Act - Sec 34 FAIS Act - Sec 34(2) FAIS Act - Sec 34(6)
		6	Check that the execution of duties and actions as a Representative does not constitute undesirable business practices.	S	FAIS Act - Sec 34
		7	Describe the implications for a Representative if the Authority declares a business practice to be undesirable.	K	FAIS Act - Sec 14 FAIS Act - Sec 34 FAIS Act - Sec 34(2) FAIS Act - Sec 34(4)

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		8	Explain the reparation measures available to the Authority if a Representative continues with undesirable business practices.	K	FAIS Act - Sec 34 FAIS Act - Sec 34(4) & (5) & (6) FAIS Act - Sec 36
		9	Describe the offenses prescribed by the FAIS Act.	K	FAIS Act - Sec 36 FAIS Act - Sec 36(d) FAIS Act - Sec 36(d) & (d)
3	Define the role of the key individual in terms of the FAIS Act.	1	Describe the roles and responsibilities of key individuals as defined in the FAIS Act.	K	FAIS Act - Sec 1 Definition of Key Individual FAIS Act - Sec 1 Definition Advice FAIS Act - Sec 14(1) FAIS Act - Sec 17(4) FAIS Act - Sec 19(2) BN 194 of 2017 – Sec 37(2)(b) FAIS Act - Sec 18 FSB Guidance Note on Key Individual GCOC - Sec 11
		2	Describe the regulated management and oversight responsibilities of a key individual.	K	FAIS Act - Sec 1 Definition of Key Individual FAIS Act - Sec 7(3) FAIS Act - Sec 18 BN 194 of 2017 – Sec 8 BN 194 of 2017 – Sec 12 BN 194 of 2017 – Sec 32 FSCA FAIS Notice 86 of 2018 – Condition 4(1)(f)
		3	Explain the implications for a Representative should a key individual no longer meet the honesty, integrity and good standing requirements.	K	FAIS Act - Sec 8(4) FAIS Act - Sec 8(4)(b)(iii) FAIS Act - Sec 9(1) FAIS Act - Sec 9(1)(a) FAIS Act - Sec 13 FAIS Act - Sec 13(1) FAIS Act - Sec 14 Licence conditions BN 194 of 2017 – Sec 9(1) BN 194 of 2017 – Chapter 2
4	Adhere to the specific Codes of Conduct.	1	Describe the general and specific duties of a provider.	K	GCOC - Sec 2 GCOC - Sec 3 GCOC - Sec 3(1) GCOC - Sec 3(3) GCOC - Sec 7

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					GCOC - Sec 8(1) GCOC - Sec 10 GCOC - Sec 12
		2	Describe what could possibly be a conflict of interest.	K	GCOC – Part 1 Definitions GCOC – Part 1 Definition Immaterial Financial Interest GCOC - Sec 3(1) GCOC - Sec 3(1)(b) & (c) GCOC - Sec 3(A)
		3	Define the requirements and impact of the disclosure rules on the FSP.	K	GCOC - Sec 5 GCOC - Sec 5(e) GCOC - Sec 7(1) GCOC - Sec 14 GCOC - Sec 15(6)
		4	Apply the requirements of the General Code of Conduct for FSPs and Representatives.	S	GCOC - Sec 8(1) GCOC - Sec14
		5	Explain the disclosures that need to be made by a Representative before rendering a financial service.	K	FAIS Act - Sec 13(1) GCOC - Sec 3(1)(b) GCOC - Sec 4 GCOC - Sec 4(1)(d)(ii)
		6	Explain disclosures that must be made by a Representative when rendering a financial service.	K	GCOC - Sec 2 GCOC - Sec 4 GCOC - Sec 4(1) GCOC - Sec 5 GCOC - Sec 7 GCOC - Sec 7(1)(a) GCOC - Sec 8(4)
		7	Describe the required disclosures regarding the provider, product supplier and financial service.	K	GCOC - Sec 4 GCOC - Sec 5 GCOC - Sec 4(1) GCOC - Sec 7 GCOC - Sec 7(1)
		8	Explain the specific disclosure requirements regarding fees and commission.	K	GCOC - Sec 7 GCOC - Sec 7(1) GCOC - Sec 7(1)(c) GCOC Sec 7(1)(c)(vi) GCOC - Sec 7(1)(c)(iii)(bb)
		9	Apply disclosure requirements in terms of financial services.	S	GCOC - Sec 7

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					GCOC - Sec 7(1)(c) GCOC - Sec 7(4) GCOC - Sec 8(4) GCOC - Sec 15(1) GCOC - Sec 15(6) GCOC - Sec 21
10			Explain the process of advice that should be followed by a Representative.	K	GCOC - Sec 7(1)(d) GCOC - Sec 8 GCOC - Sec 8(1) GCOC - Sec 8(4)
11			Explain the requirements when a Representative receives custody of financial products and funds.	K	GCOC - Sec 10 GCOC - Sec 10(1) GCOC Sec 10(1)(d)
12			Explain the manner in which complaints are to be handled by a Representative as required by the General Code of Conduct for FSPs and Representatives.	K	FAIS Act - Sec 20 & 27 GCOC – Sec 16 Definition Complainant GCOC – Sec 16 Definition Reportable Complaint GCOC – Sec 16 Definition Compensation Payment GCOC - Sec 17 GCOC - Sec 17(3) GCOC - Sec 17(3)(b) GCOC - Sec 17(4)(a) GCOC - Sec 17(7)(b) GCOC - Sec 17(8)(a) GCOC - Sec 17(8)(c) GCOC - Sec 17(8)(g) GCOC - Sec 18 GCOC - Sec 18(1)(a) GCOC - Sec 18(4)(a) GCOC - Sec 19 BN 81 of 2003 - Rule 6(b)
13			Follow the complaints procedures and processes that are in place for Representatives.	S	GCOC – Sec 16 Definition Complainant GCOC – Sec 16 Definition Reportable Complaint GCOC - Sec 16 GCOC - Sec 17 GCOC - Sec 17(3) GCOC - Sec 17(5)

					GCOC - Sec 17(6)(b) GCOC - Sec 17(7)(c) GCOC - Sec 17(8) GCOC - Sec 18 GCOC - Sec 19 FAIS Act - Sec 27(3)
		14	Explain the requirements of the General Code of Conduct for FSPs and Representatives relating to the termination of an agreement.	K	GCOC - Sec 20 GCOC - Sec 20(a) GCOC - Sec 20(c)
5	<b>Comply with regulated record keeping requirements.</b>	1	Explain the record keeping obligations by a Representative as prescribed by the FAIS and FIC Acts.	K	FAIS Act - Sec 13(2) FAIS Act - Sec 13(3) FAIS Act - Sec 13(4) FAIS Act - Sec 18 FAIS Act - Sec 18(b) FAIS Act - Sec 18(d) FICA - Sec 22 & 23 & 24 FICA - Sec 29(1) GCOC - Sec 3 GCOC - Sec 3(2) GCOC - Sec 3(2)(a) & (c) GCOC - Sec 3(2)(b) & (d) GCOC - Sec 3(3) GCOC - Sec 8(4) GCOC - Sec 9 & 9(1) BN 194 of 2017 - Sec 37(2)(b)

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		2	Carry out the record keeping and retrieval of records functionality correctly.	S	FAIS Act - Sec 18 GCOC - Sec 3(2) GCOC - Sec 10(1) BN 194 of 2017 - Sec 39(2)
6	<b>Comply with the requirements of the FIC Act and Money Laundering and Terrorist Financing control regulations, as it applies to the FSP.</b>	1	Explain the requirements specific to a FSP prescribed by the FIC Act.	K	FIC Act Preamble FIC Act Schedule 1 FIC Act Schedule 3 FIC Act - Sec 3 FIC Act - Sec 21 FIC Act - Sec 21(1)

					<p>FIC Act - Sec 21(1)(a)  FIC Act - Sec 22 &amp; 22A  FIC Act – Sec 29(1)  FIC Act - Sec 43  FIC Act - Sec 43(A) &amp; 45C  FIC Act - Sec 45C(3)(e)  FIC Act - Sec 62  FIC Act - Sec 68(2)  Money Laundering and Terrorist Financing control regulations - Chapter 4  Money Laundering and Terrorist Financing control regulations – Sec 22A &amp; 22A (4) &amp; 23</p>
		2	Describe how the FIC Act impacts a Representatives' interaction with a client.	K	<p>FIC Act - Sec 21A  FIC Act - Sec 21(1)(a) &amp; (b)  FIC Act - Sec 22  FIC Act - Sec 29  FIC Act - Sec 29(1)  Money Laundering and Terrorist Financing control regulations – Sec 24</p>
7	<b>Dealing with complaints that have been submitted to the Ombud for FSPs.</b>	1	Explain the role and authority of the Ombud for FSPs.	K	<p>FAIS Act - Sec 1 Definition of Complaint  FAIS Act - Sec 20  FAIS Act Sec 20(3) &amp; (4)  FAIS Act - Sec 27  FAIS Act - Sec 27(3)  FAIS Act - Sec 27(3)(a) &amp; (b)  FAIS Act - Sec 27(4)  FAIS Act - Sec 28  FAIS Act - Sec 28(1)  FAIS Act - Sec 28(4)(a)  FAIS Act - Sec 31</p>

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8	<b>Operate as a Representative in terms of the FAIS Act.</b>	1	Describe the roles and responsibilities of Representatives as defined in the FAIS Act.	K	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Advice FAIS Act - Sec 1(3) FAIS Act - Sec 13 FAIS Act - Sec 13(1) FAIS Act - Sec 13(1)(b) FAIS Act - Sec 13(2) Licensing conditions Guidance Note on Intermediary Services and Representative
		2	Apply knowledge of the role of the Representative in terms of the FAIS Act.	S	FAIS Act - Sec 1 Definition of Representative and person FAIS Act - Sec 1 Definition of Advice FAIS Act - Sec 1 Definition of Intermediary Services
		3	Explain the fit and proper requirements that apply to a Representative (honesty, integrity, good standing, qualifications, experience, knowledge tested through regulated examinations and continuous professional development).	K	FAIS Act - Sec 1 Definition of Representative and person FSCA FAIS Notice 86 of 2018 – Exemption of Services under Supervision BN 194 of 2017 BN 194 of 2017 - Sec 1 Definition of Experience BN 194 of 2017 - Sec 1 Definition of Qualification BN 194 of 2017 - Sec 1 Definition of Recognised Qualification BN 194 of 2017 - Sec 9 BN 194 of 2017 - Sec 12 & 16 BN 194 of 2017 - Sec 25 BN 194 OF 2017 - Annexure 3
		4	Distinguish between advice and intermediary services in terms of the FAIS Act.	K	FAIS Act - Sec 1 Definition of Advice FAIS Act - Sec 1 Definition of Intermediary Services FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 13(4) FSCA FAIS Notice 86 of 2018 – Exemption of Services under Supervision
		5	Describe the purpose and requirements of the register of Representatives.	K	FAIS Act - Sec 1 Definition of Representative FAIS Act - Sec 13 FAIS Act - Sec 13(3) FAIS Act - Sec 13(4) FAIS Act - Sec 13(5) FSCA FAIS Notice 1 of 2018 - Form FSP 5



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		6	Explain when a Representative should be under supervision.	K	FSCA FAIS Notice 86 of 2018 – Exemption of Services under Supervision FAIS Act - Sec 8 BN 194 of 2017 - Sec 12 BN 194 of 2017 - Annexure One
		7	Explain the disclosure requirements for a Representative under supervision.	K	FSCA FAIS Notice 86 of 2018 – Exemption of Services under Supervision FSCA FAIS Notice 86 of 2018 – Exemption of Services under Supervision Sec – 6(1)(c) revision
		8	Describe the implications if a Representative no longer meets the Fit and Proper requirements.	K	FAIS Act - Sec 14 BN 194 of 2017 - Sec 23 BN 194 of 2017 - Sec 52
		9	Define the purpose of debarment.	K	FAIS Act - Sec 14 FSR Act – Sec 153(1)
		10	Describe when debarment should be considered.	K	FAIS Act - Sec 13 FAIS Act - Sec 13(2) FAIS Act - Sec 14 FAIS Act - Sec 44 BN 194 of 2017 - Sec 22(1)(b)(i) BN 194 of 2017 - Sec 25(1)(b)(i) BN 194 of 2017 - Sec 28(3) FSR Act – Sec 153(1)
		11	Explain the debarment process that should be followed in the event of a possible contravention of the FAIS Act.	K	FAIS Act - Sec 14 FAIS Act - Sec 14(1) & (3) Guidance notes on Debarment 1 of 2019 FSR Act - Sec 153 FSCA FAIS Notice 17 of 2018
		12	Explain what recourse a debarred Representative may have.	K	FAIS Act - Sec 39 BN 82 of 2003 - Sec 2(b) FSR Act – Sec 153 FSR Act – Sec 230