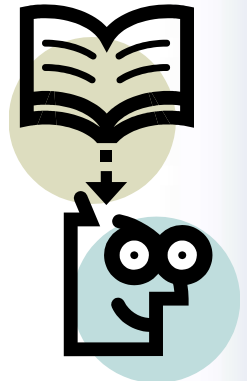


# **FAIS 2010**

Charene Nortier

# Qualifications

- KI & Sole Proprietor:
  - Must meet qualification (not entry level) at application for authorisation/ approval
- Representative:
  - Entry level at appointment
    - Cat I & IV: Matric or equivalent
    - Cat II, IIA & III: Bachelors degree or equivalent
  - 5 Years from appointment to obtain qualification
  - Different qualifications recognised
  - Services under supervision applies



# Qualifications: Cat I & IV

- Entry level qualification – Representatives
  - Matric
  - Grade 12
  - Equivalent certificate @ NQF level 4
  
- Cat 1.1. & 1.19:
  - ABET level 1 or
  - Proven ability to:
    - Read
    - Write
    - Calculate

# Qualifications Cat II, IIA & III

- Representatives –
  - qualification from list at entry
  - Unless exemption published – then entry level qualification
  - No exemption published

# Regulatory Examinations

- Unlimited attempts
- Level 1:
  - Sole Proprietor & KI: At application for authorisation/ approval
  - Rep: within 2 years of appointment
  - Legislation: FAIS, FICA, Codes of Conduct
- Level 2:
  - Product Specific
  - Similar types are grouped together
  - May write multiple examinations
  - Within 6 years of appointment



# Level 1 examinations

- Deals with legislation:
  - FAIS Act
  - FICA Act
  - General Code of Conduct
  - Regulations to FAIS Act
  - Fit and Proper
  - Specific Codes (Administrative & Discretionary)
- Who writes:
  - Key individuals & sole proprietors
  - Representatives

# Level 2 examinations

- Deals with:
  - Product category specific aspects
- Write in capacity as:
  - Sole proprietor FSP
  - Representative

## The EB's:

- ◆ South African Institute of Financial Markets (SAIFM)
- ◆ Financial Planning Institute (FPI)
- ◆ Moonstone Information Refinery
- ◆ Institute of Bankers / Leselo

# Regulatory Examinations

The screenshot displays the Financial Services Board (FSB) website in Internet Explorer. The browser's address bar shows the URL <http://www.fsb.co.za/>. The page features a navigation menu at the top with categories: Actuarial Information Center, Capital Markets Inspectorate, C.I.S. Insurance, Communication Legal Policy, Consumer Education Market Abuse, and FAIS Retirement Funds. A document search bar is located below the navigation menu, with a dropdown menu set to 'ALL' and a 'Find!' button.

The main content area is titled 'FAIS DIVISION' and includes a sidebar on the left with links to various sections: Legislation, Complaint Form, Appeal Board, Enforcement Committee, Latest News, Media Releases, Publications, Regulated Industries, Useful Links, Access To Information, Home, and Contact Us.

The main content area is organized into several sections:

- About the FAIS Division**
  - Service Level Commitment (Comments)
- Searches**
  - Search for debarred representatives
  - List of Approved Compliance Officer
  - Search for Compliance Officers
  - Search for Financial Services Providers
  - Search for Part qualifications recognitions
- Fit and Proper requirements**
  - Fit and Proper Plain language guides
  - Fit and Proper Requirements
  - Fit and Proper Qualifications Application
  - Regulatory Examinations
  - Regulatory Examinations: Trials (Testing of Questions)
- Registration Department**
  - New Licence Applications
  - Profile Changes
  - Schedule of fees payables
  - Excel spreadsheet for submitting of representatives (Last Modified 14/12/2009)
  - Levies payable by financial services providers
- Supervision Department**
  - Financial Statements and Audit Requirements
  - Compliance Reports
  - Online submissions compliance reports and financial statements
  - FAIS Compliance report online user guide
- Enforcement Department**
  - Form and Manner of Debarment Notification for representatives (.DOC) (.PDF)
  - Withdrawn and suspended licences – Board Notices

A blue arrow points to the 'Regulatory Examinations' link in the 'Fit and Proper requirements' section.

The Windows taskbar at the bottom shows the Start button, several open applications including 'Inbox - Microsoft...', 'Deleted Items...', 'Microsoft Power...', 'Board notices', and 'BIS 106 of 15 Oc...', and the system tray with the date and time '7:04 AM'.

# Trial Exams

Financial Services Board Internet Site - Windows Internet Explorer provided by FSB

http://www.fsb.co.za/

Financial Services Board

Actuarial Information Center | Capital Markets Inspectorate | C.I.S. Insurance | Communication Legal Policy | Consumer Education Market Abuse | FAIS Retirement Funds

Document Search: ALL [Find]

You can be involved in two stages of this development process:

### 1. Trials of regulatory examinations

The **purpose of the trials** is to ensure that the questions that are used to create the pool of examination questions will produce results that are fair, valid and reliable. The focus of the trials will be to check that the questions are developed in plain language and are understandable. Candidates participating in these trials will be requested to provide additional feedback on how they have experienced the questions.

Candidates that have participated in the trials will be given preferential access to the pilot examinations, and will therefore be able to write the regulatory examination free of charge and retain the result of the regulatory examination.

### 2. Pilot of regulatory examinations

The **purpose of the pilot examinations** will be to assess the overall composition of the examinations. All candidates participating in the pilots will be able to write the regulatory examinations at no cost. The candidates will also be awarded the result of the regulatory examinations. This means if the candidate "passed" the pilot regulatory examination then the result will be viewed as valid and will be recorded by the Financial Services Board. Unsuccessful candidates will have to repeat the examination when it becomes available.

### CONTENT

The regulatory examinations are based on qualifying criteria published in the Gazette. For the trials all questions will be tested in batches of fifty to eighty questions at a time. The number of trial sessions will vary according to the number of questions that will make up the item bank for that regulatory examination. Responses to questions will be analysed to identify questions that may be problematic in one way or another. Such questions will be revised and corrected.

### PROCESS

The trial process is dependent on industry participation and cooperation from the industry will be integral to the successful completion of the trials. While the examination bodies recognise the demands that this makes on employers and employees, it must be seen as being ultimately in the best interests of the industry. A trial session is likely to be two hours long.

### Booking for the trial regulatory examinations

In order to book for the various trial regulatory examinations that are currently available, please click on the following link: [Trial Examination](#)

Please complete all the relevant information. The examination body will contact you directly to confirm your booking.

**Please note:** You may participate in more than one trial. Please monitor the website for updates on additional regulatory examination trials that becomes available.

Please note that seats are limited and will be allocated on a first-come-first-serve basis. The FSB reserves the right to waitlist or decline any booking if the available capacity has been exceeded.

Local Intranet | 100%

start | iBook - Firefox... | Deleted Items... | Microsoft Power... | board notices | IN 106 of 15 Dec... | Financial Serv... | 7:15 AM

# CPD

- Sole Proprietors, KIs and Reps
- Applies after Competence requirements are met
- 15 – 60 hours over a 3 year cycle
- Variety of activities recognised
- Log with FSB:
  - As part of rep register; or
  - Individual log via website

# Operational Ability

- Expanded from previous version
- Affects Cat I to IV FSPs and KIs
- 12 months after effective date of BN 106:
  - BN 106: 31 Dec 2008
  - Thus
  - Effective 1 January 2010

# Financial Soundness

- Expanded from previous version
- Affects Cat I to IV FSPs
- 24 months after effective date of BN 106:
  - BN 106: 31 Dec 2008
  - Thus
  - Effective 1 January 2011

# Financial Soundness

- Cat I – no premiums collected
  - Assets exceed liabilities
- Cat I – collect premiums/ hold assets
  - Assets exceed liabilities
  - Current assets to meet current liabilities
  - Liquid assets – 4/52 weeks annual expenditure

# Financial Soundness

- Cat II & IV
  - Assets exceed liabilities
  - Current assets to meet current liabilities
  - Liquid assets – 8/52 weeks annual expenditure

# Financial Soundness

- Cat IIA & III:
  - Assets exceed liabilities with R3million
  - Current assets meet current liabilities
  - Liquid assets – 13/52 of annual expenditure
- If multiple categories:
  - Meet most onerous requirement only

# Transitional arrangements

- 2004 – 2007:
  - Qualification: **31/12/2009**
  - RE1: 31/12/2011
  - RE2: 31/12/2013
  
- 2008 & 2009:
  - Qualification choices:
    - As per BN 91 of 2006 31/12/2011
    - As per BN 106 of 2008 31/12/3013
  - RE1: 31/12/2011
  - RE2: 31/12/2013
  
- Operational Ability: **31/12/2009 (1/1/2010)**
  
- Financial Soundness: 31/12/2010 (1/1/2011)