

Sector body welcomes watchdog's exams for financial advisers

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NEW regulatory exams to test financial advisers' knowledge of the regulations governing the financial services industry are a positive move to make the sector more professional, says the Financial Intermediaries Association of Southern Africa.

Manie Booysen, CEO of the association, said yesterday the examinations being implemented by the

Financial Services Board were also necessary to safeguard the interests of consumers.

"These exams are being introduced not to catch advisers out but to ensure that everybody is operating with the same level of knowledge and competence in the industry," said Mr Booysen.

SA's financial advisers would be compelled to write a regulatory examination dealing with the legislative framework that governed

financial services providers. A second set of exams had been introduced on those financial products for which advisers were licensed.

Gerry Anderson, chief operations officer of the Financial Services Board, recently said timelines had been set for the exams.

The deadline for the compulsory level 1 regulatory examination, which tests an adviser's knowledge of the regulations governing the industry, is December. That for level

2 exams, which test specific product knowledge and application is December 2013. Some advisers can be exempted from the level 2 exams based on their qualifications.

Mr Booysen said the financial intermediaries association had been regularly engaging the Financial Services Board on various issues relating to the exams. He said the board confirmed it was closely monitoring the implementation of the exams and that it might make appro-

priate recommendations if the implementation could not accommodate all those affected.

Seamus Casserly, president of the association, said it was important to realise that the regulator had no intention to deviate from the current regime, which they believed was in the interests of the consumer.

"We cannot defend intermediaries who consider their commission income to be more important than the interests of their clients. Neither

can we excuse those intermediaries who deliberately fail to exercise the necessary degree of care by not researching the appropriateness of their advice."

He pointed out that continuing education was a requirement of many professions. Given the importance of a financial adviser's role to consumers, it was a reality that intermediaries would always need to learn and adapt, said Mr Casserly.

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