

FIA welcomes FSB decision to extend RE level 1 deadline

The decision by the Financial Services Board (FSB) to delay the deadline by which those operating in the financial services industry need to have completed and passed the Level 1 regulatory exam has been welcomed by the Financial Intermediaries Association of Southern Africa (FIA).

In a circular issued by the FIA, the regulator announced that following constructive talks with the FIA and other industry bodies the 31 December 2011 deadline for the completion of the Level 1 exam has been extended to 30 June 2012 with a rewrite deadline of 30 September 2012.

According to Arnold van der Linde, Vice President of the FIA, the decision follows extensive engagement and discussion with regards to the examinations between the FIA and the FSB.

"We wholeheartedly agree with the decision to delay the deadline for the Level 1 examinations.

"According to latest estimates only around 14% of the industry has yet written

the exam and it is critical that all financial advisers are given ample time to both prepare for and write these important exams.

"However, it must also be recognised that while we agree with the extension of the deadline, the FIA also continues to support the principles underpinning the regulatory exams and the FSB in its attempt to professionalize the financial planning, insurance and investment industry."

Previous discussions between the FIA and the FSB also led to the regulator offering the exam in Afrikaans.

Van der Linde says news that the FSB is also investigating the possibility of reducing the cost of rewriting an exam is a positive step for any advisers who are required to do so.

"While we recognise that the roll-out of these examinations is a costly process for all parties concerned, it is extremely positive if this cost can be reduced. In its statement, the FSB said it will not be lowering the pass mark from the current 65/66%

as it believes this will defeat the purpose of the exams.

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concerns over the current pass mark with the current pass mark with the FSB and stated the reasons why we believe a small adjustment in the pass mark would have a very positive impact on the industry.

However, we do also realise that the FSB has a duty to ensure the quality of the examination."

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Feedback received from members in the meantime points to a marked increase in success with the exams, with pass marks as high as 94%.

The major contributing factor for this success points to better preparation for the exams, especially studying the qualifying criteria and the relevant texts of legislation applicable to the qualifying criteria.

Feedback also confirms that the removal of ambiguous and double negative questions from the question data bank has a positive outcome on results achieved in the exams.