

---

## BOARD NOTICES

---

### BOARD NOTICE 260 OF 2013

#### FINANCIAL SERVICES BOARD

#### FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (ACT NO. 37 OF 2002)

#### AMENDMENT OF FIT AND PROPER REQUIREMENTS AND ACCOMPANYING MEASURES, 2013

I, Caroline Dey da Silva, the Deputy Registrar of Financial Services Providers, after consultation with the Advisory Committee on Financial Services Providers, hereby under-

- (a) section 8(1) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), amend the Determination of Fit and Proper Requirements for Financial Services Providers, 2008, as set out in the Schedule; and
- (b) paragraph 5 the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008, amend that Exemption as set out in the Schedule.



**CD da Silva**  
*Deputy Registrar of Financial Services Providers*

**SCHEDULE****AMENDMENT OF FIT AND PROPER REQUIREMENTS AND ACCOMPANYING MEASURES, 2013****Definitions**

## 1. In this Schedule-

**'Fit and Proper Requirements'** means the Determination of Fit and Proper Requirements for Financial Services Providers, 2008;

**'Exemption of Services under Supervision'** means the Exemption of Services under Supervision in terms of Requirements and Conditions, 2008; and

**'Determination of Qualifying Criteria and Qualifications'** means the Determination of Qualifying Criteria and Qualifications for Financial Services Providers, Number 1 of 2008.

**Amendment of Fit and Proper Requirements**

## 2. (a) Paragraph 1(1) in Part I of the Schedule to the Fit and Proper Requirements is hereby amended-

- (i) by the substitution of the definition 'administration of assistance policies' of the following definition:

**"administration of assistance policies'** means work performed by a person relating to the offsetting of claims, processing of claims or payment of fees or commission in respect of an assistance policy;"

- (ii) by the substitution of the definition 'Assistance Business FSP' of the following definition:

**"Assistance Business FSP'** means a person that performs the administration of assistance policies and includes a person who is a binder holder as defined in the Regulations under the Long-term Insurance Act, 1998, where such administration is performed by that binder holder;" and

- (iii) by the insertion after the definition of 'Assistance Business FSP' of the following definition:

**"assistance policy'** means an assistance policy as defined in section 1 of the Long-term Insurance Act, 1998;"

- (b) Part VI of the Schedule to the Fit and Proper Requirements is hereby amended by the deletion of subparagraphs 1(f) and (g) of paragraph 6.

**Amendment of Exemption of Services under Supervision**

## 3. (a) The Schedule to the Exemption of Services under Supervision is hereby amended-

- (i) by the substitution of subparagraph (c) of paragraph 3 of the following subparagraph:

“(c) the first and second level regulatory examinations requirements referred to in subparagraphs (2)(c) and (3)(c) of paragraph 6 of the Determination of Fit and Proper Requirements, 2008;

Provided such provider complies with the requirements and conditions in paragraph 4 below.”; and

(ii) by the substitution of subparagraph 6(e) of paragraph 4 of the following subparagraph:

“(e) the representative must-

- (i) successfully complete the relevant first level regulatory examination by 30 June after the expiry of 24 months from the date of first appointment as a representative;
- (ii) successfully complete the relevant second level regulatory examination(s) by 30 June after the expiry of 72 months from the date of first appointment as a representative; and
- (iii) obtain the relevant qualification by 30 June after the expiry of 72 months from the date of first appointment as a representative; and”.

#### **Amendment of Qualifying Criteria and Qualifications**

4. Annexure 1 of the Determination of Qualifications and Qualifying Criteria is hereby amended-

(a) by the substitution of the index of Annexure 1 of the following index:

##### **“ANNEXURE 1: QUALIFYING CRITERIA**

- Section 1:** First Level Regulatory Examination: FSPs (sole proprietors) and Key Individuals in Categories I, II, IIA, III and IV
- Section 2:** First Level Regulatory Examination: FSPs (sole proprietors) and Key Individuals in Categories II and IIA
- Section 3:** First Level Regulatory Examination: FSPs (sole proprietors) and Key Individuals in Category III
- Section 4:** First Level Regulatory Examination: FSPs (Sole Proprietors) and Representatives
- Section 5:** Second Level Regulatory Examination: Long-term Insurance subcategory A, Friendly Society Benefits and Category IV
- Section 6:** Second Level Regulatory Examination: Short- and Long-term Deposits
- Section 7:** Second Level Regulatory Examination: Long-term Insurance subcategory C and Retail Pension Funds
- Section 8:** Second Level Regulatory Examination: Participatory Interests in Collective Investment Schemes
- Section 9:** Second Level Regulatory Examination: Securities and Instruments
- Section 10:** Second Level Regulatory Examination: Short-term Insurance: Personal Lines
- Section 11:** Second Level Regulatory Examination: Short-term Insurance: Commercial Lines
- Section 12:** Second Level Regulatory Examination: Health Care Benefits
- Section 13:** Second Level Regulatory Examination: Pension Benefit Funds
- Section 14:** Second Level Regulatory Examination: Category IV
- Section 15:** Second Level Regulatory Examination: Long-term Insurance subcategory B1
- Section 16:** Second Level Regulatory Examination: Long-term Insurance subcategory B2”; and

- (b) by the substitution of the heading and preamble of section 4 of the following heading and preamble:

**“Section 4: First Level Regulatory Examination: FSPs (sole proprietors) and Representatives**

All FSPs (sole proprietors) and representatives in relation to Categories I, II, IIA, III and IV must complete the first level regulatory examination based on the following qualifying criteria.”

**Short title and commencement**

5. This Notice is called the Amendment of Fit and Proper Requirements and Accompanying Measures, 2013, and comes into operation on 1 January 2014.