


**NOTICE 911 OF 2010****FINANCIAL SERVICES BOARD****COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002**

Under sections 42 (read with sections 48, 51, 53, 54, 64, 77, and 114(3)) of the Collective Investment Schemes Control Act, 2002, I, Dube Phineas Tshidi, Registrar of Collective Investment Schemes, hereby determine the application form for registration as a manager in this Notice. Annexure C contained in Notice 569 of 2003 is hereby replaced.



**DP TSHIDI**  
**REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES**

**"ANNEXURE C****APPLICATION FORM FOR REGISTRATION AS MANAGER****The Registrar of Collective Investment Schemes**

I, the undersigned, being chairperson / managing director of .....  
....., duly empowered thereto, hereby apply for the registration  
of the said company as a manager of a collective investment scheme in  
.....

I submit with the application, the following information:

**1. General information to be submitted**

- (a) A description of the company seeking registration as well as an organogram indicating the group structure and ownership of the company and a description of the main business of all the proposed shareholders (direct and indirect) of the proposed manager. The group structure must indicate which companies are operating or non-operating companies (i.e. holding company);

- (b) a current tax clearance certificate in respect of all of the proposed shareholders (direct and indirect) of the proposed manager;
- (c) full particulars of the collective investment scheme the company proposes to carry on and the manner in which it proposes to carry on such scheme;
- (d) an indication of the company's existing and proposed client base and an indication of the target market;
- (e) a business plan on how the marketing of the proposed scheme will be done;
- (f) the business objectives of the proposed scheme including the intended strategies to achieve these objectives and the different phases of achieving such objectives;
- (g) an indication of the portfolio(s) applied for with this application as well as those intended for the future;
- (h) the names and physical addresses of the chairperson, directors and managing director of the company together with their *curriculum vitae* (directors must also complete and submit Annexure B contained in the Determination of Fit and Proper Requirements and Conditions for Managers of Collective Investment Schemes, Notice 910;
- (i) the name of the proposed trustee for the scheme. The proposed trustee must complete and submit form CIS 2 which is obtainable from the FSB;
- (j) the name of the proposed auditor. The proposed auditor must complete and submit form CIS 3 which is obtainable from the FSB;
- (k) the name of the Financial Services Provider that will perform the asset management of the portfolio(s) and confirmation of its authorisation as such;
- (l) confirmation of the proposed manager's intention to become a member of the relevant industry association;
- (m) the names and *curriculum vitae* of all managerial staff responsible for the administration with specific reference to experience related to his/her responsibilities;
- (n) an indication of the pricing structure of each portfolio;
- (o) a copy of the memorandum and articles of association;
- (p) a pro-forma copy of the deed and of each supplemental deed;
- (q) motivations for the establishment of the portfolio(s) in accordance with Annexure E to General Notice 569 of 2003 determined by the registrar;
- (r) the proposed launch date(s);
- (s) such other information as the registrar may require; and
- (t) the prescribed fee.

## **2. Operational requirements of the proposed manager**

The following information must be provided:

- (a) The physical and postal address of the proposed manager;
- (b) Confirmation that the proposed manager has adequate access to communication facilities, including at least, a full-time telephone or cell phone service, typing and document duplication facilities;

- (c) Confirmation that the proposed manager has adequate storage and filing systems for the safekeeping of records, business communications and correspondence;
- (d) A full description of the administration systems (accounting system, investor record keeping and asset management systems and any other) to be used and confirmation from an independent auditor that such systems are capable of the administration of the scheme.

In the event of any part of administration as defined in the Act, being outsourced, kindly confirm:

- (i) Which functions will be outsourced;
  - (ii) To whom will these functions be outsourced;
  - (iii) Provide details of the process in place to ensure that the entity selected for any outsourced function is suitable and confirmation that the systems it uses are capable of performing the required functions; and
  - (iv) Confirm that written service level agreements are in place that complies with paragraph 5(2) of the Schedule as contained in Notice 910.
- (e) Provide this Office with an audit certificate confirming the following:
  - (i) that written internal rules are in place as required by the **Financial Intelligence Centre Act, 2001 (FIC Act)** or any other anti-money laundering legislation;
  - (ii) that processes are in place to ensure compliance with your identification, verification, record-keeping and reporting obligations under the FIC Act;
  - (iii) that anti-money laundering control policies, procedures and systems are in place;
  - (iv) that processes to incorporate any additional requirements as may be required under the FIC Act or any other anti-money laundering legislation are in place; and
  - (v) that a process is in place to train staff in relation to anti-money laundering legislation.

**3. Financial Soundness of the proposed manager and its shareholders (direct and indirect)**

The following information must be provided:

- (a) The latest audited annual financial statements in respect of the shareholders (direct and indirect) for the last 3 years;
- (b) A pro-forma capital adequacy return completed by the proposed manager with projected figures for its business operations;
- (c) Details of a feasibility study indicating projected cash-flow, income and expenditure of the manager for the first three years of the proposed manager; and

- (d) An indication of how the liquidity resources of the proposed manager will be managed.

**4. Management and supervision by the proposed manager**

Provide details on:

- (a) The proposed manager's standards on its internal organization and operational conduct that aim to protect the interests of investors and ensure proper management of risk.
- (b) How compliance will be monitored with these standards?
- (c) How business will be conducted in the interests of investors the integrity of the collective investment schemes industry?
- (d) How appropriate internal policies and procedures for compliance with relevant legislation and appropriate internal controls and risk management system will be ensured?
- (e) Whether the proposed manager has internal control structures, procedures and controls in place including the following:
- Segregation of duties and roles and responsibilities where such segregation is appropriate from an operational risk mitigation perspective;
  - application of logical access security;
  - access rights and data security on electronic data, where applicable;
  - physical security of the manager's assets and records, where applicable;
  - documentation relating to business processes, policies and controls, and technical requirements;
  - system application testing, where applicable;
  - disaster recovery and back-up procedures on electronic data, where applicable;
  - training for all staff regarding the requirements of the Act; and
  - a business continuity plan.
- (f) Whether the proposed manager has the necessary system controls and compliance measures in place to manage and monitor the relevant systems in use? Provide details.
- (g) Whether the proposed manager is able to record all financial and system procedures to ensure that it is able to report in terms of applicable accounting requirements.
- (h) Whether the proposed manager have general administration processing, accounting transactions and risk control measurements in place to ensure accurate, complete and timeous processing of data, information reporting and the assurance of data integrity.
- (i) The name of the compliance officer responsible for ensuring compliance with prudential requirements and also provide:

- (i) a detailed *curriculum vitae* of the compliance officer's qualification, experience, employment history and references which specifically relates to compliance. The *curriculum vitae* must include sufficient detail to satisfy the registrar that the compliance officer has the necessary skills and experience with regard to collective investment schemes;
- (ii) in a separate Annexure indicate:
- how the compliance officer gained sufficient and appropriate knowledge of the Act;
  - details of how the compliance officer will ensure that he/she will function independently and objectively from the manager;
  - details of the operational ability of the compliance officer (e.g. does the compliance officer has adequate resources available to ensure proper compliance monitoring of the collective investment scheme's business); and
  - details on the compliance officer's monitoring plan.

**5. Risk management by the proposed manager**

- (a) Does the proposed manager have a documented risk management plan?
- (b) How often will periodic evaluation of risk management be executed to ensure compliance with all relevant legislation and provide detail on the how it will be done?
- (c) Explain who will be responsible for the execution of such periodic evaluation?
- (d) Does the proposed manager have appropriate resources, procedures and technological systems that can reasonably be expected to eliminate the possible risk that investors may incur through theft, fraud, other dishonest acts, poor administration, negligence, professional misconduct or culpable omissions and to protect the interests of investors?
- (e) In a separate annexure provide details as to how the risk management plan is monitored.

**6. Complaint resolution by the proposed manager**

Does the proposed manager have a complaints policy and resolution system in place that complies with paragraph 9 of the Schedule as contained in Notice 910?

.....  
**CHAIRPERSON/MANAGING DIRECTOR**

Address: .....

.....

.....

Date: .....<sup>11</sup>