

Appendix B: Knowledge Criteria for key individuals

Task 1: Demonstrate understanding of the FAIS Act as a regulatory framework

Describe the FAIS act and subordinate legislation.	Par 1.1 Par 10.1	<input type="checkbox"/>
Describe the requirements when interaction between FSPs takes place.	Par 1.6.9	<input type="checkbox"/>
Explain in general which departments of FSCA's office deal with which FSP matters.	Par 1.6.1	<input type="checkbox"/>
Explain what the correct format of communication with FSCA is.	Par 4.5 Par 9.10	<input type="checkbox"/>
Explain what processes are required to remain updated with regard to published changes to legislation that will affect the FSP	Par 4.10.2	<input type="checkbox"/>

Task 2: Define financial products and financial services

Provide an overview of the financial services and different types of financial products and FSP can deal with	Par 1.5	<input type="checkbox"/>
Explain the different financial products with examples of products in each category.	Par 1.5.1	<input type="checkbox"/>

Task 3: Maintain the license of the FSP

Describe the requirement for licensing of an FSP	Par 4.2	<input type="checkbox"/>
Describe the requirements for the changing any aspect of an FSP license	Par 4.5	<input type="checkbox"/>
Explain the impact of licensing conditions on an FSP.	Topic 4	<input type="checkbox"/>
Describe what changes to the FSP licensing details must be communicated to FSCA.	Topic 4.5	<input type="checkbox"/>
Describe the implications for the FSP if any of the licensing conditions are not met.	Par 4.11	<input type="checkbox"/>
Discuss the requirements around the display of licenses.	Par 4.10.1	<input type="checkbox"/>
Explain the implication when a Key Individual leaves the employ of an FSP.	Par 8.1	<input type="checkbox"/>
Explain what the implications are for a key individual and/or FSP if an accreditation is suspended or withdrawn or lapsed in terms of the Medical Schemes Act, 1998.	Par 4.14	<input type="checkbox"/>
Explain what levies are payable to FSCA and when should this be paid.	Par 4.8	<input type="checkbox"/>
Explain the reasons why a license can be suspended or withdrawn.	Par 4.11.2 Par 4.11.3	<input type="checkbox"/>
Describe the conditions under which suspensions, withdrawals and reinstatements of authorisation may be imposed.	Par 4.11	<input type="checkbox"/>
Explain what recourse an FSP has where its license has been withdrawn.	Par 4.11.2 (iii)	<input type="checkbox"/>
Discuss why a license would be lapsed.	Par 4.12	<input type="checkbox"/>
Describe how lapsing a license differs from suspension or withdrawal of a license.	Par 4.12	<input type="checkbox"/>
Discuss the effect of voluntary sequestration, winding up or closure of a business on its licensing status.	Par 4.17	<input type="checkbox"/>
Describe the requirements where business rescue or application by Financial Sector Conduct Authority for sequestration or liquidation takes place.	Par 3.4 Par 3.5	<input type="checkbox"/>
Explain what is meant by undesirable practices.	Par 3.2	<input type="checkbox"/>
Describe the implications for an FSP if FSCA publishes a notice regarding an undesirable business practice.	Par 3.2	<input type="checkbox"/>
Explain the reparation measures available to FSCA if an FSP continues with undesirable business practices.	Par 3.2.2	<input type="checkbox"/>

Explain the implication where FSCA issues a directive.	Par 3.3	<input type="checkbox"/>
Describe the process of on-site inspections by FSCA.	Par 3.6	<input type="checkbox"/>
Describe the FAIS Act offences.	Par 4.11	<input type="checkbox"/>
Define the recourse that an FSP has in the event of a decision made by FSCA.	Par 4.11.2 (iii)	<input type="checkbox"/>
Explain the process of enforcement as provided for in legislation.	Par 4.11 4.15 4.16	<input type="checkbox"/>

Task 4: Operate as a key individual in terms of the FAIS act

Describe the roles and responsibilities of key individuals as defined in the FAIS Act.	Par 1.6.7 Par 8.2	<input type="checkbox"/>
Explain the requirements for licensing by FSCA for the role of the key individual.	Par 8.3	<input type="checkbox"/>
Describe the regulated management and oversight responsibilities of a key individual.	Par 8.2	<input type="checkbox"/>
Explain the controls required to ensure sufficient management and oversight of the financial services that are rendered.	Par 8.4.3	<input type="checkbox"/>
Explain when a key individual can commence acting as a key individual.	Par 8.3	<input type="checkbox"/>
Describe the good standing, honesty and integrity requirement for a key individual,	Par 8.4.2	<input type="checkbox"/>
Explain what the implications are for the key individual should the key individual no longer meet the good standing, honesty and integrity requirements.	Par 8.1 8.4.2	<input type="checkbox"/>
Describe the competency requirement for a key individual	Par 8.4.4	<input type="checkbox"/>
Describe the on-going training and development requirements for key individuals.	Par 4.7.4 Par 8.4.5	<input type="checkbox"/>

Task 5: Manage and oversee the operational ability of the FSP

Describe the operational ability requirements prescribed in the FAIS act.	Par 4.6.3	<input type="checkbox"/>
Describe the financial soundness requirement for an FSP	Par 4.6.2	<input type="checkbox"/>
Describe the requirement when outsourcing a function relating to financial services	Par 4.6.3 (iii)	<input type="checkbox"/>

Task 6: Adhere to the General Code of Conduct

Describe the general and specific duties of a provider.	Par 10.2	<input type="checkbox"/>
Describe the processes that need to be in place to manage conflict of interest,	Par 10.8.1 Par 10.8.3	<input type="checkbox"/>
Describe what could possibly be a conflict of interest.	Par 10.8	<input type="checkbox"/>
Define what needs to be in a conflict of interest management policy.	Par 10.8.4	<input type="checkbox"/>
Explain the disclosures that must be before rendering a financial service.	Par 10.5 Par 10.12.1 Table 10.1	<input type="checkbox"/>
Explain the disclosures that need to be made when rendering a financial service.	Par 10.12.2 Par 10.12.3	<input type="checkbox"/>
Explain the requirements for an FSP when custody of financial products and funds occurs.	Par 10.9	<input type="checkbox"/>
Explain the requirements of the General Code of Conduct for FSPs and Representatives relating to risk management and insurance.	Par 10.19	<input type="checkbox"/>
Explain the requirements of the General Code of Conduct relating to marketing and advertising.	Par 10.21	<input type="checkbox"/>
Explain the manner in which complaints are to be handled by the FSP.	Par 10.21	<input type="checkbox"/>

Task 7: Manage and oversee the compliance function as required by the FAIS Act

Describe the compliance arrangements required by the FSP.	Par 4.9 Par 9.1	<input type="checkbox"/>
Explain the requirements of the compliance function within the FSP.	Par 1.6.10	<input type="checkbox"/>
Describe when a compliance officer should be appointed.	Par 1.6.10	<input type="checkbox"/>
Explain the requirements for approval of a Compliance Officer by FSCA.	Par 9.3	<input type="checkbox"/>
Describe the role and function of a Compliance Officer.	Par 9.2	<input type="checkbox"/>
Explain why it is important for the Compliance Officer to be/act independent from the management of the FSP.	Par 9.9	<input type="checkbox"/>
Explain why it is important for the Compliance Officer to be able to avoid conflicts of interest regarding the execution of their duties.	Par 9.9	<input type="checkbox"/>
Demonstrate understanding of the content of the compliance report to be able to sign it off.	Par 9.10	<input type="checkbox"/>
Explain what internal audit and control functions are required to enable the CO to function in a manner ensuring that no actual or potential conflicts of interests arise about the duties and functions of other employees.	Par 9.9	<input type="checkbox"/>

Task 8: Comply with regulated record keeping requirements

Explain the record keeping obligations as imposed by the FAIS Act and FIC Acts	Par 4.10.3 Par 11.6.2	<input type="checkbox"/>
Describe the requirements imposed when record keeping is outsourced to a third party	Par 4.6.3 (iv)	<input type="checkbox"/>
Explain the requirements regarding records and the maintenance thereof in terms of other applicable legislative requirements, including FICA	Par 4.10.3 Par 4.7.2 (i) Par 10.6	<input type="checkbox"/>
Explain what the security requirements for these records are in terms of confidentiality and access to records	Par 10.15 Par 4.6.3 (i)	<input type="checkbox"/>

Task 9: Manage and oversee the accounting and auditing requirements

Describe the accounting and auditing requirements prescribed by the FAIS Act.	Par 4.10.5	<input type="checkbox"/>
Describe the requirements for appointing an auditor or accounting officer.	Par 4.10.5	<input type="checkbox"/>

Task 10: Manage and oversee the requirements of the FIC Act and Money Laundering and Terrorist Financing control regulations, as it applies to the FSP.

Explain the requirements specific to an FSP prescribed by the FIC Act	Topic 11	<input type="checkbox"/>
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Task 11: Deal with complaints that have been submitted to the Ombud for FSPs

Explain the role and authority of the Ombud for FSPs.	Topic 2	<input type="checkbox"/>
Discuss the obligations of the FSP in respect of an investigation conducted by the Ombud for FSPs.	Par 2.4	<input type="checkbox"/>

Task 12: Define the role of the representative in terms of the FAIS Act.

Describe the roles and responsibilities of representatives as defined in the FAIS Act.	Par 1.6.8 Par 5.1	<input type="checkbox"/>
Explain when an individual must be appointed as a representative in terms of the FAIS Act.	Par 1.6.6	<input type="checkbox"/>
Describe the purpose and requirements of the register of representatives.	Par 5.2	<input type="checkbox"/>

Task 13: Manage and oversee the appointment of representatives.

Explain what needs to be in place when appointing a representative.	Par 4.6.3 (v)	<input type="checkbox"/>
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Task 14: Manage the rendering of services under supervision

Explain when representatives can act under supervision.	Topic 6	<input type="checkbox"/>
Describe the supervision requirements that must be in place when representatives act under supervision.	Topic 6	<input type="checkbox"/>

Task 15: Manage and oversee the representatives appointed by an FSP

Describe the ongoing Fit and Proper requirements that apply to representatives in terms of the legislation.	Topic 5	<input type="checkbox"/>
Explain the implications if a representative no longer meets the fit and proper requirements.	Par 7.2	<input type="checkbox"/>

Task 16: Debar representatives that have failed to comply with any provision of the FAIS Act in a material manner

Discuss the purpose of debarment.	Par 7.2	<input type="checkbox"/>
Describe when the debarment of a representative should take place.	Par 7.2	<input type="checkbox"/>
Explain the debarment process that should be followed in the event of a possible contravention of the FAIS Act.	Par 7.5.2	<input type="checkbox"/>
Explain the timeframe and process to notify FSCA of a debarment.	Par 7.5.7	<input type="checkbox"/>