

FINANCIAL SERVICES BOARD



FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (“FAIS ACT”)

FAIS CIRCULAR 4/2010 DATE: 31 MAY 2010

Circular on Submission of 2010 Compliance Reports

1. Background

Section 17(4) of the FAIS Act requires that:

“A compliance officer or, in the absence of such officer, the authorised financial services provider concerned, must submit reports to the registrar in the manner and regarding the matters, as from time to time determined by the registrar by notice in the Gazette for different categories of compliance officers, after consultation with the Advisory Committee.”

The Compliance Reports for 2010 were published on 31 May 2010 as the following Board Notices:

76 of 2010	Category I without a compliance officer
77 of 2010	Category I with a compliance officer
78 of 2010	Category II, IIA and forex authorised FSPs
79 of 2010	Interim Category IIA
80 of 2010	Category II and forex authorised FSPs
81 of 2010	Category III FSPs
82 of 2010	Interim Category III FSPs
83 of 2010	Category IV FSPs
84 of 2010	Foreign FSPs
85 of 2010	FSPs changing or appointing Compliance Officers, 2010 (Hand-over report)

2. General

The reporting dates for the 2010 Compliance Reports are as follows:

Type of FSP	Reporting Date	Submission Date
Category I FSP without Compliance Officer	31 December 2010	28 February 2011
Category I FSP with Compliance Officer	31 May 2010	15 August 2010
Category II and Forex Authorised FSPs	31 August 2010	31 October 2010
Category II, IIA and Forex Authorised FSPs (Annual)	31 May 2010	30 June 2010
Interim compliance report for Category IIA FSPs	31 August 2010 30 November 2010 28 February 2011	30 September 2010 31 December 2010 30 March 2011
Category III FSPs (Annual)	30 June 2010	31 July 2010
Category III FSPs (Interim report)	31 December 2010	31 January 2011
Category IV FSPs	31 August 2010	31 October 2010
Foreign FSPs	31 August 2010	31 October 2010
Handover report		One month after the FSP was informed of resignation

In the case where an entity is authorised for more than one category, only one annual report needs to be submitted. Please note that the FSP in respect of Category I, II, IIA and III will need to submit the report that applies to the highest category that appears on the license. For example; an FSP that is licensed for Category I and II only need to submit the Category II report. In the case where an FSP is only licensed as a Category IV FSP, the Category IV report must be submitted.

The handover report does not need to be submitted if the FSP appoints another compliance officer from the same compliance practice. In the case where an FSP that did not have a compliance officer, appoints a compliance officer, the handover report must be submitted by the key individual or the sole proprietor. In the case where a profile change is requested to change the compliance officer on our system, the handover report must be submitted at the same time, if it was not done electronically.

Please note that reports can only be submitted **after** the reporting date. The hardcopy reports are published on our website www.fsb.co.za/ FAIS/ Compliance Reports or can be obtained from the Government Printers.

The Compliance Report can be submitted either in hardcopy format or online. We want to encourage all FSPs to make use of the online submission to speed up the process. In the case of hardcopy submissions, the Registrar only accepts reports completed on the Board Notice that is posted, couriered or hand delivered at our offices. **No other hardcopy format will be accepted. No faxes of hardcopy report are accepted.**

The software programme used for the 2005 to 2008 Compliance Reports for electronic submission is no longer available for use due to problems being experienced with later versions of operating systems on compliance officers' personal computers.

3. Online Submission

The online system entails the following:

Step 1:

The online mechanism can be accessed on our website www.fsb.co.za/FAIS/ Compliance Reports/Online Submission of Compliance Reports.

Step 2:

Log in with your identity number, which is registered on the FAIS system. Please check whether the e-mail address that appears on the screen, is correct. If incorrect, you will not receive the password.

Already registered for the software for previous submissions?

You don't need to register again, use your validation code that was sent to you, as initial password. Click on "Forgot password" button if you don't have it anymore and it will resend the code to your email address that appears on the screen. It is advisable to change the password when you logon to the system to an easier password that you will be able to remember.

If you have not registered for the online submission?

Click on the register button first, follow the procedure and use the validation code that will be sent to you in order to logon.

After successful authentication by the system, the user is allowed to type the relevant Compliance Report data directly into the database of the FSB via the web front-end provided by the online mechanism.

Step 3:

You can change your password, once you are logged in. Should you forget your password, click on "Forgot password" button and the system will resend the code to your email address, as it appears on the screen.

Step 4:

A list of all the FSP's you act as compliance officer for will appear in a drop down list. Select the one you want to enter a Compliance Report for, type in the year of the report, and submit.

Step 5:

The report will be displayed on the next screen. Make sure you submit the sections that you can select on the right hand side of the screen, one by one. You should save your work regularly to avoid losing the changes made if there should be an interruption in the internet link. The system will time out after two minutes of not being used. Any unsaved data will be lost.

A new feature this year is the completion of separate screen for the Rand Amounts required to be submitted relating to questions such as the extent of the professional indemnity insurance cover the FSP holds as well as any numeric amounts required in certain questions. Please refer to the user manual for detail on how to use this section.

Step 6:

Upload your annexures by clicking on the "Attachments" button.

Step 7:

Click on the "Validate" button.

If any built-in validations fail, the user is notified immediately by the system, in order to allow for corrective action. The immediate validations of the online mechanism stand in contrast with the delayed validations of the previous package where the users only received an e-mail that specified the validations after the data had been imported into the FSB's database. The user should resolve the validations as the FSB will not accept the report if there are validation errors.

Step 8:

Final submit.

As soon as the report is accepted, an e-mail notification will be sent within 48 hours after submission. This notification must be kept for proof of submission.

We encourage all FSPs and Compliance Officers to use the online system and to send an e-mail to faiscomp1@fsb.co.za if you experience any difficulty in using the system or have any queries.

Please remember to retain a copy of the report for your own records. Should you require a copy of the report after it has been submitted to this Office, it can be requested on the online submission system under "Queries". A Word format will then be e-mailed to the e-mail address used to log into the system.

Due to high volumes of reports being submitted at the end of each submission period, you are encouraged to attempt to submit the reports before the end of the submission period. Past experience has indicated that the electronic submission system becomes overloaded over the last three days before the submission period ends.

Please note the **no extensions** for submission of compliance reports will be given. In terms of section 41(2) (a) of the FAIS Act a penalty for late submission may be charged.

Direct any queries to our call centre at 0800110443/ 0800202087.

Yours sincerely

Pp REGISTRAR OF FINANCIAL SERVICES PROVIDERS