

BOARD NOTICE OF 2003

FINANCIAL SERVICES BOARD

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

**APPLICATIONS BY REPRESENTATIVE BODIES
FOR RECOGNITION BY THE FINANCIAL SERVICES BOARD**

I, Jeffery van Rooyen, Registrar of Financial Services Providers, hereby determine, under section 6(4)(b) of the Financial Advisory and Intermediary Services Act, 2002 (Act No 37 of 2002), that applications by representative bodies under the said section for recognition by the Financial Services Board established by section 2 of the Financial Services Board Act, 1990 (Act No. 97 of 1990), under section 6(3)(a)(iii) of the said firstmentioned Act, must be submitted in writing in a format (including an electronic format readily and correctly retrievable in written form) substantially conforming to the application form set out in the Schedule.

This Notice comes into operation on

J. VAN ROOYEN,

Registrar of Financial Services Providers

SCHEDULE

APPLICATION TO THE FINANCIAL SERVICES BOARD FOR RECOGNITION AS A REPRESENTATIVE BODY UNDER SECTION 6(3)(a)(iii) OF THE FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (hereunder referred to as "the Act")

Instructions on how to complete the form:

a. This application form with the relevant attachments must be submitted to:

The Registrar of Financial Services Providers
Financial Services Board
Postal address: PO Box 35655, Menlo Park, 0102
Telephone and facsimile numbers (012) 428-8000 / 347-8788
Electronic address: www.fsb.co.za

b. Complete the items hereunder legibly and fully, and initial all subsequent alteration markings.

c. Applications must be accompanied by the required fee (section 6(4)(b)(ii) of the Act, and Government Notice of 2003.).

d. Applicants must particularly take note of the provisions, of sections 6(3), (4), (5) and (6), of the Act and of the sanctioning provision in section 36(b).

e. Refer to the Notes at the back of the document for explanations of some of the information requested

SECTION 1: DETAILS OF THE APPLICANT

1.1 Name of the Applicant

1.1.1 Previous names of the applicant¹

1.2 Contact details (Head Office)²

Physical address
(Head office)

Postal Code

Postal Address
(Head office)

Postal Code

Telephone number
(Head office)

Fax Number
(Head office)

Website Address
(if applicable)

1.3 Contact Person³

Title

Initials

Surname

Telephone number

E-mail address

1.4 Information Technology - Contact Person⁴

Title

Initials

Surname

Telephone number

E-mail address

1.5 Auditors or Accountant

Firms Name

Practice number
(if applicable)

Physical address

Postal code

Postal address

Postal code

Telephone number

Fax number

Responsible Person⁵

1.6 Legal format⁶

- a. Corporate ☐
- b. Incorporate ☐
- c. Other (specify in space provide below) ☐

1.7 Is the business of the applicant carried on for profit? YES ☐ NO ☐

1.8 Provide details of other industry affiliations/membership (RSA and foreign) and/or details of other entities the applicant is or has been associated with, if any⁷:

SECTION 2: DETAILS OF THE APPLICANT'S REPRESENTATION OF A RELEVANT GROUP OF PERSONS FALLING UNDER THE AMBIT OF THE ACT

2.1 Provide a description of the group of persons represented by the applicant, and categories thereof.⁸

- 2.2 Provide details of existing status (if any) of applicant as representative body recognised for purposes of any other law, and of any conditions (if any) subject to which recognition has so been granted

- 2.3 Date of establishment of the applicant

- 2.4 Provide details of membership criteria (if applicable)

2.5 Provide details of the current functions of applicant⁹

2.6 Attach a current copy of founding memorandum, rules or constitution of the applicant (as may be applicable)

2.7 Attach a copy of the current applicable code of conduct (if any):

SECTION 3: FUNCTION WHICH THE APPLICANT WISHES TO PERFORM

3.1 Indicate the function which applicant wishes to perform with reference to such functions determined by the Registrar of Financial Services Providers under section 6(4)(a) of the Act, and as published in Board Notice):

- (a) Consideration of applications for licences under section 8 of the Act ☐
- (b) Consideration of applications for approval of compliance officers under section 17(2) of the Act ☐

3.2 Provide an estimate of the number of the following applications that you propose to consider and attach to the application form an explanation of how you have arrived at the estimate

- (a) Consideration of applications for licences under section 8 of the Act
- (b) Consideration of applications for approval of compliance officers under section 17(2) of the Act

SECTION 4: MANAGEMENT RESOURCES AVAILABLE TO THE APPLICANT¹⁰

- 4.1 Provide details regarding the directors, principals or other persons in control of the applicant by completing Annexure A.¹¹

SECTION 5: MANPOWER RESOURCES AVAILABLE TO THE APPLICANT

- 5.1 Attach an organigram reflecting the following information to the application form:
- 5.1.1 Indicate the allocated responsibilities to the different staff members regarding all the functions of the applicant
 - 5.1.2 Provide details of the experience of the staff and management that will be fulfilling the delegated function

- 5.2 Number of staff members currently employed by the applicant

- 5.3 Number of staff members to be utilised to fulfil the function that will be delegated to the applicant

- 5.4 Will you use existing staff to fulfil the function(s) that will be delegated?

YES

☐

NO

☐

SECTION 6: FINANCIAL AND APPROPRIATE TECHNOLOGY RESOURCES AVAILABLE TO THE APPLICANT

- 6.1 Attach the latest audited financial statements to the application form¹²

- 6.2 Provide information on how the applicant will fund the operations relating to the delegated function

6.3 Provide details of the type of information technology systems that will be used¹³

6.4 If the applicants' information technology is outsourced please provide¹⁴:

6.4.1 Details of the entity that it is outsourced to:

Name of the entity

Contact person

Telephone number

Fax Number

6.4.2 Attach a copy of the service level agreement between the applicant and the outsource entity to the application form¹⁵

6.5 Attach a report from the auditor or accountant of the applicant confirming that the applicant has the necessary and appropriate financial systems and controls in operation for the purposes of performing the required function(s)¹⁶

SECTION 7: INFORMATION ON THE EXPERIENCE OF THE APPLICANT

- 7.1 Provide details of the experience of the applicant as regards the business of the persons that the applicant will be fulfilling the delegated function for:

SECTION 8: MANNER IN WHICH THE REQUIRED FUNCTION IS PROPOSED TO BE PERFORMED

- 8.1 Attach a detailed business plan to this application form¹⁷
- 8.2 Attach a description of the procedures that will be followed in the fulfilment of the functions applied for.¹⁸

SECTION 9: ATACHEMENTS

Indicate with a [X] whether the following attachments as required in terms of the application form have been attached and state the total number of pages of the attachments

Question	Attachment	Attached	Number of pages	Not applicable
2.6	Current copy of the founding memorandum, rules or constitution of the applicant			
2.7	Copy of the applicant's current applicable code of conduct			
3.2	Explanation on calculation of the estimates provided			
4.1	Details regarding the directors, principals or other persons in control of the applicant – Annexure A			
5.1	Organigram of the applicant			
5.1.1	Allocated responsibilities of different staff members on the organigram			
5.1.2	Details of the experience of staff members fulfilling delegated functions			
6.1	Latest audited financial statements of the applicant			
6.4.2	Copy of the service level agreement between the applicant and entity outsourced to			
6.5	Report from the auditor or accountant confirming that the applicant has the necessary and appropriate financial system and controls in operation			
8.1	Detailed business plan pertaining to this application			
8.2	Description of the procedures that will be followed in the fulfilment of the functions applied			
10	Resolution of the Board of the managing or controlling organ of applicant for authorisation for making application on behalf of the applicant			

SECTION 10: DECLARATIONS AND SIGNATURES OF ALL MEMBERS OF MANAGING OR CONTROLLING ORGAN OF APPLICANT¹⁹

I/We, the undersigned, duly authorised thereto, hereby submit this application on behalf of
(Name of applicant), and declare that I/we am/are not aware of any circumstance, ground or reason, not disclosed in this application, and which may reasonably affect the exercise of the appropriate discretions vested in the Financial Services Board under section 6 of the Act:

NameOffice..... signature.....date.....

NameOffice..... signature.....date.....

NameOffice..... signature.....date.....

Annexure A – Details of the directors, principals or other persons in control of the applicant

4.1 Person's detail

Title	
Initials	
First Name	
Surname	
ID/Passport Number	
Date of Birth	
Role within the applicant ¹	
Telephone number	
Qualifications ²	

Questions:

		YES ³	NO
4.2	Has this person or has any organisation in which he/she held managerial position been placed under provisional or final liquidation or been placed under judicial management?	☐	☐
4.3	Has this person been convicted of any criminal offence other than a minor traffic offence?	☐	☐
4.4	Is there any civil or criminal litigation pending against the person?	☐	☐

¹ State the person's responsibilities in terms of the applicant's management.

² Only list all relevant qualifications and/or membership to professional bodies

³ If any of the answers to questions 4.2 to 4.4 is **YES** please provide details and attach the relevant documentation to the application form.

Annexure B

Report of the independent auditor of (name of the representative body)

In compliance with the application by representative bodies for recognition by the Financial Service Board in terms of section 6(4)(b) of the Financial Advisory and Intermediary Service Act, 2002 we have reviewed the internal financial control systems of the representative body.

I/We have reviewed the design of the proposed systems of internal financial control that.....(Name of the representative body) intends to implement from.....

The design and maintenance of an adequate system of internal financial control is the responsibility of the directors/partners/sole proprietor or management of the body. Our responsibility is to report on whether or not, based on our review, anything has come to our attention that would indicate that the proposed system of internal financial control is not adequate for the size and complexity of the proposed representative body.

Scope

Our review has been conducted in accordance with the statement of South African Auditing Standards applicable to review engagements. Our review procedures were limited primarily to inquiries of personnel of the representative body about the proposed operation of the system of internal financial control and inspection of related evidence.

Inherent Limitations

Because of the inherent limitations of a system of internal financial control, it is possible that errors or irregularities may occur and not be detected. Furthermore, a review is not designed to detect all weaknesses in the design of the proposed system of internal financial control.

As the proposed system of internal financial control has not yet been implemented, we do not provide any assurance as to whether or not the system will operate adequately.

Also a review does not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review opinion

Based on our review, nothing of significance has come to our attention that causes us to believe that the proposed system of internal financial control is not adequate for the size and complexity of the proposed representative body; and

Our report is solely for your information and is not to be used for any other purpose, nor to be distributed to any other parties

Name
Registered Accountants and Auditors
Chartered Accountants SA
Address
Date

Application to the Financial Services Board for recognition as a representative body under section 6(3)(a)(iii) of the Financial Advisory and Intermediary Services Act, 2002 (hereunder referred to as “the Act”)

Explanatory Notes

- 1 If the applicant previously had other names, please list all of those names.
- 2 If the applicant has more than one office, please only provide the details of the Head Office where required
- 3 Provide the information of the person who will be responsible for liaising with the Registrar of Financial Service Providers (“Registrar”). All correspondence addressed to the applicant will be sent to this person
- 4 Provide the details of the person, in the employ of the applicant, that will be responsible for the Information Technology systems. The Registrar will communicate with this person relating to the technical requirements of the applicants information technology and all changes to the system will be sent directly to the designated person.
- 5 Provide the details of the partner or person at the audit or accounting firm responsible for handling of the applicant’s account.
- 6 Provide the legal format in which the applicant is operating.
- 7 If the applicant is affiliated to other industry bodies or a member of other industry bodies, provide the name of such body as well as its status as well as other entities that the applicant is associated with.
- 8 Section 6(4)(b)(iii) of the Act provides that: “...and that the applicant is reasonably representative of the relevant group of persons which it purports to represent.” Details are thus required to determine whether the applicant is representative of relevant group of persons regulated by this Act. The Registrar may when considering the application request a “membership list” from the applicant to verify the representation of the applicant.
- 9 All the current functions of the applicant should be listed. If the applicant is a newly established body please provide details of all functions (except the functions that it is applying for) that it will be providing in terms of its founding statement or constitution.
- 10 Management resource available refers to the management of the applicant which oversees the functions of the applicant
- 11 Each director, principal or other person in control of the applicant must complete Annexure A. This will include all members of the controlling organ in terms of the founding statement or constitution of the applicant that has the power to make decisions on behalf of the applicant.
- 12 If this is the first year of operation please provide up-to-date management accounts or budget for the year.
- 13 Short description of the systems and database structures must be provided as well as contingency plans and information on the applicant’s disaster recovery policy must be provided.
- 14 With outsourcing is meant contracting with a third party for the provision of information technology support. (In cases where information technology systems is not developed and maintained in-house.)
- 15 An agreement between the applicant and the third party (outsourcing entity) must exist and must accompany application form.
- 16 Refer to Annexure B for an example of a report.
- 17 The business plan should set out the applicants roll out plan with regards to the implementation of its delegated power.
- 18 A short description outlining the procedures and/or flowcharts of the procedures that will be followed for the delegated functions must be provided. The Registrar may request additional information or evaluate the procedures if deemed necessary.
- 19 All Members of the managing or controlling organ of the applicant must sign the application form unless a Resolution of the Board of the managing or controlling organ, authorising a member of such organ to apply on its behalf, is attached to the application form.