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Notice is hereby given that Board Notice 95 of 2003 in Gazette No. 25514 of 30 September 2003 and Board Notice 15 of 2008 in *Gazette* No. 30810 of 22 February 2008 are hereby repealed and replaced with the following:

BOARD NOTICES

BOARD NOTICE 565 OF 2008

FINANCIAL SERVICES BOARD

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

EXEMPTION OF AUTHORISED FINANCIAL SERVICES PROVIDERS AS REGARDS REPRESENTATIVES

I, Dube Phineas Tshidi, Registrar of Financial Services Providers, hereby exempt under section 44(4) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), authorised financial services providers from section 13(2)(a) of the said Act, to the extent and subject to the provisions as set out in the Schedules.

DP TSHIDI

D P Tshidi,
Registrar of Financial Services Providers

EXEMPTION OF AUTHORISED FINANCIAL SERVICES PROVIDERS AS REGARDS REPRESENTATIVES

1 Definitions

In this Schedule, "the Act" means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), any word or expression to which a meaning has been assigned in the act shall have that meaning and, unless the context otherwise indicates-

'**Determination**' means the Determination of Fit and Proper Requirements for Financial Services Providers, 2006 promulgated under the Act;
'**representative**' means a natural person who-

(a) is a representative of an authorised financial services provider;
(b) is employed or mandated by the provider on or after the date determined by the Minister in terms of section 7(1) of the Act; and
(c) does not have to the satisfaction of the provider the 'required minimum experience'; '**required minimum experience**' means the minimum experience referred to in Column Two of Table A and Column One of Table B, C and D of the Determination;

'**services under supervision**' means financial services rendered by a representative under the supervision of a supervisor;
'**supervision**' means the act of directing, overseeing and inspecting the rendering of financial services to ensure that such services are rendered in accordance with the Act;
'**supervisor**' means-

(a) an authorised financial services provider being a natural person;
(b) a key individual; or
(c) a representative of the provider who meets to the satisfaction of the provider the relevant requirements of the Determination.

2 Objectives of exemption

Section 13(2)(a) of the Act determines that an authorised financial services provider must, *inter alia*, at all times be satisfied that a representative is in the rendering of financial services competent to act with reference to fit and proper requirements similar to those contemplated in section 8(1)(a) and (b), as set out in the Determination. The objective of this Exemption is to relieve the provider of the obligation under section 13(2)(a) as regards the minimum experience. This implies that the representative will, regarding such minimum requirement, not have to comply with the standards set for the provider.
The Registrar is satisfied that this Exemption meets the requirements of section 44(4) read with section 44(1) of the Act.

3 Extent of exemption

An authorised financial services provider is, in respect of a representative, exempted from the obligation under section 13(2)(a) of the Act regarding the required minimum experience:
Provided that in respect of a representative employed or mandated by the provider after the date determined by the Minister in terms of section 7(1) of the Act-

(a) such representative must render services under supervision until the required minimum experience has been attained to the satisfaction of the provider;
(b) such representative must inform clients prior to the rendering of the financial service that he/she renders services under supervision;
(c) the provider must have procedures in place to ensure that a representative is appropriately supervised;
(d) the provider must maintain and retain records of how the supervision of a representative is carried out, the assessments and reviews of the financial services rendered and the approvals by the supervisor;
(e) a supervisor-
    (i) must conduct performance appraisals and progress assessments of financial services rendered by the representative, in order to assist the representative to acquire and apply the necessary skills to render financial services;
    (ii) must, where the representative is rendering discretionary financial services, review and approve in writing the rendering of such services prior to the conclusion or execution of any transaction; and
    (iii) must review and asses the financial service rendered by the representative on an ongoing basis.

4 Amendments or withdrawal

This Exemption-

(a) is subject to any amendment thereof published from time to time by the registrar in the Gazette (if any); and
(b) remains operative until withdrawn in like manner.

5. Short title and commencement

This exemption is called the Amendment Notice of the Exemption of Authorised Financial Services Providers as regards Representatives, No. 1 of 2008 and comes into operation on publication thereof in the Government *Gazette*.