**BOARD NOTICE 98 OF 2004**

**FINANCIAL SERVICES BOARD**

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

**EXEMPTION OF CERTAIN INSURERS FROM AUTHORISATION**

I, Jeffrey van Rooyen, Registrar of Financial Services Providers, under section 44(1) of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), hereby exempt certain insurers from section 7(1) of the Act, to the extent set out in the Schedule.

**J VAN ROOYEN,**

*Registrar of Financial Services Providers*

# SCHEDULE

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

## EXEMPTION OF CERTAIN INSURERS FROM AUTHORISATION

### Definitions

**1.** 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, or in the Long-term Insurance Act and Short-term Insurance Act, shall have that meaning and, unless the context otherwise indicates-

**"financial services provider"** means a long-term insurer or a short-term insurer rendering financial services to another long-term or short-term insurer in relation to long-term and short-term re-insurance policies;

**"Long-term Insurance Act"** means the Long-term Insurance Act, 1998 (Act No. 52 of 1998);

**"Short-term Insurance Act"** means the Short-term Insurance Act, 1998 (Act No. 53 of 1998).

### Objective of exemption

**2.** Certain financial services providers conducting re-insurance business have submitted an exemption application in respect of the rendering of financial services in relation to long-term and short-term re-insurance policies to other long-term and short-term insurers.

The registrar is of the view that the provisions of the Act can hardly be applied where a long-term and short-term insurer renders financial services in relation to re-insurance policies to another such insurer. In terms of the Long-term Insurance Act and the Short-term Insurance Act an insurer's board of directors and executive management must be fit and proper to hold office. This also means that such directors and executive management must have adequate experience and expertise to conduct insurance and re-insurance business.

The registrar is satisfied that it is not necessary for financial services providers, as defined herein, to comply with section 7(1) of the Act, conjointly with other provisions of the Act which will become applicable on licensing under section 8, and that the requirements for an exemption in section 44(1) of the Act are met.

**Extent of exemption**

**3.** Financial services providers, as defined in paragraph 1, are hereby exempted under section 44(1) of the Act from section 7(1) of the Act.

**Amendment and withdrawal of exemption**

**4.** The exemption set out in paragraphs 3 may at any time-

(a) be amended by the registrar by notice in the *Gazette*;

(b) be withdrawn by the registrar in like manner.

**Short title and commencement**

**6.** This Exemption is called the Exemption of Certain Insurers from Authorisation, 2004, and comes into operation on the date determined by the Minister in terms of section 7(1) of the Act.