



ASSOCIATED COMPLIANCE

FOR A COMMON PURPOSE

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Well officially we are operating as AC. For those that missed our formal press release [Click here](#).

Forgive us if this month's Newsletter has a focus on our new structure rather than other news but given our dramatic changes we feel it is important to ensure you better understand the new landscape.



ASSOCIATED COMPLIANCE

We have a couple of technical hitches that are still providing us with a challenge or two. The primary ones being:

- FSB Approval of the new entity – we have had feedback from the FSB. They have approved our exemption of Compliance Officers application and we have been advised that they are currently in the process of finalizing our Compliance Practice application.
- Lack of VAT approval. Despite our best efforts to get approval last year this was not to be and three visits to SARS later it seems we will get this during February. As a result of this we have to continue to debit in the PS and ICE names. Once we start debiting as AC you will be advised of the new account details as the new bank account is up and running.

IT issues presented their usual list of gripes but as we release this Newsletter we seem to have worked through all these.

The phones also were behind the promised time frames but these have now been completed (see below for details of the additional numbers) although the 0861 2 COMPLY number has been dropped.

- What has started well is the move to our three division structure i.e:
- Mandated and Non-Mandated Intermediaries,
- UMAs and Insurance companies, and

- 
- Motor Dealerships.

The staffing of these divisions is as follows:

Mandated and Non-Mandated Intermediaries:

Responsible Director: Bryan Thomas

Divisional manager: Rob Veal

Compliance Officers: Rob Veal, Chenj Muzorewa, Bryan Thomas, Craig Ormrod, John Horsfall (coastal region),

Support staff: Willem Steyn, Lindiwe Nkolonzi, Natalie Van Heerden, Willem Steyn Jnr

UMAs and Insurance companies:

Responsible Director/Divisional manager: Peter Veal

Compliance officers: Peter Veal, Craig Ormrod, Bryan Thomas, John Horsfall (coastal region)

Support staff: Faeza Rasool

Motor Dealerships

Responsible Director: Peter Veal

Divisional Manager: Juanette Richardson

Compliance officers: Juanette Richardson, Veronica Yawa, Maetheng Hlalele, Kele Mokgosi (under supervision)



Support staff: Pranisha Maharaj, Kim Piccione

The support staff will be allocated specific accounts to assist the Compliance Officers with the management of their portfolios and will build up a relationship with the clients so as to better understand the activity and people within each client. There will be an increased level of interaction with our support staff as we move forward – remember they will be supporting you as much as ourselves.

The balance of the team is made up as follows:

Managing director: Craig Ormrod

Management support: Anke Botha

This new structure requires a lot of introductions to be completed so that the teams can start to run independently with their mandates and the next three months will see us running visits in tandem so that all these introductions can be completed and where appropriate primary responsibility for an individual account handed over. There will be changes in some cases of the people managing your account on a day to day basis and whilst we understand that changes can seem daunting and create worries we are confident that the new team will continue to deliver good service and hopefully with the divisional focus improve on what you have already been used to, so we ask you to work with us during the coming months.

The e-mail contacts for the entire team are:

name@associatedcompliance.co.za for example anke@associatedcompliance.co.za.

There is a general address of info@associatedcompliance.co.za (which is our preferred address for your disclosure document).



Both the Pretium and ICE addresses will continue to be directed to the new address for a period of time.

The telephone numbers are:

011 678 2533 and 011 431 1183/4

The fax number is 011 678 7731

And the cell numbers for the compliance officer team:

Craig Ormrod – 082 418 8844

Bryan Thomas – 082 323 2692

Peter Veal – 082 600 0351

Rob Veal – 079 495 1433

Juanette Richardson – 078 113 3290

Chenj Muzorewa – 076 431 0709

John Horsfall – 083 327 9161

Veronica Yawa – 074 529 5068

Maetheng Hlalele – 084 353 0839

Kele Mokgosi – 078 595 2996

Kim will be your initial contact to the office via the phones and via our new reception area on the ground floor of our new two floor office set up.

The motor and insurer/UMA divisions along with reception are based on the ground floor with the broker division upstairs along with Craig & Anke.

The website is up and, well, walking. It will be fully running over the next couple of weeks as we role out the basic content. The site contains a map and GPS coordinates for those of you wanting to pop in and see us: www.associatedcompliance.co.za.

This will be further enhanced as the year goes by with the new draft compliance manual incorporating the best of the Pretium and ICE previous offerings along with a range of new documents.

The site will include a twitter account. We intend using this to communicate urgent information in between newsletters - and not to follow celebrities or cricket scores. The account name is @AssocCompliance

Other news from AC

Binder and Outsource Agreements; Confusion Still Reigns

Binder agreements became an established feature of the insurance industry more than a year ago but despite information letters and guidance notes prepared by the FSB

a large number of insurers are still not in possession of signed agreements from all their binder-holders.

Some underwriting managers and NMIs have not yet received binder agreements for signature from insurers simply because those insurers are waiting for more guidance from the FSB.

Whilst Binder agreements should have been issued already certain outsource agreements i.e. those effected prior to 12 April 2012 now have to be in place by 1 March 2013. See FSB Information letter 7 of 2012.

One aspect that we see is being managed differently by insurers is the structure of agreements with SASRIA. Where the SASRIA function is managed by the insurer the binder is provided to the insurer alone – where the insurer wants to allow the UMA to be part





of the SASRIA process then the SASRIA will issue the agreement to the UMA.

There have been so many divergent interpretations of the Regulations that consistency among insurers, one of the key components of what the FSB wished to achieve, has failed completely. We have seen fees payable by insurers to binder-holders ranging from 3% to 20%, often for the same functions and there are a few intermediaries that have played one insurer off against another using fees as a ‘lever’.

Nevertheless, even though more clarification has been promised by the FSB, as Compliance Officers we have to provide you with advice and guidance as to what you have to do to remain compliant in terms of the regulation as it applies today.

For this reason we have no alternative but to ask to see your binder agreement, if concluded, and test your activities against the Regulations in place. This includes that distasteful subject of fees charged to your policyholders, which is now forbidden, unless additional services are provided to the client, in terms of the Binder Regulations.

And, on the subject of fees, we have to consider additional fees charged to policyholders by intermediaries who do not have binders.

A common occurrence in our industry is for a broker to add a fee to the premium. Section 8(5) of the Short-term Insurance Act provides that a broker can levy an additional fee to a policyholder provided that it is disclosed expressly and separately from the insurance policy,

However, this section must be read with the definition of “conflict of interest” and Section 3A(1) of the General FAIS Code, specifically 3A(1)(iii) that requires any fee authorised under the STIA to be reasonably commensurate to a service being rendered.

This means that a broker can only levy an additional fee over and above the premium if:

- it does not duplicate anything included in the commission:

- 
- it does not relate to binder services or any other administration service (any such fee must be charged to the insurer).

Therefore a miscellaneous fee or a fee which is unjustified or has no ‘value-add’ which is charged to a policyholder must be considered unlawful.

Our recommendation to our insurance company and underwriting manager clients

If a broker asks you to add a policy fee to the schedule, or asks you to collect an additional fee on the broker’s behalf, you must be certain that:

1. It is for a service for which you are not paying the broker commission,
2. It has been agreed by the client, and
3. The client knows that they can stop that payment at any time.


Our suggestion is that you ask the broker to provide a ‘generic’ letter to you confirming that these conditions are in place, on receipt of which you will go ahead with the process. To simply collect the fees and say/ask nothing would not be wise in our view – be seen to be prudent.

Our recommendation to our broker clients without binders:

If you wish to charge an additional fee, the reasons for the fee should be clearly explained to your client. The best way to do this is by incorporating it in your SLA (we have been recommending that you enter into an SLA for a very long time), and if you don’t have an SLA now is a good time to put one in place. If you want a specimen, just ask: info@associatedcompliance.co.za.

Disclosures of fees earned via your binder

The Act demands full disclosure of the fees received as well as details of what work is actually being done on behalf of insurers by both the non mandated intermediary (NMI) and the UMA. Having said this we believe the intention was for only NMIs to have the



full disclosure to clients however there is a discrepancy between Section 48(a) where it states there must be disclosure if you have a binder and the regulations that state only the NMI must disclose fees. We are advising based on the Act and not the Regulations at this stage.

We have updated our draft disclosure documents to cater for the enhanced disclosures demanded. We have expanded the format to include a Word version as well as the usual Excel version Pretium clients would have been used to. If you need a copy before we meet then submit a request to info@associatedcompliance.co.za.

Information letter on guidance on interpretation of definitions and remuneration under the binder regulations

We understand that a letter will be issued shortly on this subject. It is not clear if this will result in any significant changes or merely seek to clarify certain aspects. We will obviously get the detail to you just as soon as the letter is released.

From the FSB

KIs & Reps first appointed in 2010 and their RE deadline: Clarity has been provided by the FSB that the deadline for completion of the RE exams for this category of KIs and Reps will be 31 March 2013 provided they have attempted at least once prior to 31 December 2012 (their original deadline).



FSB/INSETA assistance workshops

The dates for the February workshops are as follows:

FSB/ Inseta Assistance Workshop			
January – February 2013			
January 2013			
PROVINCE	CITY	SESSION	DATE
Gauteng	Johannesburg	1	22/01/2013
	Pretoria	1	23/01/2013
Western Cape	Cape Town	1	23/01/2013
Eastern Cape	Port Elizabeth	1	24/01/2013
	East London	1	30/01/2013
Free State	Bloemfontein	1	24/01/2013
Kwa Zulu Natal	Durban	1	29/01/2013
	Pietermaritzburg	1	29/01/2013
February 2013			
PROVINCE	CITY	SESSION	DATE
Western Cape	Cape Town	1	19/02/2013
Eastern Cape	Umthatha	1	30/02/2013
Free State	Bloemfontein	1	05/02/2013
Kwa Zulu Natal	Port Shepstone	1	05/02/2013
Limpopo	Polokwane	1	07/02/2013
North West	Rustenburg	1	07/02/2013
Mpumalanga	Nelspruit	1	12/02/2013
Northern Cape	Kimberly	1	12/02/2013
Gauteng	Johannesburg	1	13/02/2013
	Johannesburg	1	14/02/2013

Please go to www.inseta.org.za to register for these workshops.



Solvency calculations and liquid asset requirements – Board Notice 202 of 2012:

Board Notice 202 of 2012 was gazetted on 11 December so we wouldn't be surprised if you missed it. The Board Notice amended elements of the financial solvency and liquidity requirements of the FAIS Fit and Proper Regulations. Below is a summary of the changes; should you want to read the actual Board Notice send a mail to info@associatedcompliance.co.za.

The definition of annual expenditure has been clarified. Specifically it is the expenditure as recorded in your annual financial statements (no surprises there), but it is now very clear on what is required of a new licence applicant. A new applicant can use its budgeted expenditure but must exclude all of the following: staff bonuses; employees' and directors', partners' or members' share in profits; emoluments of directors, members, partners or a sole proprietor; other appropriation of profits to directors, members and partners; fifty percent of the commissions and fee paid to Reps for services that did not form part of their remuneration (so 50% of their sales dependent remuneration); depreciation; bad debts and any loss due to sale of assets.

Given that this amendment is already in effect if you are in the middle of an application submission or it is under the eyes of the FSB prepare for some re-thinking of your budget and possible further clarification.

The definition of liquid assets has been replaced (well at least it only affects those collecting premium or handling clients' funds). The change is a lot more in line with a real world application of most companies' finances since it scales the liquid asset requirements according to availability. Liquid assets are still cash and cash equivalents but now 25% must be available within 7 days, a further 25% within 30 days and the balance within 60 days. The ratios remain unchanged. Keep all of this in mind during the last month of the financial year for many, if not most, of our clients, particularly if you are a credit agent!

A further definition has been inserted to remove any doubt about the frequency that you are required to have management accounts – monthly, and no less often. If you've been slack thinking you'll get by on the bi-monthly version for your VAT return now's the time to get some proper management info at your finger-tips (whether you like it or not).

Have a further look at the definition if this affects you.

Last, but not least, the solvency condition which you are all abundantly aware of by now has had a tweak: loans to clients must also be excluded from your assets and this applies to all categories of FSPs.

Disclosure of fees and other potential conflict of interests on third party collective investment scheme portfolios – FAIS circular 1/2013

This circular deals with a specific category of advice provided on what are generally referred to as “third party portfolios” with the Collective Investment scheme industry. As the circular states, “the registrar is concerned that FSP’s



who promote Third Party Portfolios are not appropriately complying with the requirements in respect of disclosure and Conflicts of Interest...”

The circular goes on to identify the circumstances that may result in such non disclosure and conflict situations along with corrective actions that may be needed, far too detailed to restate here. We will identify all clients who may have an exposure here and discuss individually with them. If you would like to see the circular before then please send a request to info@associatedcompliance.co.za.

Cash management accounts – Circular 11 of 2012

The FSB has recently issued a special newsletter to clarify whether a company that operates a Cash Management account system (CMS) firstly needs to be licenced in terms of FAIS and whether a section 19(3) audit report is required.



The definitions and possible implications are set out below.

There are a growing number of Financial Services Providers (“FSPs”) rendering financial services on the Cash Management System (“CMS”) bank account currently offered predominantly by Investec Bank – Corporate Cash Management Account (“CCM”) and Nedbank – Corporate Saver System Account (“CSS”).

Implication of the CMS account on the requirements of FAIS Act

The implication of these requirements are that every person or entity which renders a financial service through a CMS Account which equates to deposits as defined in the FAIS Act should be licensed as Category I or II FSP.

Authorisation in terms of section 7 of the FAIS Act

Any person operating the CMS account is deemed to be rendering a financial services to a client with regard to bank deposits. These deposits can be:

- a. Deposits as defined in the Bank Act- exceeding 12 months; and/or
- b. Deposits as defined in the Bank Act- 12 months or less.

The type of license (Category I or Category II) to be applied for and acquired will depend on the type of service and agreement between the agent and the client. There is a strong indication that there may be persons or entities that operate a CMS account but are not licensed in terms of the FAIS Act.

A further implication is that a FSP must submit a section 19(3) report.

Section 19(3) of the FAIS Act read with Section 10(1)(d) of the General Code of Conduct requires FSPs who hold client funds to –

1. Open a separate account to be used for holding client funds,
2. Account for such client funds separately,
3. The separate account used for holding client funds should be audited and a report of such an audit should be submitted to this Office.

Important

After considering the structure and operations of a CMS account, it would appear that **not all agents** who operate this type of account would be required to submit a section 19(3) report. The following recommendations are proposed:




- Agents operating **segregated** CMS accounts and only transacting on client's instruction, must be licensed as Category I FSPs and the section 19(3) requirement is not applicable.
- Agents operating **segregated** CMS accounts and using full discretion to operate this account and carry out transactions on it must be licensed as Category II FSPs and the section 19(3) requirement is not applicable.
- Agents operating **Umbrella** CMS accounts and only transacting on client's instruction must be licensed as Category I FSPs and the section 19(3) requirements is applicable.
- Agents operating Umbrella CMS accounts and given full discretion to operate this account and transact on it must be licensed as Category II FSPs and the section 19(3) requirement **is applicable**.

The complete FAIS circular 11/2012 is available on request. Kindly contact info@associatedcompliance.co.za for a full copy.

FSB FAIS Newsletter Volume 12 of 2012

This edition contained details of the infrastructure that has been put in place to facilitate the reporting of breaches of the Act, primarily by compliance officers. So compliance officers now have the guidelines within which to operate and a system for completing a report – all that is needed now is client education to ensure all players understand the obligations, both legal and professional body guidelines, to report MATERIAL breaches



of the Act. Pretium had the core of these guidelines as an integral part of the client Service Level Agreement and it is probable that the new AC SLA will do likewise.

The role of retirement fund consultants within the financial services industry

The FSB launched the start of this process in late November. Initially the FSB are seeking to establish some basic levels of information, namely;

1. A description and detailed explanation of all the financial services that are rendered.
2. A detailed explanation regarding the types of fees that are charged for financial services rendered and how such fees are deducted and/or paid over to **** by the clients and/or product suppliers;
3. The role of **** in the asset allocation and the appointment and termination of investment managers;
4. A detailed explanation regarding the management of conflict of interest;
5. The level of interaction between **** and the Board of Management and Principal Officer;
6. A detailed explanation of the challenges that the retirement fund consultants within the financial services industry encounter in order to comply with the Act, Pension Funds Act, 24 of 1956 as well as the subordinate legislations.

The deadline for submission of this data was 25 January 2013. We will keep you posted on how this develops.

From the FAIS Ombud

The implications of moving a book of business

The matter started when an Insurance claim was rejected so a complaint was lodged with the Ombud of the Short-term Insurance by the insured.

Cover was initially placed with Zurich by the FSP and then moved, as part of a “book”

of business, to Hollard by the FSP. The complainant had previously informed Zurich of all his security features. Hollard did not request any information from him at the time the policy was moved to them.

After the move to Hollard a robbery took place and the thieves entered the house by forcing the front door open. There was no security gate on the front door. The complainant lodged a claim with Hollard which was rejected due to non compliance with the security requirements of the policy. The complainant advises that the FSP failed to communicate this requirement to him and therefore he was unaware that he did not comply with the conditions of the policy. The complainant sought an order compelling Hollard to pay him the claim amount of R 120,369.




Hollard however advises that at the time of the theft, the complainant was in possession of the latest policy schedule containing the terms and conditions of the policy.

Section 7(1) of the General Code of Conduct clearly placed an obligation on the FSP to have disclosed to the complainant that Hollard had introduced the material term relating to the burglar bar and security gates to his policy.

Upon request by the office of the Ombud of Short-term Insurance the FSP could not provide any evidence that the disclosure of the endorsement was made to the complainant. The respondent could not provide any Record of Advice that was furnished to the complainant as required by section 9 of the Code.

The Ombud determined that the complainants be left to agree on the amount payable. If the parties fail to do so, either party may approach the office of the Ombud to determine the amount.



Clearly the onus is on the broker to ensure disclosure by the client takes place and that all new terms imposed by the incoming insurer need to be fully disclosed to the client AND confirmation sought that the clients can comply with these standards.

If you would like to see the full determination please submit a request to: info@associatedcompliance.co.za

Another Sharemax complaint

MARGARET LILIAN POSGATE 1st Complainant And D RISK INSURANCE CONSULTANTS CC 1st Respondent DEEB RAYMOND RISK

It follows the same background and outcome – pro client and anti broker so we are not detailing the specifics here. If you would like to see the full determination please submit a request to: info@associatedcompliance.co.za


From the IISA

To quote from a communication late in 2012 from the IISA

“The South African Qualifications Authority (SAQA) was set up in terms of the National Qualifications Framework (NQF) Act 67 of 2008 and in respect of this Act was charged with setting up a formal recognition process for Professional Bodies.

The IISA was part of the consultative process that led to the determinations of criteria to be met in order to be recognised as an official Professional Body in terms of the NQF Act 67 of 2008. We have been through the review process following our submission to be recognised and were subjected to a strict audit of all our business practices, our professional standards procedures and governance.

This has led to the IISA being awarded PROFESSIONAL BODY STATUS for the short term insurance industry and recognition of our professional designations. The award is confirmation of our status built over many years of serving the industry as an Pro-



essional Body. We will continue working in close contact with other local Insurance Institutes in South Africa and with the important industry bodies like SAIA, FIA, FPI, IRMSA, POA, SAUMA, FSB, INSETA and ILA whilst providing services to our professional members.

This news is a great note on which to conclude a successful 2012 as we strive to meet our goals of assisting to build “World Class Education for a World Class Industry”. Recognition of our official PROFESSIONAL BODY STATUS enhances all our individual professional members who enjoy our new “officially” recognised designations of Licentiate (LIISA), Associate (AIISA) and Fellow (FIISA). This recognition is also a great step in building towards one of the goals of the ‘Hyde Park Accord’ in the registration of the designations of LIISA, AIISA, FIISA which we are working hard to have specifically endorsed by the CEO’s of all Insurers, Reinsurers, Intermediaries and Underwriting Managers as a requirement for employment and career progression in the insurance industry.


We look forward to the continued support from all our corporate members/subscribers as they renew their annual subscription to the IISA on the 1 January 2013”

From the Institute of Directors (IoDSA)

IoDSA Attains More Muscle: International partnership creates global voice for directors
The IoDSA this week announced the formation of the **Global Network of Director Institutes (GNDI)**, an international partnership between nine leading membership organisations for corporate directors.

“The GNDI brings together leading directors’ institutes which gives us a global platform so that we are able to strengthen our advocacy role in the interest of members and business leaders,” said Ansie Ramalho, Chief Executive of the IoDSA. “It provides the IoDSA with the opportunity to contribute to the sharpening of leading practices for boardroom leaders by making our voice heard on relevant governance matters that cut across national boundaries.”

The member institutes of the GNDI aim to complement each other’s work by fostering close cooperation between national corporate director organisations and provid-



ing a global forum to share experiences, case studies, leading practices and current or emerging corporate governance issues impacting the boardroom and its stakeholders.

To read the full notice, [CLICK HERE](#)

The Financial Sector Code now gazzeted under Section 9(1) of the B-BBEE Act

The Code has been released. We are looking into it and will provide basic feedback in due course.

Interesting articles we have read

Various articles on binders/outsource agreements abound in the insurance press from December and January. They are all interesting in their own way and it may be interesting to look back this time next year and see who was right and who was wrong with their predictions. Our own predication is that none of us actually realise what reality will look like – but we will of course be there to provide input as reality dawns.


FA News Magazine November 2012:

An article by Suzette Strydom of IISA on the fees versus commission discussion within the short-term industry. We suspect this is a discussion that will, in the not too distant future, be a discussion at FSP level when setting their budgets and not just a theoretical debate.

POPI and Insurance – an article by Christine Rodrigues of Norton Rose. This is getting close so best you start to achieve a better understanding of the implications. We have started work on a check list that will assist with implementing the required controls, which we will release once the final Act is gazetted, but if you want to have a look at the current draft just let us know – info@associatedcompliance.co.za

Moonstone Monitor 10/1/2013: Regulation of Tax Advisors

This legislation will also affect all financial advisors who provide tax services to their clients.



With the promulgation of the Tax Administration Amendment Act at the end of last year, all tax practitioners are obliged to register as members of a professional body. Examples mentioned include the Independent Regulatory Board of Auditors, the South African Legal Practice Council, the Institute for Tax Practitioners, the Institute for Chartered Accountants or the Institute of Professional Accountants.

They also have to be registered with SARS by 1 July, in terms of the Act which came into effect in October 2012.

Moonstone Monitor 14 January 2013 Regulatory Changes Envisaged in 2013


A nice summary of the what's and why's of changes expected in 2013

The Financial Services Laws General Amendment Bill will see substantial changes and updates in respect of 11 different laws affecting the financial services industry.

According to Business Day, the national treasury will attempt to

“...close legal loopholes, address legislative weaknesses highlighted by the global financial crisis, and begin to lay the foundations for a new architecture of regulation that will be phased in over the next few years. Treasury deputy DG for tax and financial sector policy, Ismail Momoniat, notes this year would see the introduction of the ‘twin peaks’ model of regulation of the financial services sector, in which the regulation of market conduct is institutionally separated from prudential regulation, which will, among other things, concern itself with the systemic soundness of the sector as a whole – a gap in the existing system.

The draft legislation will touch on about 11 financial sector laws but only in relation to which aspects of the law will fall under which regulator, rather than introducing fundamental amendments. One of the likely elements of the ‘twin peaks’ proposals will be the introduction of a single entry point for the licensing and registration of service providers. This would prevent cracks developing between the regulators, prevent regulatory arbitrage, and ensure that business leaders had the integrity, honesty and qualifications to run their enterprises.”



A document entitled the “Financial Services Laws General Amendment Bill, 2012, Clause By Clause Motivation Of Amendments”, appears on our website and gives some insight into the thinking behind these changes. If one considers that this document consists of 29 pages, mostly made up by two line summaries, you get some idea of how wide the scope of these changes are.

I selected a few of these “clause summaries” to provide readers with some insight into what to expect.

- To establish the FSB as the lead regulator where the FSB and another regulator has jurisdiction in respect of the same entities. (We have seen in the past that enquiries addressed to the FSB were referred to the banking ombud, for instance. The buck will probably now stop at the FSB.)
- To oblige other regulators to consult with the FSB when taking decisions or undertaking activities in respect of sectors regulated by the FSB.
- To effectively address the application of financial sector specific legislation in relation to other non-financial sector legislation in the event of a conflict between these laws.
- To exempt any financial service, product or institution, regulated by the FSB, from the scope of the Consumer Protection Act, as higher standards of consumer protection are being implemented in terms of financial sector legislation.
- To replace reference to “in the Gazette” with “on the official web site” to clarify that notification of official acts may be done via the web site of the Financial Services Board. (This could speed up the implementation of changes substantially, and applies to a number of divisions of the FSB. The jury is still out about the constitutionality of this change, however, and we will share an article on this in Thursday’s Moonstone Monitor.)
- To remove the power of the registrar to declare a practice or business undesirable. (This only applies to the Short- and Long-Term insurance Acts. The “FAIS registrar” retains this right, although we are not aware of it ever having been used.)
- To allow for the recovery of inspection costs from private individuals (currently costs may only be recovered from financial institutions).



Some of the proposed changes related specifically to the FAIS Act are:

- To insert a definition of “continuous professional development” to facilitate the introduction of a new section on fit and proper requirements;
- To insert a definition of “fit and proper requirements” to facilitate the introduction of a new section on fit and proper requirements;
- To substitute the definition of “product supplier” to make the definition more general by removing the requirement that products issued must be authorised under a law; (We trust that this will empower the registrar to take action if it comes across products which are cleverly disguised as something else, as recently seen.)

I am afraid that, for many, it will just be another round of Russian Roulette. The only problem is that, as time passes, more and more rounds are being placed in the cylinder, and it is only a matter of time before the inevitable happens.

Or, according to Pink Floyd: All in all it’s just another brick in the wall.

RISK SA Wired

- The 2013 edition of RISKSA’s UMA Directory is fresh off the press. This is the third edition of the directory, which offers brokers an A-Z guide to specialist insurance products and providers in South Africa.

**To obtain your copy of the RISKSA UMA Directory 2013, contact
Glen Trussel on +27 (0)861 555 267 or e-mail glen@comms.co.za**

23 January 2013 edition – a worthy cause and one that protects the assets the men with AC have a fair degree of interest in! A flipant comment about a serious subject - we encourage all men to contribute to this sponsored walk in the aid of the recovery process from breast cancer for those who can least afford the reconstructive surgery or the prosthesis available.



You are likely to be spending more on protecting your car every month – so put some money on some boobs!

Another contribution to the “Take the mickey out of the compliance officer campaign”





ASSOCIATED COMPLIANCE

CONTACT:

Johannesburg Address:

*Ground and First Floor Building B,
RPA Centre,
180 Smit Street,
Fairlands, Johannesburg*

Email:

info@associatedcompliance.co.za

Tel:

011 678 2533 and 011 431 1183/4

Fax:

011 678 7731