

BOARD NOTICES**BOARD NOTICE 95 OF 2003****FINANCIAL SERVICES BOARD****FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002
(ACT NO. 37 OF 2002)****EXEMPTION OF FINANCIAL SERVICES PROVIDERS AS REGARDS
REPRESENTATIVES**

I, Jeffrey van Rooyen, 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.

J.VAN ROOYEN,

Registrar of Financial Services Providers

**EXEMPTION OF AUTHORISED FINANCIAL SERVICES PROVIDERS AS
REGARDS REPRESENTATIVES**

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 shall have that meaning and, unless the context otherwise indicates–

"Determination" means the Determination of Fit and Proper Requirements for Financial Services Providers, 2003 promulgated under the Act;

"representative" means a natural person who–

- (a) is a representative of an authorised financial services provider belonging to Category 1 as defined in paragraph 1(1) of the Determination;
- (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 of the Determination;

"services under supervision" means financial services rendered by a representative under the guidance, instructions and supervision of a supervisor;

"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.

Objectives of exemption

2. 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 required 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 as satisfied that this Exemption meets the requirements of section 44(1) of the Act.

Extent of exemption

3. 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) a supervisor-
 - (a) 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; and
 - (ii) must review and assess financial services rendered by the representative on an ongoing basis.

Amendments or withdrawal

4. 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.

Short title and commencement

5. This Exemption is called the Exemption of Authorised Financial Services Providers as regards Representatives, No. 1 of 2003, and comes into operation on the date determined by the Minister in terms of section 7 (1) of the Act.