

FAIS UPDATE

1. What are the FAIS Requirements?

With the release of the Fit and Proper Requirements on the 15th of October 2008 the FSB released the FAIS Fit and Proper Requirements. These requirements are as follows:

Key Individuals, who do not serve a client base	STEP 1
	<i>Approved between 2004 and 2007: 30 credit Skills Programme at NQF Level 4 by 31 December 2009</i>
	<i>Approved between 2008 and 2009: 30 credit Skills Programme at NQF Level 4 by 31 December 2011 OR Full Qualification by 31 December 2013</i>
	STEP 2
	Regulatory Exam (RE) Level 1 for CAT I KI's by 31 December 2011
	STEP 3
	Continual Professional Development (CPD) will apply and details are to follow
Short Term Personal Lines Key Individuals, who also serve a client base, and Representatives	STEP 1
	<i>Approved/Appointed between 2004 and 2007: 30 credit Skills Programme at NQF Level 4 by 31 December 2009</i>
	<i>Approved/Appointed between 2008 and 2009: 30 credit Skills Programme at NQF Level 4 by 31 December 2011 OR Full Qualification by 31 December 2013</i>
	STEP 2

	Regulatory Exam (RE) Level 1 by 31 December 2011
	STEP 3
	Regulatory Exam (RE) Level 2 for Personal Lines by 31 December 2013
	STEP 4
	Continual Professional Development (CPD) of 30 hours per 3 year cycle
Short Term Commercial Lines Key Individuals, who also serve a client base, and Representatives	STEP 1
	<i>Approved/Appointed between 2004 and 2007: 60 credit Skills Programme at NQF Level 4 by 31 December 2009</i>
	<i>Approved/Appointed between 2008 and 2009: 60 credit Skills Programme at NQF Level 4 by 31 December 2011 OR Full Qualification by 31 December 2013</i>
	STEP 2
	Regulatory Exam (RE) Level 1 by 31 December 2011
	STEP 3
	Regulatory Exam (RE) Level 2 for Commercial Lines by 31 December 2013
	STEP 4
Continual Professional Development (CPD) of 45 hours per 3 year cycle	
Employee Benefit Key Individuals, who also serve a client base and	STEP 1

who also serve a client base and Representatives	<i>Approved/Appointed between 2004 and 2007: 60 credit Skills Programme at NQF Level 5 by 31 December 2009</i>
	<i>Approved/Appointed between 2008 and 2009: 60 credit Skills Programme at NQF Level 5 by 31 December 2011 OR Full Qualification by 31 December 2013</i>
	STEP 2
	Regulatory Exam (RE) Level 1 by 31 December 2011
	STEP 3
	Regulatory Exam (RE) Level 2 for Pension Fund Benefits by 31 December 2013
	STEP 4
Continual Professional Development (CPD) of 60 hours per 3 year cycle	

(for other categories of Insurance please refer to either the FPI, SAIFM or the FSB)

Qualifications referred to above should be from the qualifications list of recognized qualifications published by the FSB.

2. New Staff appointed from 2010

Key Individuals appointed must fulfill the competence requirements at the date of their appointment.

Representatives need to complete:

1. Regulatory Exam Level 1 within 2 years of date of appointment in a regulatory role;
2. Full Qualification (as recognized by in Board Notice 105 of 2008) within 5 years of date of appointment in a regulatory role; and
3. Regulatory Exam Level 2 within 6 years of date of appointment in a regulatory role.

Thereafter the Continuous Professional Development requirement starts.

3. But I have a full qualification...

The FSB classify qualifications in 2 ways: those that are **generic** to financial services, such as a B Comm Degree, and those which are **specific** to a product category, such as the National Certificate in Short Term Insurance.

Should your qualification be deemed as **generic**, you will be required to write the Regulatory Level 2 Exam. (A list of these qualifications can be obtained from IISA office or, the FSB.)

Should your qualification be deemed as **specific**, you may apply for exemption from the Regulatory Level 2 Exam. These qualifications are listed with an “S” status in Board Notice 105 of 2008 (now updated by Board Notice 64 of 2009) for the transitional period ending on 31 December 2009. From 2010 qualifications deemed to be specific will be marked with an “SP” status, which means that the qualification satisfies 100% of the FSB’s qualifying criteria.

It is important to note that NO exemptions will be allowed for the Regulatory Level 1 exams.

4. What if my qualification is not on the list?

Any individual, training provider or employer may apply for recognition of their qualification to be added to the list, by completing the qualification application form which can be located on the FSB’s website www.fsb.co.za . Should the qualification be accepted, it will be added onto the list. The FSB will endeavor to update the qualification list quarterly.

5. What CPD Activities will I be required to do?

Any employer, conference organizer, industry body or professional association may apply to the FSB to have activities registered as CPD activities for FAIS purposes. Application forms are available from the FSB, as part of Board Notice 106 of 2008.

These activities can include:

1. Courses, conferences, seminars
2. Studies leading to formal assessment; can include distance learning, additional qualifications, or attendance at formal courses
3. Workshops
4. Structured self study programmes including web and computer based programmes that assess knowledge

It is essential to obtain evidence of your attendance at these programmes and that the compliance officer, of your Company, keeps record of your CPD hours to report back to the FSB.

For more information you can also look at our [IISA CPD Programme](#)

6. How will all of this be implemented?

The FSB have appointed 4 Examining Bodies to develop and deliver the Regulatory Exams. You will be able to register for the Regulatory Exams from 2010.

The FSB has embarked on a process of setting up the support structures to make the regulatory examinations available nationally. As part of this process Examination Bodies have been approved to assist in the development and delivery of the regulatory examinations. The Examination Bodies are:

1. The Institute of Bankers (IOB)
2. The Financial Planning Institute (FPI)
3. Moonstone Information Refinery

The regulatory examinations that they will make available to the financial services industry are as follows:

EXAMINATION BODY	FOREX INVESTMENT BUSINESS	S & I: DERIVATIVES	S & I: BONDS	S & I: WARRANTS	S & I: DEBENTURES	MONEY MARKET	S & I: SHARES	DEPOSITS	PENSION FUND BENEFITS	SHORT-TERM: COMMERCIAL LINES	SHORT-TERM: PERSONAL LINES	HEALTH CARE BENEFITS	RETAIL PENSION BENEFITS	COLLECTIVE INVESTMENT SCHEMES	LONG-TERM INSURANCE CAT C	LONG-TERM INSURANCE CAT B	REPRESENTATIVES: Level 1	KI Level 1: Cat 1.1 & 1.19	KI Level 1: Cat I & IV	KI Level 1: Cat II & IIA	KI Level 1: Cat III	
Moonstone		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
FPI												✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Leselo / IOB										✓	✓						✓	✓	✓	✓	✓	✓

Note: The matrix above can change where examination bodies apply for the delivery of additional examinations, subject to the approval by the Registrar.

It is anticipated that the regulatory examinations will be made available to the industry during 2010.

Supplied courtesy of IISA , January 2010.