

FINANCIAL SERVICES BOARD



FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

(“FAIS ACT”)

FAIS CIRCULAR 7/2012

DATE: 22 May 2012

Information Circular: Registration for Regulatory Examinations

A. INTRODUCTION

The FSB once again, would like to express its appreciation to the FSPs, sole proprietors, key individuals and representatives that have shown commitment and dedication in writing and completing the regulatory examinations.

In order to ensure that all candidates that have not yet written or registered for the level 1 examination(s) understand the urgency to register without delay, more information is provided in this communication in terms of:

- Confirmation of the deadlines for each of the level 1 examinations to ensure that there are no misunderstandings or misconceptions regarding the deadlines.
- Afrikaans examination dates and venues.
- An explanation of the registration process and the information that candidates must supply in order to register.
- The cut-off date for registrations for those that need to write the examination by 30 June 2012.
- An update on the statistics for the examinations.

B. LEVEL 1 REGULATORY EXAMINATION DEADLINES

The information circular 7 of 2011 issues in respect of the regulatory examination explained the extension granted to 30 June 2012 from the level 1 regulatory examinations deadline of 31 December 2011. These revised deadlines have not been amended again, and to ensure that the deadlines are clear, the table provided in the previous information circular is again included below, with additional notes for further clarification:

TABLE A

Level 1 Regulatory Examination	New deadline	Deadline for rewrite	Exemption notice
RE1 (Key individual for category I, II, IIA, III and IV)	30 June 2012	30 September 2012	Board Notice 61 of 2012 (General exemption: level 1 regulatory examination)
RE3 (Key Individual for Category II and IIA)	30 September 2012	31 December 2012	Board Notice 61 of 2012 (General exemption: level 1 regulatory examination)
RE4 (Key individual for Category III)	30 September 2012	31 December 2012	
RE5 (Representatives of Categories I, II, IIA, III and IV excluding representatives for subcategories 1.1 and 1.19)	30 June 2012	30 September 2012	Board Notice 61 of 2012 (General exemption: level 1 regulatory examination)

* The deadline for the RE2 level 1 regulatory examination for sole proprietors and key individuals for subcategories 1.1 and 1.19 is 31 December 2013. Representatives for sub-categories 1.1 and 1.19 are not required to write the level 1 regulatory examination.

** The deadline for Category IIA is 31 December 2012 as indicated in Table E: Transitional Provisions for Categories I, II, IIA, III and IV in the Determination of Fit and Proper Requirements for Financial Services Providers, 2008.

*** The deadlines in Table A above apply to candidates with a date of first appointment prior to **30 June 2010**. Candidates appointed on or after **1 July 2010** have a period of 2 years from the date of first appoint to complete the level 1 regulatory examination(s).

As communicated in July 2011, the deadlines in the table above remain unchanged. For the RE 1 and RE 5 examinations there are only 6 weeks remaining to the deadline of 30 June 2012. Those candidates with a date of first appointment prior to 30 June 2010 that have not

written the examination yet, therefore need to enroll as a matter of urgency to ensure that they are able to secure a seat on the date and time that they prefer.

C. AFRIKAANS EXAMINATIONS

Moonstone is the only examination body offering the Afrikaans examinations, and therefore all registrations must please be done directly with Moonstone.

The examination dates for the Afrikaans examinations (for both key individuals and representatives) are:

- 22 May 2012
- 19 June 2012
- 17 July 2012 (Re-write only)
- 21 August 2012 (Re-write only)
- 18 September 2012 (Re-write only)

The examination venues

include:

- Bloemfontein
- Cape Town
- Durban
- Johannesburg
- Port Elizabeth
- Polokwane
- Pretoria

D. THE REGISTRATION PROCESS

The registration process is designed to make it easy for candidates to register with any of the examination bodies and a candidate can register for an examination through the following methods:

- on-line registrations using the internet
- fax/e-mail completed individual registration form
- telephonic registration via the call centers of the examination bodies

The details of the examination bodies are as follows:

EXAMINATION BODY	TELEPHONE NUMBER	WEBSITE ADDRESS
Financial Planning Institute (FPI)	(011) 470-6200 or (011) 470-6100	www.Re.fpi.co.za
Leselo	(011) 628-8100	www.leselo.co.za
Moonstone	(021) 883-8000 or (021) 888-9796	www.faisexam.co.za

To register, candidates must supply the following information:

1. Personal details such as name, surname, ID number, etc.
2. Which examination he/she would like to register for
3. Which examination date and venue he/she would prefer to register for
4. Payment of fee either via electronic funds transfer (EFT) or credit card.

Please note:

- Candidates must please ensure that they register for the correct examination. (Please refer to the last page of this circular for a description of each of the examinations that will assist in the correct identification of examinations. Please note that this information is also available on the FSB website.)
- Candidates cannot register for one examination, and then demand to write a different examination on the day that the examination is scheduled to take place. The examinations are couriered to the examination venues, and therefore there are no “extra” examinations for candidates that may have registered for the incorrect examination.
- Payments for the examination(s) must be made on time and the correct reference number must please be used to avoid any delays. The examination fee is R900 per examination. To avoid cancellation payment must be received 10 working days before the exam date.
- It is advisable that candidates arrive at the venue at least 30 minutes before the examination sessions is due to commence in order to ensure that they are calm and relaxed when the examination sessions starts, and that all the relevant administration can be completed.
- Candidates must ensure that they register with their barcoded identity document and not with the old version of identification as this old version cannot be validated which causes a significant delay when uploading and releasing the results of the examination.
- Candidates need to ensure that they read their registration notification (contact the examination body immediately if notification details are not correct) and take a printed copy of the updated notification to the examination venue. Please do not use the tax invoice as proof of registration as this document does not contain all the relevant registration information required.

E. THE CUT-OFF DATE FOR REGISTRATION FOR THOSE THAT MUST WRITE BY 30 JUNE 2012

Only when the registration for a candidate is confirmed by the examination body does the process for generating the examination paper for the candidate commence. This includes the candidate's details on the attendance register for the specific session for which the candidate registered, printing all administrative and supporting documentation, confirmation of invigilators, confirmation of venues, checking and quality assuring the printing and packaging and dispatch of documentation to the examination venues, etc.

In order for this process to be completed the examination body requires a period of 10 days from the time of registration to the time that the examination session takes place. This means that if you want to register to write the examination on 29 June 2012 then you would need to register no later than **15 June 2012**.

Candidates that register later than 15 June 2012 will therefore not be able to write the examination in time for meeting the 30 June 2012 deadline.

Those candidates that would be required to re-write the examination before 30 September 2012 must bear in mind that the same principle will apply to this deadline and therefore all candidates would have to register at least 10 days prior to the deadline. Also note that there are cancellation clauses that apply where candidates want to make changes to their registration prior to writing the examination.

F. UPDATE ON THE REGULATORY EXAMINATION STATISTICS

The previous statistics were communicated on 12 April 2012, and subsequently the statistics have been refined further and more detail can be provided regarding the current status of the level 1 regulatory examinations. The statistics supplied below are the figures as at 22 May 2012:

Level 1 regulatory examination for key individuals for Category I, II III and IV.

DESCRIPTION	NUMBER	%	COMMENT
1. Total number of key individuals / sole proprietors	13808	N/A	This total excludes the key individuals that are linked to foreign FSPs as they have a temporary exemption, as well as the key individuals linked to category 1.1 and/or 1.19 (ONLY) FSP's, as these individuals are

DESCRIPTION	NUMBER	%	COMMENT
			required to write the RE 2 examination which is not yet available.
2. Total number of key individuals / sole proprietors that must write the RE1	12 645	N/A	This total only includes the total number of key individuals that fall within the transitional period which have to write the RE 1 by 30 June 2012.
3. Total number of key individuals / sole proprietors that have written the RE 1	9 868	78.04%	Of the total number of key individuals that must write the RE 1 (item 2 above) 78.04% have already written the examination.
4. Total number of key Individuals / sole proprietors that have passed the RE 1 (pass rate)	7 383	74.82%	Of the total number of key individuals that have written the RE 1 (item 2 above) 74.82% were successful. The pass rate percentage is calculated by taking the total in item 4 and dividing that by the total in item 3 above.
5. Total number of key individuals / sole proprietors that must still write the RE1 before 30 June 2012 .	2 777	21.96%	This is the number of key individuals that have not yet written the RE1 at least once.
6. Total number of key individuals / sole proprietors that must pass the RE1 before 30 September 2012 .	2 485	19.65%	This is the number of key individuals that would have to re-write the RE1 and pass the examination by 30 September 2012. (Please note that this excludes the figure in item 5.)

**Level 1 regulatory examination for representatives of Categories I, II, IIA, III and IV
excluding representatives for subcategories 1.1 and 1.19)**

DESCRIPTION	NUMBER	%	COMMENT
1. Total number representatives	107 734	N/A	This total excludes the representatives that are linked to foreign FSPs as they have a temporary exemption, as well as the representatives linked to category 1.1 and/or 1.19 (ONLY) FSP's, as these representatives are exempted from the level 1 regulatory examinations.

DESCRIPTION	NUMBER	%	COMMENT
2. Total number of representatives that are “new entrants” with a date of first appointment of 1 July 2010.	44 899	N/A	These representatives have 2 years from the date of first appointment in which to write the RE 5 and are therefore not subject to the 30 June 2012 deadline. Please also refer to Board Notice 61 of 2012 – General exemption: level 1 regulatory examination
3. Total number of representatives that must write the RE5	62 835	N/A	This total only includes the total number of representatives that fall within the transitional period which have to write the RE 5 by 30 June 2012.
4. Total number of representatives that have written the RE 5	51 790	82.42%	Of the total number of representatives that must write the RE 5 (item 3 above) 82.42% have already written the examination.
5. Total number of representatives that have passed the RE 5 (pass rate)	35 646	68.82%	Of the total number of representatives that have written the RE 5 (item 4 above) 68.82% were successful. The pass rate percentage is calculated by taking the total in item 5 and dividing that by the total in item 4 above.
6. Total number of representatives that must still write the RE5 before 30 June 2012 .	11 045	17.58%	This is the number of representatives that have not yet written the RE5 at least once.
7. Total number of representatives that must pass the RE5 before 30 September 2012 .	16 144	25.69%	This is the number of representatives that would have to re-write the RE5 and pass the examination by 30 September 2012. (Please note that this excludes the figure in item 6.)

G. CONCLUSION

The FSB would like to urge those candidates that must write the examination at least once by 30 June 2012 to register for the examination(s) as a matter of urgency. There are only 4 weeks remaining until the registration cut-off date. Please ensure that you register for the examination in time to meet the deadline.

Finally to those candidates that have successfully completed their examinations already – congratulations and well done! It is an achievement to be proud of and each of these

candidates has made a significant contribution towards the professionalisation of the financial services industry.

WHICH EXAMINATION MUST I REGISTER FOR?

RE No	Regulatory Examination	Descriptor
RE1	KI Level 1: Cat I, II, IIA, III and IV (General)	<p>This is a general examination that applies to all key individuals and sole proprietors in all the Categories. This examination consists of 80 questions.</p> <p>All sole proprietors and key individuals who are responsible for managing and overseeing a business relating to the rendering financial services for FSPs in Category I, II, IIA, III and IV are required to write this examination.</p> <p>(Please note that Sole proprietors and key individuals in Category I that only deal with Assistance Business Policies and Friendly Society Benefits does not have to write the RE1 exam only have to write RE2 exam.)</p>
RE3	KI Level 1: Cat II & IIA	<p>This is a specific examination that only applies to sole proprietors and key individuals in Category II and IIA.</p> <p>All sole proprietors and key individuals who are responsible for managing and overseeing the business relating to the rendering financial services for FSPs in Category II (Discretionary FSPs) and IIA (Hedge Fund FSPs) are required to write this examination in addition to the RE1.</p>
RE4	KI Level 1: Cat III	<p>This is a specific examination that only applies to sole proprietors and key individuals in Category III (Administrative FSPs).</p> <p>All sole proprietors and key individuals who are responsible for managing and overseeing the business relating to the rendering financial services for FSPs in Category I II are required to write this examination in addition to the RE1.</p>
RE5	Representatives	<p>All Representatives, including those employed or mandated by an FSP, who render a financial service to a client (excluding a person rendering clerical, technical, administrative, legal, accounting or other service in a subsidiary or subordinate capacity which does not require judgment or does not lead to a specific transaction in respect of a financial product in response to general enquiries) are required to write this examination.</p> <p>Please note that representatives in Category I that only deal with Assistance Business Policies and Friendly Society Benefits does not have to write RE5 exam.</p>