



**NOTICE REGARDING THE PUBLICATION OF DRAFT AMENDMENT OF THE GENERAL
CODE OF CONDUCT FOR AUTHORISED FINANCIAL SERVICES PROVIDERS AND
REPRESENTATIVES (FAIS)**

**FINANCIAL SECTOR REGULATION ACT, 2017
FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002**

**AMENDMENT OF THE GENERAL CODE OF CONDUCT FOR AUTHORISED FINANCIAL
SERVICES PROVIDERS AND REPRESENTATIVES, 2003**

The Financial Sector Conduct Authority (Authority) hereby, in accordance with section 98(1)(a)(iv) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) (FSRA), invites submissions on the draft Amendment of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003 in terms of section 106(1) of the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017) and section 15 of the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002), as set out in the Schedule hereto.

The draft Amendment, together with a statement supporting the draft Amendment is available on the Authority's website at <https://www.fsca.co.za>.

Submissions on the Amendment Notice must, using the submission template attached as Annexure B, be submitted in writing on or before **19 February 2021** to the FSCA, at FSCA.RFDStandards@fsca.co.za. The submission template consists of two parts. Part B relates to comments on the drafting, substance and other details of the Amendment Notice and Part C relates to comments on the expected impact of the draft Amendment Notice.

A handwritten signature in black ink, appearing to be 'OB MAKHUBELA', written over a horizontal line.

OB MAKHUBELA

FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY

Date of Publication: 30 November 2020

SCHEDULE

Interpretation

1. In this schedule, "General Code" means the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003, published in Board Notice No. 80 of 2003, as amended.

Amendment of section 3A of the General Code

2. Section 3A of the General Code is hereby amended by-

- (a) the insertion after item (1)(a)(iv)(bb) of the following items:

"(cc) are not unreasonable;
(dd) are commensurate to the service being rendered; and
(ee) does not result in the provider or its representative being remunerated twice for the same service.

Amendment of section 7 of the General Code

3. Section 7 of the General Code is hereby amended by-

- (a) the insertion after subsection (4) of the following subsection:

"(5) A provider who provides additional products or services to a client other than financial products or financial services, must disclose to the client the fact that the additional products or services sold or so provided does not afford the client the protections that apply in respect of the provision of financial services in terms of the Act."

Amendment of section 8 of the General Code

4. Section 8 of the General Code is hereby amended by-

- (a) the insertion after subsection (4) of the following subsection:

"(5) A provider providing advice to a client may charge an advice fee for the advice rendered, on the proviso that the charging of such a fee adheres to the requirements of section 3A(1)(a)(iv)."

Amendment of section 10 of the General Code

5. Section 10 of the General Code is hereby amended by-

- (a) the amendment of paragraph (3)(a) as follows:

"(a) who receives, holds or in any other matter deals with premiums payable under a short-term- or long-term reinsurance policy; or"; and

(b) the amendment of paragraph (3)(b) as follows:

“(b) who is subject to section 45 of the Short-term Insurance Act, 1998 (Act No. 53 of 1998) or section 47A of the Long-term Insurance Act, 1998 (Act No. 52 of 1998), if the provider complies with the requirements contemplated in [that]those sections.”.

Amendment of section 13 of the General Code

6. Section 13 of the General Code is hereby amended by-

(a) the amendment of section 13 as follows:

“13. A provider, excluding a representative, an insurer as defined in the Insurance Act, 2017 (Act No. 18 of 2017) or a bank as defined in the Banks Act, 1990 (Act No. 94 of 1990) must, if, and to the extent, required by the registrar maintain in force suitable guarantees or professional indemnity or fidelity insurance cover.”.

Short title and Commencement

7. This Notice is called the Amendment of the General Code of Conduct for Authorised FSPs and Representatives, 2021, and comes into operation on publication in the Government Gazette.