



FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002

DATE: 17 MAY 2019

EXPLANATORY NOTE: EXEMPTION FROM CONTINUOUS PROFESSIONAL DEVELOPMENT REQUIREMENTS

1. INTRODUCTION AND BACKGROUND

- 1.1) The Financial Sector Conduct Authority (“Authority”) has received a number of enquiries and applications for exemption from the continuous professional development (“CPD”) requirements contained in the Determination for Fit and Proper Requirements for Financial Services Providers, 2017 (“Fit and Proper Requirements”), and more specifically from persons (financial services providers, key individuals and representatives) who are members of foreign professional bodies that are not recognised by the South African Qualification Authority (“SAQA”) as professional bodies.
- 1.2) The members of these foreign professional bodies are of the view that the CPD activities offered by the foreign professional bodies should be regarded as qualifying activities for purposes of the CPD requirements of the Fit and Proper Requirements.
- 1.3) These enquiries prompted a thorough investigation into the nature, relevance and appropriateness of the CPD activities offered by these foreign professional bodies.
- 1.4) Following the investigation, the Authority was satisfied that reasonable grounds exist to warrant an exemption to members of foreign professional bodies (as defined in the exemption notice) from the CPD requirements in the Fit and Proper Requirements, **to the extent set out in the exemption**. The Authority is further satisfied that the requirements in section 44(1)(a) to (c) of the Financial Advisory and Intermediary Services Act, 2002 and section 281(1) of the Financial Sector Regulation Act, 2017 are met.

2. THE EXEMPTION

- 2.1) The exemption defines the term “extended CPD activity”. An extended CPD activity for purposes of the exemption is intended to include any CPD type activity recognised by a foreign professional body.
- 2.2) In terms of the exemption, members of foreign professional bodies (as defined in the exemption notice) are exempted from the CPD requirements contained in the Fit and Proper Requirements, to the extent that the term “CPD activity” as used in the Fit and Proper Requirements (which is currently limited to activities accredited by professional bodies that are SAQA recognised) must be read as including an extended CPD activity.
- 2.3) The effect of the exemption is therefore that a CPD activity for purposes of the Fit and Proper Requirements would include any CPD type activity recognised by a foreign professional body.
- 2.4) It should, however, be noted that notwithstanding the exemption, members of foreign professional bodies are still required to comply with the remainder of the Fit and Proper Requirements. Specific attention is drawn to section 32(1)(c)(i-iv) of the Fit and Proper Requirements that provide that financial services providers, key individuals and representatives must ensure that the type and combination of CPD activities undertaken complies with the factors listed therein.

3. DESIGNATIONS

Without limiting the scope of the exemption, persons that have any of the following designations would fall within the scope of the exemption (as a requisite for each of these designations is being a member of the particular foreign professional body hosting the designation):

- 3.1) Chartered Financial Analyst (CFA);
- 3.2) Certified Public Accountant (CPA);
- 3.3) Chartered Alternative Investment Analyst (CAIA);
- 3.4) Financial Risk Manager (FRM);
- 3.5) Financial Modeling & Valuation Analyst (FMVA);
- 3.6) Chartered Financial Consultant (ChFC);
- 3.7) Certified Employee Benefit Specialist (CEBC);
- 3.8) Licensed International Financial Analyst (LIFA);
- 3.9) Certified International Investment Analyst (CIIA); and
- 3.10) Fellow Chartered Financial Practitioner (FChFP).

4. CONTACT

For further information regarding the exemption please contact the Regulatory Framework Department of the Financial Sector Conduct Authority by emailing Karien Nel at Karien.Nel@fsca.co.za .



Financial Sector
Conduct Authority

FSCA FAIS Notice 35 of 2019

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (ACT NO. 37 OF 2002)

EXEMPTION FROM CONTINUOUS PROFESSIONAL DEVELOPMENT REQUIREMENTS, 2019

The Financial Sector Conduct Authority, under section 44(4) of the Financial Advisory and Intermediary Services Act, 2002 (“the Act”), read with section 281(3)(b) of the Financial Sector Regulation Act, 2017, hereby exempts certain persons from provisions of the Determination of Fit and Proper Requirements for Financial Services Providers, 2017, to the extent set out in the Schedule.



CD da Silva
For the Financial Sector Conduct Authority

SCHEDULE

EXEMPTION FROM CONTINUOUS PROFESSIONAL DEVELOPMENT REQUIREMENTS, 2019

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 is assigned in the Act shall have that meaning, and unless the context otherwise indicates -

“**Authority**” means the Financial Sector Conduct Authority as defined in section 1(1) of the Financial Sector Regulation Act;

“**CPD activity**” has the meaning assigned in section 1(1) of the Fit and Proper Requirements;

“**CPD requirements**” means the requirements contained in the Fit and Proper Requirements relating to continuous professional development;

“**extended CPD activity**” means an activity, other than product specific training and an activity performed towards a qualification, that is –

- (a) recognised by a foreign professional body;
- (b) allocated an hour value or part thereof by the foreign professional body; and
- (c) verifiable;

“Fit and Proper Requirements” means the Determination of Fit and Proper Requirements for Financial Services Providers, 2017, published in Board Notice 194 of 2017 in Government Gazette No. 41321 on 15 December 2017; and

“foreign professional body” means a foreign body with individual members practicing a profession or occupation, and which body maintains oversight of the knowledge, skills, conduct and practices of that profession or occupation.

Extent of exemption

2. Financial services providers, key individuals and representatives, who are members of foreign professional bodies, are exempted from the CPD requirements to the extent that all references to “CPD activity” in the Fit and Proper Requirements must be read as including an “extended CPD activity”.

Amendment and withdrawal of exemption

3. The exemption referred to in paragraph 2 is subject to-
 - (a) amendment thereof published by the Authority by notice on the website of the Authority; and
 - (b) withdrawal in a like manner.

Short title and commencement

4. This Exemption is called the Exemption from Continuous Professional Development Requirements, 2019, and comes into operation on date of publication.

DATE OF NOTICE: 17 MAY 2019