**Annual Compliance Report
for FSP without Compliance Officer 2017**

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**General Annexure**

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| **Question Number** | **Comments** |
| **1.1** | The FSP has a procedure in place to ensure that it can comply with condition 1 of the licensing conditions. The FSP is a client of the Moonstone Compliance Protector Service which sends out an email notification twice a month to remind the Key Individual to notify the Registrar of any changes to its business details.  |
| **1.4** | The FSP is a company regulated by the Companies and Intellectual Property Commission. Registration number XXXX/XXXX/XXXThe FSP is registered for Tax with South African Revenue ServiceThe FSP is registered as an Accountable Institution with the Financial Intelligence CentreThe FSP is accredited with the Council of Medical Schemes |
| **1.5.1.1** | The FSP renders and investment service on the following products that are not defined as a “financial product” in terms of the FAIS Act: Bond Originating and Bridging Finance |
| **1.6.3** | Yes, the irregularity was reported to the Regulator |
| **1.6.4** | Yes, “advice” was provided on a Funeral policy whilst the FSP was only authorised for “intermediary services” on Long-term Insurance Subcategory A. The licence has subsequently been updated to include “advice” on Long-term Insurance Subcategory A. |
| **2.1**  | Yes the FSP is part of a group of companies. The FSP is a subsidiary of MaxWealth holdings. Maxwealth has a 60% shareholding in the FSP.  |
| **3.2** | The Key Individual’s private estate was sequestrated. However, the FSP is a company and satisfies the financial soundness requirement i.e. the FSP’s assets exceeds its liabilities and is not under liquidation or provisional liquidation. |
| **4.2** | The FSP has employed a secretary during the reporting period. The secretary sets up appointments with clients and does not render any financial services. |
| **5.3** | Yes. The FSP performs self-assessments on a regular basis in order to ensure that the requirements associated with the Operational Ability aspects are complied with by the FSP. |
| **10.2.1.1** | The FSP has implemented a working document listing the information that must be sourced from the client in order to conduct a suitability analysis. This will be implemented prior to 28 February 2018. |
| **11.2.4** | Short-term Insurance premiums (Category 1.02 Short-term Insurance Personal Lines) |
| **12.2** | The FSP is a client of Moonstone Compliance Protector Service. The service prompts the FSP to monitor compliance risk areas by way of self-assessments on a periodic basis. A monthly compliance report is generated with recommendations in order to rectify any issues of non-compliance. |
| **14.2.1** | One Complaint was referred to the FAIS Ombud. The complaint was about the suitability of the financial advice that was furnished to the client. The FAIS Ombud ruled that the Record of Advice was adequate as it clearly provided a brief summary of the information and material on which the advice was based. The Record of Advice also listed the financial products that were recommended, with an explanation of why the products selected by the client, is likely to satisfy the client’s identified needs and objectives. The complaint was therefore dismissed. |
| **15.3** | The FSP does not make use of electronic documents. Paper documents are kept safe and stored in lockable steel filing cabinet where it cannot be accessed by any unauthorized persons and where it is kept safe from any potential hazards such as fire or water damage. |
| **16.2.1** | The FSP will review the risks associated with providing uninterrupted financial services to its clients. A documented Business Continuity Plan will be implemented prior to 31 March 2018. |
| **17.1** | The FSP required clients to contractually waive their right to receive information that must be disclosed in writing as this information was already provided verbally. The FSP has subsequently amended its SLA and will now disclose all relevant information as required by the General Code of Conduct in writing. |
| **18.7.1** | The FSP was not aware that it may not enter into transactions with anonymous clients. The FSP has subsequently adopted the use of FICA Client Due Diligence Forms to risk rate and identify its clients. |
| **21.2.1** | The Certification of Accreditation as Heath Care Broker was suspended due to the late payment of fees. All fees are now up to date and the suspension has been lifted by the Council of Medical Schemes. |
| **21.2.3** | Discovery Medical Aid / Fedhealth / Bestmed |