







General Comments

- S 2 - amended
- A provider must at all times ~~render financial services~~ act honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.

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General Comments

- S 3(4) – no indication if not regulated
- S 3(5) - independence
- S 3A(1) – remuneration of Reps
- S 3A(2)(b)(ii) – basis of Rep remuneration

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S 8 - Suitability

- | <u>Current</u> | <u>Amended</u> |
|-----------------------|------------------------------------|
| Take reasonable steps | Obtain from the client |
| • Financial situation | • Needs and objectives |
| • Product experience | • Risk profile |
| • Objectives | • Product knowledge and experience |
| | • Affordability |
| | • Risk appreciation |
| | • Members of funds |

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S 8 - Suitability

May take into account:

- Specific objectives or financial needs requested or agreed
- Applicable surrounding circumstances
- Client has declined to provide information

But . . .

- Must alert the client to limitations; and
- Existence of risk

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S 14 - Advertising

“advertisement”

means any communication published through any medium and in any form . . . which is intended to create public interest in the business, financial services, financial products or related services of a provider . . . but which does not purport to provide detailed information . . .

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S 14 - Advertising

1. Application
2. General Principles
3. Factually correct, balanced, not misleading
4. Public Interest
5. Identification of product supplier or provider
6. Appropriate language and medium
7. Record keeping of advertisements

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S 14 – Advertising

- 8. Negative option marketing
- 9. Unwanted direct marketing
- 10. Comparative marketing
- 11. Puffery
- 12. Endorsements
- 13. Loyalty benefits and bonuses
- 14. Prominence
- 15. Forecasts

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S 15 – Direct Marketing

“Direct Marketing”

means the rendering of financial services by way of telephone, internet, digital application platform, media insert, direct or electronic mail but excludes the publication of an advertisement.

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S 15 – Direct Marketing

- S 7 - Subject to the provisions of this Code, a provider ~~other than a direct marketer~~ must-
- S 8 - A provider ~~other than a direct marketer~~ must prior to providing a client with advice-
- S 9 - A provider ~~other than a direct marketer~~ must provide a client with a copy of the record contemplated in 9(1) in writing

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S 15 – Direct Marketing

15(5). Records of advice furnished to a client telephonically need not be reduced to writing but a copy of the relevant voice logged records must be provided, on request, to the client or Registrar within a reasonable time.

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S 15 – Direct Marketing

15(5). Records of advice furnished to a client telephonically need not be reduced to writing but a copy of the relevant voice logged records must be provided, on request, to the client or Registrar within a reasonable time.]

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S 15 – Direct Marketing

- 15(5) - must record all telephone conversations with clients
- 15(6) – after conclusion of the transaction, provide, in writing, the client with all information referred to in sections 4 and 5 of this Code

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S 16 – Complaints Management

"complaint" means an expression of dissatisfaction

- relating to a financial product or financial service
 - contravention or failure to comply with an agreement, law, rule, or code of conduct
 - maladministration or wilful or negligent action or failure to act that has caused the person harm, prejudice, distress or substantial inconvenience; or
- the provider or its service supplier has treated the person unfairly;

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S 17– Complaints Management Framework

1. Establishment
2. Requirements
3. Allocation of responsibilities
4. Categorisation

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S 17– Complaints Management Framework

Categorisation of Complaints

- i. Design
- ii. Information provided
- iii. Advice
- iv. Performance
- v. Service
- vi. Accessibility
- vii. Complaints handling
- viii. Claims
- ix. Other

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S 17– Complaints Management Framework

- 5. Complaints escalation and review process
- 6. Decisions relating to complaints
- 7. Record keeping, monitoring and analysis
- 8. Communication with complainants
- 9. Engagement with ombud
- 10. Reporting complaints information

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S 17– Complaints Management Framework

Proposed effective date = 1 January 2019

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Questions?



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