

MODULE 3: STUDY NOTES

The Key Individual is responsible to ensure that Representatives:

- Are fit and proper at appointment stage.
- Remain fit and proper throughout their employment and under that Key Individuals supervision.

Responsibility of Key Individuals to inform the FSB of any changes in the Representative's personal status through the vehicle of the Representative register.

Honesty and Integrity verification

- Check data bureau.
- Check details of applicant against available data supplied by regulatory and professional bodies (such as FSP debarred list).
- Check validity of membership of professional bodies/ other institutions.
- Check the FSB website to see if the Representative has been debarred.

Experience verification

- Obtain and verify details of previous experience.

Qualification verification

- Obtain and verify details of appropriate qualifications submitted by applicant.

Regulatory Examination verification

- Check that they were completed.

Continuous Professional Development verification

- CPD details can be obtained and verified.

The Fit and Proper requirements for Representatives are:

- Honesty and Integrity
- Experience
- Qualifications
- Regulatory Examinations
- Continuous Professional Development

The FSP and Key Individual must ensure that Representatives are enabled and supported to achieve the requirements by:

- The relevant dates.
- If the Representatives do not meet one or more of the requirements by the cut off date, then they will not be eligible for the position of Representative.

Purpose of debarment:

To remove a Representative in certain circumstances, from rendering financial services to clients.

Section 14 of the FAIS Act requires an FSP to:

- a) First ensure that the Representative in question is definitely no longer fit and proper.
- b) That this Representative, if no longer fit and proper, is prohibited by the FSP from offering a financial service.

Key Individual's responsibilities with regard to debarment

Refer to debarment as a consequence of non-compliance in contracts of employment and mandatory agreements.	Ensure that the FSP disciplinary Code includes debarment related offences and failure to comply with material requirements of the FAIS Act and reasons.
Ensure internal processes and procedures exist and are followed when Representatives are debarred.	Ensure that all role players get adequate and relevant information on debarment of Representatives.
Ensure that the Representative register is amended as soon as the decision is taken to debar.	Ensure that the FAIS Registrar is notified of the debarment in the prescribed reporting format (notification of debarment / representative register).
Ensure that the necessary action is taken to assess the situation of the debarred Representative's clients and take immediate action to preserve clients' interests.	Check that the compliance officer performs monitoring procedures in respect of the cases where Representatives have been debarred.