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Time taken 1 hour 10 mins
Marks 32.00/50.00
Grade 64.00 out of 100.00
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Question 1

Correct

Mark 1.00 out of 1.00

FSPs, Key Individuals and Representatives all need to meet specific requirements.

Choose the INCORRECT requirement which applies to all.

Select one:

- a. Honesty, Integrity and Good Standing.
- b. Competence and CPD.
- c. Qualifications and Experience.
- d. Management experience in all the products.

Question 2

Not answered

Marked out of 1.00

Rachel wants to apply for a position as a Representative at a bank. Which of the following statements are TRUE with regard to Rachel being Fit and Proper?

i. Rachel will not meet the Honesty, Integrity and Good Standing Requirements if she was found guilty by any statutory professional body or voluntary professional body (whether in the Republic or elsewhere) recognised by the FSCA, of an act of dishonesty, negligence, incompetence or mismanagement, sufficiently serious to impugn the Honesty, Integrity and Good Standing of the Representative, within 3 years before the date of appointment by the FSP.

ii. Rachel will not meet the Honesty, Integrity and Good Standing Requirements if she had been convicted (and that conviction has not been expunged) or is the subject of any pending proceedings which may lead to a conviction of any other offence committed after the Constitution of the Republic of South Africa, 1996, took effect, where the penalty imposed for the offence was or may be imprisonment without the option of a fine, or a significant fine.

iii. Rachel will not meet the Honesty, Integrity and Good Standing Requirements if she has been the subject of frequent or material preventative, remedial or enforcement actions by an authority.

iv. Rachel will not meet the Honesty, Integrity and Good Standing Requirements if she has been removed from an office of trust for theft, fraud, forgery, uttering a forged document, misrepresentation, dishonesty, breach of fiduciary duty or business conduct.

Select one:

- a. i and iii only.
- b. ii, iii and iv only.
- c. iii and iv only.
- d. i and iv only.

Question 3

Incorrect

Mark 0.00 out of 1.00

Inez was debarred 9 months ago due to incompetence, and has applied for reappointment. You advise her that her debarment can be lifted, if:

Select one:

- a. Full competence has been achieved and all other requirements have been met.
- b. Full competence has been achieved and all Fit and Proper requirements have been met.
- c. 12 months have lapsed since the debarment date and she meets all the Fit and Proper Requirements.
- d. 12 months have lapsed since the debarment date and all unconcluded business has been properly concluded.

Question 4

Correct

Mark 1.00 out of 1.00

What might prompt an FSP to debar a Representative?

Select one:

- a. If the Representative is no longer Fit and Proper.
- b. If the Representative has treated a client unfairly.
- c. If the Representative has contravened or failed to comply with any provisions of FAIS.
- d. a and c.

Question 5

Correct

Mark 1.00 out of 1.00

You have been asked under which circumstances Safe Insurance should appoint a Compliance Officer. Which of the following would be a correct answer?

Select one:

- a. If they do not have a Key Individual.
- b. If they have a Key Individual or one or more Representatives.
- c. If they have a management team consisting of at least 10 members.
- d. If they have a total of 100 employees.

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Question 6

Correct

Mark 1.00 out of 1.00

If a client wants to lodge a complaint, what is the procedure that can be followed?

Select one:

- a. The client must go into the FSP's office to lodge a complaint and needs to request a meeting with the manager prior to doing this.
- b. The client must be given the complaints resolution process and has the option to inform the FSCA or the Ombud.
- c. The client should be informed that they can use any format that is convenient for them, either the branch, network, email, website or call centre help desk. They should also be provided with a copy of the complaints resolution policy. ✓
- d. The client will not be able to lodge a complaint until a reference number has been generated for them.



Question 7

Correct

Mark 1.00 out of 1.00

Which of the following statements are FALSE?

- i. If the FSP or a designated third party receives funds or financial documents, reasonable steps must be taken to ensure that they are adequately safeguarded.
- ii. The funds or financial products must be dealt with according to the broker's mandate with the FSP.
- iii. The client has easy access to an amount paid into the separate account, less all relevant deductions but subject to other applicable laws.
- iv. When the FSP receives funds from a client, without a bank being involved the money must be paid into the bank account within 7 days of receipt.

Select one:

- a. i and ii.
- b. i and iii.
- c. ii and iv.
- d. i and iv.



Question 8

Correct

Mark 1.00 out of 1.00

Apply your knowledge of Accountable Institutions nominated in the FIC Act and choose the CORRECT answer listed below:

Select one:

- a. Banks, estate agents, attorneys, trust companies, and long-term insurance companies (including an insurance broker and a representative of an insurer).
- b. Banks, estate agents, attorneys, trust companies, collective investment schemes and long-term insurance companies (including an insurance broker and a representative of an insurer).
- c. Banks, estate agents, collective investment schemes and long-term insurance companies (including an insurance broker and a representative of an insurer).
- d. Banks, estate agents, collective investment schemes and long-term insurance companies.



Question 9

Correct

Mark 1.00 out of 1.00

Which of the following parties do NOT play a role in an FSP's complaint handling system?

Select one:

- a. Representatives of the FSP.
- b. The FSP's Compliance Officer.
- c. The FAIS Ombud.
- d. Key Individuals of the FSP.



Question 10

Correct

Mark 1.00 out of 1.00

The FAIS Code of Conduct requires that FSPs and their Representatives act honestly and fairly. This means that they must:

Select one:

- a. provide a complete list of all the features, benefits, costs, uses and pitfalls of a financial product or service being considered.
- b. disclose all information that may affect the customer's decision to purchase or use a financial product or service.
- c. take care not to overload the customer with information and details about the financial product or service being considered.
- d. provide access to resources and services the customer may require to access his financial product or service without limitations.



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Question 11

Correct

Mark 1.00 out of 1.00

Neil is a Representative and is discussing a product solution that will meet Neil's needs in terms of funeral cover for his family. At this stage Neil is required to disclose the following:

Select one:

- a. Whether Neil is rendering the financial service under supervision.
- b. Whether Neil holds guarantees or professional indemnity cover or not.
- c. Name, physical location, postal and telephone contact details of the product supplier.
- d. The existence of any specific exemptions that the Authority may have granted to the provider with regard to any matter provided by the Act.



Question 12

Incorrect

Mark 0.00 out of 1.00

The General Code under Section 9 details the steps a Representative must take in the recording of the advice given. The records of advice for authorised FSPs and their Representatives involved in Forex Investment Business include one additional step, what is this?

Select one:

- a. To record the investments owned by each client individually.
- b. To record a brief summary of the information and material on which the advice was based.
- c. To record the financial product or products recommended with an explanation of why the product or products selected is, or are likely to satisfy the client's identified needs and objectives.
- d. To record the investments owned by clients collectively.



Question 13

Correct

Mark 1.00 out of 1.00

If an accountable institution established a business relationship with a client before the commencement of FICA:

Select one:

- a. The identity of the client only needs to be verified in the case of an exceptionally large transaction.
- b. The provision of FICA will not apply to the relationship.
- c. Customer due diligence should still be performed.
- d. The identity of the client only needs to be verified in the case of a suspicious transaction.



Question 14

Correct

Mark 1.00 out of 1.00

Paula is the policyholder of a funeral policy and has insured her family, as well as her parents and her parents-in-law. She has submitted a funeral claim for the payment of her father-in-law's funeral benefit. In order for the insurer to pay out the proceeds to her, as the policyholder, they require Paula's:

Select one:

- a. Latest postal address so that they can send her a cheque.
- b. Latest physical address so that they can courier a cheque to her.
- c. Paula's banking details so that the proceeds can be paid directly to her.
- d. Paula's mother-in-law's banking details so that the proceeds can be paid directly to her.



Question 15

Correct

Mark 1.00 out of 1.00

You are the sales manager or supervisor of a new Representative. He asks you when a Representative can be debarred, and you tell him the following:

- i. Non-compliance with any of the Fit and Proper Requirements.
- ii. Non-compliance with any provision of the FAIS Act.
- iii. Poor work performance.
- iv. Not doing a comprehensive record of advice.

Select one:

- a. iii and iv.
- b. ii, iii and iv.
- c. i, ii and iv.
- d. i and iv.



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Question 16

Correct

Mark 1.00 out of 1.00

'Advice', as defined in the FAIS Act, is given with a view to:

Select one:

- a. making a client aware of the benefits of the intermediary's services.
- b. making a client aware of the benefits of the product supplier's services.
- c. getting a client to consider acquiring or changing a financial product.
- d. getting a client interested in financial planning.

Question 17

Correct

Mark 1.00 out of 1.00

Non-disclosure of information that affects the risk of a policy will result in:

Select one:

- a. A waiting period being imposed on the policy.
- b. An exclusion of all accidental deaths.
- c. An exclusion of all deaths relating to natural causes.
- d. The non-payment of funeral benefits.

Question 18

Correct

Mark 1.00 out of 1.00

When a Representative acts under supervision, it means that they do not yet meet the Fit and Proper Requirements of:

Select one:

- a. experience and qualifications.
- b. qualifications and/or regulatory examinations.
- c. experience, qualifications and/or regulatory examinations.
- d. experience and regulatory examinations.

Question 19

Incorrect

Mark 0.00 out of 1.00

Which of the following came into operation on 2 October 2017 with regard to the FIC Amendment Act?

- i. Provisions that provide for customer due diligence measures.
- ii. Provisions that provide for recordkeeping requirements.
- iii. Provisions that provide for the Risk Management and Compliance Programme.
- iv. Provisions that provide for governance requirements.
- v. Provisions that provide for training requirements.

Select one:

- a. i and iii only.
- b. ii and v only.
- c. i, ii, iii, iv and v.
- d. v only.

Question 20

Incorrect

Mark 0.00 out of 1.00

The FAIS Ombud is the person appointed to resolve disputes between consumers and financial services providers relating to:

Select one:

- a. The quality or nature of the advice given.
- b. Contract between the insurer and the client.
- c. The performance of an investment.
- d. The experience of the adviser.



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Question 21

Correct

Mark 1.00 out of 1.00

If a staff member or organisation does not comply with FICA, there are certain administrative sanctions that can be imposed on the staff member or organisation.

Choose the administrative sanction that would be imposed.

Select one:

- a. A caution not to repeat the conduct of non-compliance.
- b. A directive to take remedial action or to make specific arrangements.
- c. A financial penalty not exceeding R10 million for natural persons and R50 million for any legal person.
- d. Any of the above.

Question 22

Correct

Mark 1.00 out of 1.00

In which year did the initial Financial Intelligence Centre Act (FICA) become effective?

Select one:

- a. 2001.
- b. 2004.
- c. 2007.
- d. 2018.

Question 23

Incorrect

Mark 0.00 out of 1.00

Choose the CORRECT answer.

A Category I FSP that appoints Representatives to perform execution of sales only must be able to demonstrate their compliance with:

- i. The Competence requirements relating to Class of Business training.
- ii. The Competence requirements relating to qualifications.
- iii. The Competence requirements relating to Regulatory Examinations.
- iv. The Competence requirements relating to Product Specific Training.

Select one:

- a. i and iii only.
- b. i and iv only.
- c. iv only.
- d. i, ii, iii and iv.

Question 24

Correct

Mark 1.00 out of 1.00

The Ombudsman for long-term insurance may deal with any complaints relating to:

Select one:

- a. Long-term and short-term insurance policies.
- b. Long-term insurance policies only. ✓
- c. Unit trust investments.
- d. Poor advice provided by Representatives of long-term insurers.

Question 25

Incorrect

Mark 0.00 out of 1.00

The general experience requirements which apply to all Representatives in all the product categories:

Select one:

- a. must be experience gained in unbroken periods, not more than 10 years prior to the application.
- b. may be experience gained within or outside the borders of South Africa.
- c. may not be experience gained simultaneously in multiple subcategories.
- d. All of the above.



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Question 26

Correct

Mark 1.00 out of 1.00

Which of the following requirements are not applicable to Custody of Client Funds and Premiums?

Select one:

- a. The FSP must have a separate bank account at a bank.
- b. The bank account must be designated to receive funds and premiums from clients.
- c. The account may contain other funds of the FSP.
- d. The FSP is responsible for bank charges, except deposit or withdrawal charges.

Question 27

Correct

Mark 1.00 out of 1.00

Vicky recently took out a funeral policy for her and her family. As the owner of the policy she is:

Select one:

- a. Entitled to the benefits of the policy.
- b. Responsible for the payment of the premiums of the policy.
- c. Entitled to the benefits of the policy and is also responsible for the payment of the premiums on the policy.
- d. Entitled to the benefits of the policy and is responsible for accepting the risk of the lives assured on the policy.

Question 28

Correct

Mark 1.00 out of 1.00

A client pays funds to a provider. According to FAIS, the provider must:

Select one:

- a. Open a separate bank account for the client and, within 1 business day after receipt, pay the client's funds into the account.
- b. Open a separate bank account designated for client funds and, within reasonable time after receipt, pay the client's funds into the account.
- c. Open a separate bank account designated for client funds and, within 1 business day after receipt, pay the client's funds into the account.
- d. Refuse to accept the funds, as providers may not hold client funds in terms of FAIS.

Question 29

Incorrect

Mark 0.00 out of 1.00

Which one of the following statements reflects the description of offences in terms of POCA?

Select one:

- a. If a person knowingly launders the proceeds of unlawful activities and uses or possesses property that they know are the proceeds of unlawful activities.
- b. If a person knowingly assists another person to benefit from the proceeds of unlawful activities or acquire, use or possess property that they know are the proceeds of unlawful activities.
- c. If a person knowingly launders the proceeds of unlawful activities and assists another person to benefit from the proceeds of unlawful activities.
- d. If a person knowingly launders the proceeds of unlawful activities, assists another person to benefit from the proceeds of unlawful activities or acquires, uses or possesses property that they know are the proceeds of unlawful activities.

Question 30

Incorrect

Mark 0.00 out of 1.00

FICA does not provide for:

Select one:

- a. Regulation of access to information.
- b. The establishment and operation of the Financial Intelligence Centre.
- c. Accepting a complaint for investigation.
- d. Creation of money laundering control obligations for specific persons and institutions.



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Question 31

Incorrect

Mark 0.00 out of 1.00

Lucy acts as a Representative for Safe Insurance. She has done an analysis for a client. When she presents the results of the analysis, she recommends that the client takes out a retirement annuity. She leaves a report on the performance of the specific retirement annuity with the client to support her recommendation. Choose the CORRECT statement:

Select one:

- a. Lucy provided an intermediary service to the client.
- b. Lucy provided advice to the client.
- c. Lucy provided advice and an intermediary service to the client.
- d. Lucy complied with the steps that a Representative has to follow when providing advice.

Question 32

Correct

Mark 1.00 out of 1.00

An FSP must have appropriate procedures and systems in place to fulfil its recordkeeping obligations in terms of FAIS.

Which one of the following is not part of these recordkeeping obligations?

Select one:

- a. Recording of verbal and written communications related to a financial service rendered to a client.
- b. Storing and retrieving of such records and any other material documentation relating to the client or the financial service rendered to the client.
- c. Safekeeping of such client documentation and records, to prevent its destruction, for a period of 5 years after the rendering of the financial service.
- d. Safekeeping of the compliance reports relating to client contact compiled by the Compliance Officer and provided to the FSP every quarter.

Question 33

Correct

Mark 1.00 out of 1.00

In terms of the FAIS Act, records are to be kept in a certain way. Choose the CORRECT statement.

Select one:

- a. Records need to be kept in a steel cabinet that is fireproof and easily accessible.
- b. Records need to be kept in the basement of the office building and should be easily accessible.
- c. Records need to be kept in a manner which is safe from destruction.
- d. Records need to be kept in a safe at the insurer's bank that is easily accessible.

Question 34

Incorrect

Mark 0.00 out of 1.00

Where the Authority has withdrawn the licence of an FSP, the consequences for the FSP are:

- i. The FSP is suspended from providing financial services for a period of time.
- ii. The FSP is debarred from applying for a new licence for a period of time.
- iii. The FSP is provisionally suspended from providing financial services, until the conditions relating to the suspension have been met.
- iv. A withdrawn licence cannot be reinstated by the Authority.

Select one:

- a. i and ii.
- b. ii and iii.
- c. ii and iv.
- d. iii and iv.



Question 35

Correct

Mark 1.00 out of 1.00

Which of the following must be included in the register of Representatives and Key Individuals?

Select one:

- a. A person not employed by the FSP, but who has a verbal agreement to submit business to the FSP.
- b. A person not employed by the FSP, but who has signed an agreement to submit business only to the FSP and one other FSP.
- c. A person not employed by the FSP, but who operates on his own behalf by virtue of a verbal agreement with the FSP.
- d. A person not employed by the FSP, but who operates on behalf of the FSP by virtue of a mandate from the FSP.



Question 36

Correct

Mark 1.00 out of 1.00

In order to be able to provide the client with appropriate advice, the Representative should first of all obtain appropriate and available information from the client regarding their:

Select one:

- a. financial situation.
- b. financial situation, financial product experience and objectives.
- c. financial product experience and objectives.
- d. financial situation and objectives.

Your answer is:

Question 37

Correct

Mark 1.00 out of 1.00

In the financial services environment, the FAIS General Code of Conduct provides:

Select one:

- a. A framework for ethical behaviour by the role-players.
- b. A framework for using effective sales technique.
- c. A means of ensuring that representatives make the largest number of sales.
- d. A means of ensuring harmonious relations among all stakeholders involved.

Question 38

Incorrect

Mark 0.00 out of 1.00

Which of the following statements pertain to the recordkeeping obligations in terms of the General Code?

i. Telephonic and voice conversations regarding the provision of financial services must be recorded and the records kept for 5 years, but if no financial service is provided within 45 days of the telephonic advertisement, the record may be discarded.

ii. The records must be kept for 5 years from inception of the product.

iii. There must be provision in the systems and procedures for an FSP to access and convert voice logged records to written format if required.

iv. Clients must be able to get copies of the telephonic advertisement records within 10 days of request.

Select one:

- a. i and iii.
- b. ii and iii.
- c. i, ii and iii.
- d. ii and iv.

Question 39

Correct

Mark 1.00 out of 1.00

Advice EXCLUDES:

Select one:

- a. procedures to do a financial transaction.
- b. describing a financial product.
- c. factual information about products.
- d. All of the above.

Question 40

Correct

Mark 1.00 out of 1.00

Larry, a broker with ABC Life, wants to give his client, Karen, financial advice about an endowment policy she would like to take out. Karen is currently out of town, but she wants to reach a decision while she is away to finalise the paperwork as quickly as possible on her return. Which of the following statements is TRUE about this scenario?

Select one:

- a. Larry must give certain types of advice only in person, due to its complex nature.
- b. Telephonic conversations between Larry and Karen cannot be regarded as advice, unless they are recorded.
- c. Larry can choose any suitable medium through which to give the advice to Karen.
- d. Only written communications between Larry and Karen will be regarded as financial advice in terms of FAIS.



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Question 41

Correct

Mark 1.00 out of 1.00

If a client has a complaint against the provider, the provider:

Select one:

- a. has 3 months before they have to respond.
- b. must maintain a record of such complaints for a period of 10 years.
- c. must request the client to lodge such a complaint in writing.
- d. must maintain a record of such complaints for a period of 3 years.

Question 42

Correct

Mark 1.00 out of 1.00

When the insurer accepts the policy, the client should receive a policy summary within:

Select one:

- a. 7 days after the policy has been accepted.
- b. 15 days after the policy has been accepted.
- c. 30 days after the policy has been accepted.
- d. 45 days after the policy has been accepted.

Question 43

Incorrect

Mark 0.00 out of 1.00

It is very important that the client understands the details of the funeral policy that he has taken out. The client will find all the details pertaining to the policy in the:

Select one:

- a. Product brochure.
- b. Client advice record.
- c. Policy summary.
- d. Policy quotation.

Question 44

Correct

Mark 1.00 out of 1.00

There are certain requirements that need to be met when an FSP receives money from a client without a bank being involved. Which of the following requirements is NOT applicable?

Select one:

- a. The FSP must pay the money into the bank account within 1 day of receipt.
- b. The FSP must issue a written confirmation when the money is received.
- c. The FSP must pay the money into the bank account within 1 month of receipt.
- d. None of the options listed.

Question 45

Incorrect

Mark 0.00 out of
1.00

Criteria for the approval of Compliance Officers include:

Select one:

- a. Qualifications and experience of the Compliance Officer.
- b. The ability to function independently or objectively.
- c. Sufficient knowledge of the FAIS Act.
- d. All of the above.



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Question 46

Incorrect

Mark 0.00 out of 1.00

Which of the following statements is INCORRECT in terms of the FIC Act:

- i. If a person or entity has been identified by the United Nations Security Council, they can be accepted as a client, but should automatically undergo extensive due diligence.
- ii. If a person or entity has been identified by the United Nations Security Council, they should not be accepted as a client.
- iii. If a person or entity has been identified as a domestic prominent influential person, they can be accepted as a client, but should automatically undergo extensive due diligence.
- iv. If a person or entity has been identified as foreign prominent public official, they can be accepted as a client, but should automatically undergo extensive due diligence.

Select one:

- a. i only.
- b. ii, iii and iv only.
- c. i and iii only.
- d. iii and iv only.

Question 47

Incorrect

Mark 0.00 out of 1.00

Section 21 (2) states that if an accountable institution had established a business relationship with a client before the FICA took effect, it may not conclude further transactions in the course of that business relationship, unless prescribed steps are taken to ensure the identities of the clients are established and verified – there was a period of time granted for compliance with this requirement.

Select one:

- True
- False

Question 48

Incorrect

Mark 0.00 out of 1.00

A child will be covered on a funeral policy until the age of:

Select one:

- a. 18 or until age 21 or 22, if the child is a full-time student.
- b. 20 or until age 23 or 25, if the child is a full-time student.
- c. 21 or until age 25 or 26, if the child is a full-time student.
- d. 23 or until age 25 or 26, if the child is a full-time student.

Question 49

Incorrect

Mark 0.00 out of 1.00

Choose the statement that does NOT describe the aspects that need to be considered before proposing a product to the client.

Select one:

- a. The FAIS Act states that a client must be offered a product that matches their specific needs.
- b. Establish the amount of additional income the client has to meet their financial goals.
- c. Establish the client's experience and financial know-how.
- d. None of the options listed.

Question 50

Correct

Mark 1.00 out of 1.00

Which one of the following is not an accountable institution?

Select one:

- a. An attorney.
- b. A long-term insurance company.
- c. A Representative of a long-term insurance company.
- d. A training organisation in the insurance industry.

