

# RE 5 Mock Exam 2019

12

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Completed on Thursday, 3 October 2019, 10:46 AM

Time taken 2 mins 27 secs

Marks 13.00/50.00

Grade 26.00 out of 100.00

Feedback Unfortunately, you have not achieved the pass mark, click here to re-attempt the test in preparation for the official Regulatory Exam.

## Question 1

Incorrect

Mark 0.00 out of 1.00

When an employer decides to provide a funeral product or scheme for their employees:

Select one:

- a. The employer undertakes to pay the premiums and the insurer undertakes to insure the lives of the members.
- b. The employer undertakes to collect the premiums and pay them to the insurer.
- c. The insurer undertakes to insure the members of the group and pay the proceeds to the group when a claim is submitted.
- d. The insurer undertakes to insure the member of the group.

## Question 2

Incorrect

Mark 0.00 out of 1.00

Frances has responded to an advertisement for the position of Representative with Premium Life. They are quite keen to appoint her because of her legal background and forward an application for her licence to the FSCA. The person who considers her application worked with her previously and remembers that she had been found guilty of using a client's funds for personal purposes 3 years ago. Choose the CORRECT statement:

Select one:

- a. Frances will be authorised to act as a Representative of Premium Life because the dishonesty occurred more than 5 years ago.
- b. Frances will be authorised to act as a Representative of Premium Life on condition that she is never found guilty of a similar offence.
- c. Frances will not be authorised to act as a Representative of Premium Life, because she is in breach of the Fit and Proper Requirement of personal character qualities.
- d. Frances will be authorised to act as a Representative of Premium Life on condition that she works under supervision.

Question 3

Correct

Mark 1.00 out of 1.00

Bankwithus Ltd is a registered bank and an accountable institution in terms of FICA. A new client, a registered close corporation, wants to make a deposit and open a current account. Which documentation must be obtained from the client?

- i. The registration documents of the close corporation.
- ii. A copy of the most recent financial statements of the close corporation.
- iii. Customer due diligence records of the members of the close corporation.
- iv. Documents confirming the authority of those acting on behalf of the close corporation.

Select one:

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



Question 4

Incorrect

Mark 0.00 out of 1.00

Consider the following statements carefully and then choose the statement that is FALSE.

Select one:

- a. The FAIS Act was introduced to regulate the business of all Financial Services Providers who give advice or provide intermediary services to clients, regarding a wide range of financial products.
- b. Administration of the FAIS Act is done by the Financial Sector Conduct Authority. The Authority has defined functions, powers and obligations.
- c. The FAIS Act only applies to Financial Services Providers who give advice in relation to financial products.
- d. The enforcement part of the FAIS Act deals with the FAIS Ombud and related matters. It also deals with civil remedies, undesirable practices, offences and penalties, voluntary sequestration, windingup and closure.



Question 5

Incorrect

Mark 0.00 out of 1.00

Which one of the following statements is TRUE with regard to the recordkeeping function of records regarding transactions?

Select one:

- a. Records may be kept in electronic form and should be kept for at least 5 years from conclusion of the transaction.
- b. Records may not be kept in electronic form as long as they are kept for at least 5 years from conclusion of the transaction.
- c. Records may not be kept in electronic form as long as they are kept for at least 10 years from conclusion of the transaction.
- d. Records may be kept in electronic form and should be kept for at least 10 years from conclusion of the transaction.

Your answer is incorrect.

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## Question 6

Incorrect

Mark 0.00 out of 1.00

Prior to the rendering of any financial service in respect of a particular financial product, an FSP and Representative must complete:

Select one:

- a. The Class of Business training relevant to that financial product and for which they are authorised or appointed.
- b. Product Specific Training relevant to the financial product for which they are authorised or appointed.
- c. Class of Business training and Product Specific Training relevant to the financial product for which they are authorised or appointed.
- d. The relevant Regulatory Examination.



## Question 7

Correct

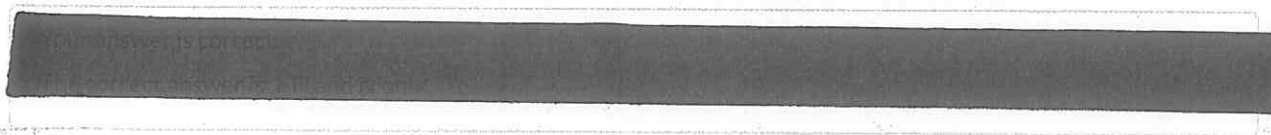
Mark 1.00 out of 1.00

Joanne is a Representative of ABC Finance and she needs to disclose the following with regard to the commission payable in respect of financial products or services:

- i. The nature, extent and frequency of any incentive, remuneration, consideration, commission, fee or brokerages ('valuable consideration'), which will or may become payable to the provider, directly or indirectly, by any product supplier or any person other than the client.
- ii. Where a financial product is being replaced by another financial product, full details must be disclosed of any incentive, remuneration, consideration, commission, fee or brokerages received, directly or indirectly, by the provider on the terminated product but it is not required for the provider on the replacement product where the provider rendered financial services on both the terminated and replacement product.
- iii. Where a financial product is being replaced by another financial product, full details must be disclosed of any incentive, remuneration, consideration, commission, fee or brokerages received, directly or indirectly, by the provider on the terminated product and the same by the provider on the replacement product where the provider rendered financial services on both the terminated and replacement product.
- iv. The identity of the product supplier or other person providing or offering the valuable consideration.

Select one:

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



Question 8

Incorrect

Mark 0.00 out of 1.00

Of what does the FIC Act require the FSP to keep records?

Select one:

- a. Proceeds of insurance products or investments that are paid out on maturity.
- b. The number of Representatives working for it.
- c. All records relating to customer due diligence as well as the transactions carried out with clients.
- d. Annual reports.



Question 9

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 10

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.



# RE 5 Mock Exam 2019

## Question 11

Incorrect

Mark 0.00 out of 1.00

As a Representative, you must disclose the product information. Which of the following disclosures must you make?

- i. Written statement to the client, at least once a month, which identify the products and state the ongoing monetary obligations of the client, among other things.
- ii. Details of any special terms or conditions, exclusions of liability, waiting periods, loadings, penalties, excesses, restrictions or circumstances in which benefits will not be provided and details of guaranteed minimum benefits or other guarantees.
- iii. Material tax considerations and whether cooling off rights are offered and, if so, procedures for the exercise of such rights.
- iv. Amounts of insurance premium increases of an insurance product, for the first 5 years and, thereafter, on a 5-year basis, but not exceeding 20 years.

Select one:

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

## Question 12

Incorrect

Mark 0.00 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 13

Incorrect

Mark 0.00 out of 1.00

Section 21 (1) of the FIC Act requires accountable institutions to:

- i. Establish the identity of clients.
- ii. Verify the identity of clients.
- iii. Verify the marital status of clients.

Select one:

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



Question 14

Incorrect

Mark 0.00 out of 1.00

An exclusion of \_\_\_\_ months will apply in the event of suicide.

Select one:

- a. 3
- b. 6
- c. 12
- d. 24



Question 15

Incorrect

Mark 0.00 out of 1.00

Blake, a financial advisor for Finitec, recommends that his long-standing client replace his existing motor vehicle insurance policy held with Keen Insurance (originally sold by Blake to the client), with a similar policy offered by Finitec Life. Blake is required to provide certain information to the client when recommending the replacement of a product. Which of the following options are correct?

- i. Blake must provide a comparison of fees and charges between the terminated product and the replacement product.
- ii. Blake must provide a comparison of special terms and conditions, exclusions of liability, waiting periods, loadings, penalties, excesses between the terminated product and the replacement product.

- iii. Blake must provide reasons why the replacement product is considered to be more suitable to the client's needs than keeping or modifying the terminated product.
- iv. Blake is not required to provide any of the information listed in these options as he sold the original product to the client with a full product and fee explanation.

Select one:

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



# RE 5 Mock Exam 2019

Question 16

Correct

Mark 1.00 out of 1.00

Funeral policies may NOT cover the following parties:

Select one:

- a. the policy owner.
- b. the policy owner's friends.
- c. the policy owner's immediate family.
- d. the policy owner's extended family.

Question 17

Incorrect

Mark 0.00 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 18

Incorrect

Mark 0.00 out of 1.00

The underwriter will:

Select one:

- a. Manage a funeral scheme on behalf of a group of members.
- b. Provide funeral cover for a client and their family.
- c. Underwrite an application for funeral cover and accept the risk.
- d. Advise the client on the most appropriate funeral cover solution in respect of their needs.

Question 19

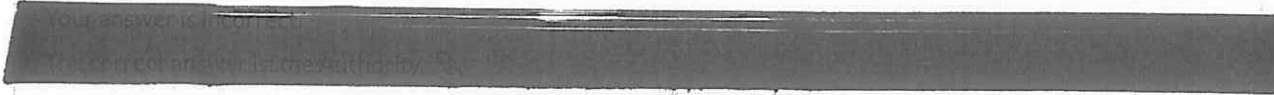
Incorrect

Mark 0.00 out of 1.00

If a Representative is mandated by more than one FSP and the one debars the Representative, the second FSP will be informed of the debarment by:

Select one:

- a. the first FSP.
- b. the Authority.
- c. the Representative.
- d. the Compliance Officer.



Question 20

Correct

Mark 1.00 out of 1.00

When a person does not submit a return, information or document to the Registrar as required by the FAIS Act, that person is liable to additional legal action. Which FICA penalties will apply to an FSP if they do not comply with the FAIS requirements in respect of the FICA?

Select one:

- a. To pay a fine of up to R1 000 (or as determined by the Registrar) per day for every day that the return, information or document is late.
- b. To pay a fine of up to R1 000 (or as determined by the Registrar) per day for every day that the return, information or document is late, plus interest.
- c. To pay a fine of R1 000 (or as determined by the Registrar) per day for every day that the return, information or document is late, plus interest.
- d. None of the options listed.



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## Question 21

Correct

Mark 1.00 out of 1.00

Zandile is not able to return to her previous position as an insurance broker after maternity leave. She decides to start up her own business, offering a service to collect and manage broker's commissions. She will provide extensive monthly reports about their earnings, best-selling products, most profitable clients, etc. Which of the following statements is true?

Select one:

- a. Her business is subject to the provisions of the FAIS Act because it provides a service of a financial nature.
- b. Her business is not regarded as that of a Financial Services Provider because she does not work directly with clients.
- c. Her business is regarded as an intermediary service because she provides a collection service to brokers.
- d. Her business is not an intermediary service, because she is not collecting managing financial products purchased by clients.

## Question 22

Correct

Mark 1.00 out of 1.00

Why is it important to record changes to a policy?

Select one:

- a. The FAIS stipulates that it is required.
- b. For the Representative to show that they have contacted their client.
- c. For the insurer to have an accurate policy record in the event of a claim.
- d. To check that the client operates in the terms and conditions of the policy.

## Question 23

Incorrect

Mark 0.00 out of 1.00

The aim of the Section 19 (3) Report is to ensure that clients' assets and or monies held by a provider are:

Select one:

- a. protected from unauthorised use.
- b. kept included in the provider's business funds.
- c. invested according to the provider's instructions.
- d. All of the above.

Question 24

Correct

Mark 1.00 out of 1.00

If you had to explain the difference between the suspension of a licence and the lapsing of a licence, you could say the following:

Select one:

- a. Suspension or withdrawal of a licence is the result of factors other than non-compliance with the requirements of the FAIS Act. Lapsing of a licence may be the result of a person's death.
- b. Suspension or withdrawal of a licence is the result of non-compliance with the requirements of the FAIS Act. Lapsing of a licence is the result of factors other than non-compliance.
- c. Suspension or withdrawal of a licence is the result of non-compliance with the requirements of the FAIS Act. Lapsing of a licence is the result of a person not meeting the Fit and Proper Competency Requirement.
- d. Suspension or withdrawal of a licence is the result of one's resignation from the services of an FSP. Lapsing of a licence is the result of factors other than non-compliance.

Your answer is correct.

Question 25

Incorrect

Mark 0.00 out of 1.00

A Representative must, at the date of appointment by an FSP, have:

Select one:

- a. the minimum experience requirements, unless working under supervision.
- b. all the required qualifications, unless working under supervision.
- c. completed all regulatory examinations, unless working under supervision.
- d. All of the above.

Your answer is incorrect.

# RE 5 Mock Exam 2019

Question 26

Correct

Mark 1.00 out of 1.00

Choose the CORRECT statement.

When an FSP wants to appoint a Representative, it may do the following to establish if a Representative indeed meets the requirements for Honesty, Integrity and Good Standing:

Select one:

- a. The FSP may only rely on declarations made by the Representative.
- b. The FSP may refer to any information in possession of the FSP or brought to the FSP's attention to determine whether a Representative meets the requirements for Honesty, Integrity and Good Standing.
- c. The FSP may only rely on declarations made by the Representative and contact previous employers.
- d. The FSP is limited with regard to means it may use to establish if a Representative meets the requirements for Honesty, Integrity and Good Standing requirements.

Question 27

Correct

Mark 1.00 out of 1.00

Felicia is a Representative working for Best Brokers. She was caught shoplifting and the store decided to prosecute. She was found guilty and received a suspended sentence.

Which of the following statements are TRUE?

- i. Felicia may not be debarred because she only received a suspended sentence and didn't go to jail.
- ii. Best Brokers may have to follow internal disciplinary procedures and ensure that all the Labour Law Requirements are met before debarment of Felicia.
- iii. Only Key Individuals can be debarred for shoplifting (stealing).
- iv. Felicia must be debarred because she is no longer Fit and Proper.

Select one:

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

**Question 28**

Incorrect

Mark 0.00 out of 1.00

In terms of FAIS, as far as disclosure on product suppliers is concerned, which statement is CORRECT?

Select one:

- a. The FSP must disclose whether it, during the preceding 12-month period, received more than 30% of total remuneration, including commission, from the product supplier.
- b. The Representative must disclose whether they, during the preceding 12-month period, received more than 30% of total remuneration, including commission, from the product supplier.
- c. The FSP and the Representative must disclose whether they, during the preceding 12-month period, received more than 30% of total remuneration, including commission, from the product supplier.
- d. This requirement does not apply to FSPs and Representatives.

Your answer is incorrect.

The correct answer is: The FSP and the Representative must disclose whether they, during the preceding 12-month period, received more than 30% of total remuneration, including commission, from the product supplier.

**Question 29**

Incorrect

Mark 0.00 out of 1.00

Which of the following statements is FALSE in respect of the Representatives register?

Select one:

- a. The FSP must have a register of all Representatives and Key Individuals employed or mandated by the FSP.
- b. The Representatives register must be updated every 30 days and sent to the FSCA.
- c. Updates to the Representatives register include any changes in the Fit and Proper circumstances of either a Representative or Key Individual, and these changes are reflected on the register.
- d. If a Representative or Key Individual is no longer employed by an FSP, then the individual must be removed from the list completely.

The correct answer is: The Representatives register must be updated every 30 days and sent to the FSCA.

**Question 30**

Incorrect

Mark 0.00 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.

Your answer is incorrect.

The correct answer is: They have a Key Individual or one or more Representatives.

# RE 5 Mock Exam 2019

Question 31

Incorrect

Mark 0.00 out of 1.00

Which one of the following statements is CORRECT with reference to the relationship between FAIS role-players?

Select one:

- a. A product supplier will always act as a financial services provider.
- b. A Representative will always be an employee or someone mandated by a financial services provider.
- c. The Compliance Officer of a financial services provider will always be an employee.
- d. A Representative is always part of the administrative staff of a financial services provider.

Your answer is incorrect.

The correct answer is: A Representative will always be an employee or someone mandated by a financial services provider.

Question 32

Incorrect

Mark 0.00 out of 1.00

Which of the following does not have to be disclosed by product suppliers?

Select one:

- a. The types of products available from the product supplier.
- b. Contact details of the compliance department.
- c. Information about the complaints procedure of the product supplier.
- d. Whether the FSP holds more than a 10% share in the product supplier.

Your answer is incorrect.

The correct answer is: Whether the FSP holds more than a 10% share in the product supplier.

Question 33

Incorrect

Mark 0.00 out of 1.00

As a Representative, you need to know and understand what is expected of an FSP with regard to complaints handling.

Consider the following scenario, read each statement carefully and then select the statement which is TRUE.

A client phoned with a complaint about the manner in which their claim is being handled. They want immediate action and insists that they get paid out immediately.

Select one:

- a. You don't have to request that the client put their complaint in writing and that the client include all relevant documentation.
- b. If the complaint is resolved in favour of the client, the provider has 6 months to provide the appropriate redress to the client.
- c. Once the written complaint is received it is not necessary to acknowledge receipt in writing as the original telephone recording is sufficient.
- d. If the client is unhappy with the outcome of the complaint, the client must be advised that they may submit the complaint to the Ombud within 6 months and they must also be given the contact details of the Ombud.

Your answer is incorrect.  
The correct answer is: d. If the client is unhappy with the outcome of the complaint, the client must be advised that they may submit the complaint to the Ombud within 6 months and they must also be given the contact details of the Ombud.

Question 34

Incorrect

Mark 0.00 out of 1.00

The FIC Act imposes certain duties on accountable institutions. Which of the following statements are FALSE with regard to these duties?

- i. Accountable institutions may keep certain records.
- ii. Accountable institutions may report certain information.
- iii. Accountable institutions must perform customer due diligence using a risk-based approach.
- iv. Accountable institutions must implement measures that will assist them in complying with the FICA.

Select one:

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

Your answer is incorrect.



Question 35

Incorrect

Mark 0.00 out of  
1.00

Several Codes of Conduct have been published to date. Which of the following is NOT a Code of Conduct?

Select one:

- a. Code of Conduct for FSPs and Representatives who are involved in Forex Investment business.
- b. The General Code of Conduct for Authorised Financial Service Providers.
- c. The Specific Code of Conduct, which relates to long-term deposit business.
- d. None of the options listed.

Your answer is incorrect.

The correct answer is: The Specific Code of Conduct, which relates to long-term deposit business.

# RE 5 Mock Exam 2019

Question 36

Incorrect

Mark 0.00 out of 1.00

When the client takes out a funeral policy, he must receive a:

Select one:

- a. Brochure summarising the features of the funeral policy.
- b. Letter with the details of the insurer and the funeral policy number.
- c. Policy summary relating all the details of the policy.
- d. Letter summarising the terms and conditions of the policy.

Question 37

Incorrect

Mark 0.00 out of 1.00

The FIC Act imposes certain duties on accountable institutions. Apply your knowledge of these duties and choose the CORRECT statements.

- i. Accountable institutions may report certain information.
- ii. Accountable institutions may keep certain records.
- iii. Accountable institutions must implement measures that will assist them in complying with the FICA.
- iv. Accountable institutions must perform customer due diligence duties.

Select one:

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

Your answer is incorrect.

Question 38

Incorrect

Mark 0.00 out of 1.00

The different types of financial services and products that an FSP can deal with in terms of FAIS do NOT include:

Select one:

- a. Intermediary services concerning a financial product.
- b. Financial advice concerning a financial product.
- c. Advice on financial products, as defined in the Act.
- d. Advice concerning the viability of a client's budget.

Question 39

Correct

Mark 1.00 out of 1.00

Liam is a newly appointed Compliance Officer. He knows that his monitoring function includes communication with the FSP. He wants to know how to perform this communication duty in terms of FAIS.

Select one:

- a. He has to meet with the FSP monthly to report on the strengths and weaknesses of the compliance system.
- b. He has to provide the FSP with written reports (at least quarterly), including his achievements with regard to compliance-monitoring duties and to make recommendations.
- c. He has to provide the FSP with an annual written report on the achievements of the compliance function.
- d. He has to provide the FSP with regular memos in which he indicates the number of activities that did not comply with FAIS.

THE CORRECT ANSWER IS:

He has to provide the FSP with written reports (at least quarterly), including his achievements with regard to compliance-monitoring duties and to make recommendations.

Question 40

Correct

Mark 1.00 out of 1.00

You are the manager of an insurance brokerage. One of your new financial advisors asks what is required of your business as an accountable institution in terms of FICA. Which of the following statements provides the most comprehensive answer to her?

Select one:

- a. To follow FICA procedures to report suspicious activities or unusual transactions relating to money laundering.
- b. To perform customer due diligence and report unusual transactions relating to combatting money laundering.
- c. To perform customer due diligence and report on activities or transactions relating to the use of offshore funds in South Africa.
- d. To follow FICA procedures to report suspicious activities or unusual transactions relating to drug trafficking.

The correct answer is: To follow FICA procedures to report suspicious activities or unusual transactions relating to money laundering.

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Question 41

Incorrect

Mark 0.00 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 42

Correct

Mark 1.00 out of 1.00

A Representative will discuss the details of the policy contract with the client. Why does the Representative have to do this?

Select one:

- a. To ensure that the client knows when the premiums of the policy are due and how they will be paid.
- b. To ensure that the client knows their rights and obligations with respect to the policy contract.
- c. To ensure that the client knows who to contact when they want to claim the benefits on the policy.
- d. To ensure that the client knows the percentage of commission earned by the FSP.

Question 43

Incorrect

Mark 0.00 out of 1.00

According to BN194 of 2017, 'Cash' means:

Select one:

- a. Physical currency consisting of Reserve Bank notes and coins; any balance in an account with a bank, branch of a bank or a bank established in a country other than the Republic and which lawfully conducts in such other country a business similar to the business of a bank, excluding a facility that extends credit.
- b. Any currency consisting of Reserve Bank notes and coins; gold coins and cryptocurrency; any balance in an account with a bank, branch of a bank or a bank established in a country other than the Republic and which lawfully conducts in such other country a business similar to the business of a bank, excluding a facility that extends credit.
- c. Any currency consisting of Reserve Bank notes and coins; any balance in an account with a bank, branch of a bank or a friendly society or stokvel conducts business similar to the business of a bank, excluding a facility that extends credit.
- d. Physical currency consisting of Reserve Bank notes and coins; any balance in an account with a bank, branch of a bank or a bank established in a country other than the Republic and which lawfully conducts in such other country a business similar to the business of a bank, including a facility that extends credit.

Question 44

Incorrect

Mark 0.00 out of 1.00

Which of the following statements is TRUE?

Select one:

- a. The FIC Act requires accountable institutions to provide ongoing training to its employees to enable them to comply with the provisions of FICA and the Risk Management and Compliance Programme.
- b. The FIC Act must be made available to the Compliance Officer, and on request, a copy thereof must be made available to the FIC and relevant supervisory bodies.
- c. The Risk Management and Compliance Programme must include recordkeeping and financial service advice procedures.
- d. The FIC Act prescribes the format of the required training.

Question 45

Incorrect

Mark 0.00 out of  
1.00

In terms of FICA, a third party may keep records on behalf of an accountable institution, provided the:

Select one:

- a. accountable institution keeps duplicate copies.
- b. accountable institution has free and easy access to them.
- c. third party is registered with the Financial Intelligence Centre.
- d. third party is authorised to do so by the Financial Intelligence Centre.



# RE 5 Mock Exam 2019

Question 46

Incorrect

Mark 0.00 out of 1.00

There are different product categories and subcategories in the FAIS Act. Which of the following is NOT a subcategory?

Select one:

- a. Securities and Instruments; Debentures and securitised debt.
- b. Participatory Interests in one or more collective investment schemes.
- c. Friendly Society Benefits.
- d. Retail Insurance Benefits.

Question 47

Incorrect

Mark 0.00 out of 1.00

When Life Insurer A outsources their recordkeeping function in terms of FAIS, they have to ensure that these documents can be accessed by the Registrar for inspection within how many days?

Select one:

- a. 5.
- b. 7.
- c. 6.
- d. 3.

Question 48

Incorrect

Mark 0.00 out of 1.00

Which of the following statements is TRUE?

Select one:

- a. Suspension or withdrawal of a licence is initiated by the Authority following actions or omissions by the FSP.
- b. Lapsing of a licence is initiated by the FSCA following an event that gave reason for the lapse.
- c. There are provisions in the Act for the reinstatement of a lapsed licence.
- d. There are severe implications in terms of other legislation when a FAIS licence lapses.

Your answer is incorrect.

The correct answer is: Suspension or withdrawal of a licence is initiated by the Authority following actions or omissions by the FSP.



Question 49

Incorrect

Mark 0.00 out of 1.00

Sarah, a Representative, was debarred in 2010 when her FSP discovered that she had not disclosed the fact that she was found guilty on two counts of fraudulent behaviour in 2008. What was the basis for Sarah's debarment in terms of FAIS?

Select one:

- a. She did not meet the Fit and Proper Requirement of competence.
- b. She did not meet the requirements of reporting money- laundering activities.
- c. She did not meet the Fit and Proper Requirement of Honesty Integrity and Good Standing.
- d. She was guilty of non-disclosure of information in terms of the FAIS Act.



Question 50

Incorrect

Mark 0.00 out of 1.00

Financial products are grouped in the various product categories and subcategories. The following are examples of financial products in the FAIS Act:

Select one:

- a. Credit life insurance.
- b. Money market funds managed by a fund manager.
- c. Shares in a company such as Old Mutual.
- d. Savings and 32-day notice deposit accounts.
- e. All of the above.

