

# RE 5 Mock Exam 2019

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Started on Wednesday, 2 October 2019, 8:56 AM

State Finished

Completed on Wednesday, 2 October 2019, 8:59 AM

Time taken 3 mins

Marks 24.00/50.00

Grade 48.00 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

Correct

Mark 1.00 out of 1.00

Lindiwe has been appointed as the Compliance Officer at ABC Finance. Her role will be to:

Select one:

- a. ensure compliance with the FAIS Act.
- b. report to the FSCA on compliance issues.
- c. ensure compliance with the FAIS Act and to report to the FSCA on compliance issues.
- d. to assist the managing director with his duties.

Your answer is correct.

## Question 2

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.

Your answer is incorrect.

The correct answer is i, ii, iii, iv and v.

Question 3

Incorrect

Mark 0.00 out of 1.00

Which Regulatory Examinations for Representatives need to be passed before the Representative can assume their role? Choose the CORRECT one.

Select one:

- a. Regulatory Examination Level 1 is not compulsory for Representatives.
- b. Representatives must first obtain the required qualifications before completing Regulatory Examination Level 1.
- c. Regulatory Examination Level 2 applies to Key Individuals only.
- d. Regulatory Examination Level 1 is compulsory for Representatives.

Your answer is incorrect.

The correct answer is: Regulatory Examination Level 1 is compulsory for Representatives.

Question 4

Incorrect

Mark 0.00 out of 1.00

If a Representative is found guilty of misconduct regarding the Code of Conduct and is no longer Fit and Proper, what restrictions will be imposed?

Select one:

- a. The Representative will be placed under supervision and left on the register.
- b. The Representative will be left on the register but with a note that they are not Fit and Proper.
- c. The Representative will be removed from the Representative register and, therefore, debarred.
- d. All of the options listed.

Your answer is incorrect.

The correct answer is: The Representative will be removed from the Representative register and, therefore, debarred.

Question 5

Correct

Mark 1.00 out of 1.00

In terms of Section 18 of the FAIS Act, the following records relating to the claim should be kept:

Select one:

- a. All documentation submitted by the policyholder or beneficiary.
- b. All documentation relating to the payment of the claim by the insurer.
- c. All documentation submitted by the policyholder or beneficiary and all documentation relating to the payment of the claim by the insurer.
- d. All documentation relating to the sale of the policy and the premium notifications sent to the policyholder.

Your answer is correct.

The correct answer is: All documentation submitted by the policyholder or beneficiary and all documentation relating to the payment of the claim by the insurer.

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## Question 6

Incorrect

Mark 0.00 out of 1.00

The Fit and Proper requirements relating to Honesty, Integrity and Good Standing apply to:

Select one:

- a. Key Individuals and Representatives.
- b. Some FSPs, Key Individuals and some Representatives.
- c. All FSPs, Key Individuals and Representatives.
- d. All FSPs, Key Individuals and Representatives except those Representatives who are only appointed to render financial services in respect of a Tier 2 financial product.

Your answer is incorrect.

The correct answer is: All FSPs, Key Individuals and Representatives.

## Question 7

Correct

Mark 1.00 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 correct.

The correct answer is: All of the above.

Question 8

Correct

Mark 1.00 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 correct.

The correct answer is: iii and iv only.

Question 9

Correct

Mark 1.00 out of 1.00

Which of the following statements is FALSE?

Select one:

- a. The Authority may allow reinstatement of a suspended or withdrawn licence under certain conditions.
- b. There are no implications in terms of other legislation when a FAIS licence lapses.
- c. The Authority must be advised in writing by the licensee, of the lapsing of a licence and the reasons, therefore, and the Authority may not publish any detail about the lapsing.
- d. The Authority must be advised in writing by the licensee, of the lapsing of a licence and the reasons therefore, and the Authority may publish the lapsing of a licence by notice in the Gazette.

Your answer is correct.

The correct answer is: The Authority must be advised in writing by the licensee, of the lapsing of a licence and the reasons, therefore, and the Authority may not publish any detail about the lapsing.

Question 10

Correct

Mark 1.00 out of 1.00

The Financial Intelligence Centre (FIC) is investigating John Thomas, a client of Premium Life, in a process to identify the proceeds of drug trafficking. The FIC has informed Premium Life that they want access to John's records in terms of FICA, including those that are not available to the general public. John has heard of this investigation and asks why Premium Life cannot protect his privacy. Select the answer you would give him.

Select one:

- a. John, FICA gives the FIC the right to access all your records with Premium Life. If Premium Life protects your privacy and refuses to assist the FIC, they will be found guilty of an offence and be punishable with a fine of up to R1 000 000 or be imprisoned for a period up to 5 years.
- b. John, FICA gives the FIC the right to access all your records with Premium Life except those that are not available to the general public. If Premium Life protects your privacy and refuses to assist the FIC, they will be found guilty of an offence and be punishable with a fine of up to R100 000 000 or be imprisoned for a period of up to 15 years.
- c. John, FICA gives the FIC the right to access your records with Premium Life. If Premium Life protects your privacy and refuses to assist the FIC, they will be found guilty of an offence and be punishable with a fine of up to R10 000 000 or be imprisoned for a period of up to 15 years.
- d. John, FICA gives the FIC the right to access certain of your records with Premium Life. If Premium Life protects your privacy with regard to these records and refuses to assist the FIC, they will be found guilty of an offence and be punishable with a fine of up to R10 000 000 or be imprisoned for a period of up to 15 years.

Your answer is correct.

The correct answer is: John, FICA gives the FIC the right to access all your records with Premium Life except those that are not available to the general public. If Premium Life protects your privacy and refuses to assist the FIC, they will be found guilty of an offence and be punishable with a fine of up to R100 000 000 or be imprisoned for a period of up to 15 years.

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## Question 11

Incorrect

Mark 0.00 out of 1.00

Charles has been authorised to act as a Representative for Premium Life despite the fact that he does not meet the Fit and Proper Requirements of 'qualifications'. Choose the CORRECT statement:

Select one:

- a. Charles has to work under supervision until he has completed the qualification requirement within 5 years of his appointment.
- b. Charles's authorisation has been granted on condition that he completes the qualification requirement within 5 years of his appointment.
- c. Charles has to work under supervision until he has completed the qualification requirement within 6 years of his appointment.
- d. Charles's authorisation has been granted on condition that he gains 5 years' experience instead of having to complete the qualification.

Your answer is incorrect.

The correct answer is: Charles has to work under supervision until he has completed the qualification requirement within 6 years of his appointment.

## Question 12

Correct

Mark 1.00 out of 1.00

Which one of the following documents may be used to verify a client's residential address?

Select one:

- a. ID document.
- b. Bank statement.
- c. Passport.
- d. Air ticket.

Your answer is correct.

The correct answer is: Bank statement.

**Question 13**

Correct

Mark 1.00 out of 1.00

The FSP must have a separate bank account at a bank, designated to receive funds and premiums from clients, which is separate from any other funds.

Which statement below is TRUE in respect of bank charges?

Select one:

- a. The FSP is responsible for bank charges including the charges which relate to deposit or withdrawals.
- b. The FSP is responsible for bank charges except the charges which relate to deposit or withdrawals, which the client must pay.
- c. The client is responsible for all bank charges, but the FSP must pay all interest accumulating in the account to the client or owner of the funds.
- d. The FSP is responsible for all bank charges, but may retain all interest accumulating in the account.

Your answer is correct.

The correct answer is: The FSP is responsible for bank charges except the charges which relate to deposit or withdrawals, which the client must pay.

**Question 14**

Correct

Mark 1.00 out of 1.00

If an accountable institution fails to provide assistance to the FIC to access its records, it is guilty of an offence punishable with:

Select one:

- a. Imprisonment for a maximum period of 15 years.
- b. A fine not exceeding R10 million.
- c. Imprisonment for a maximum period of 15 years or a fine of a maximum amount of R100 million.
- d. Imprisonment for a maximum period of 30 years.

Your answer is correct.

The correct answer is: Imprisonment for a maximum period of 15 years or a fine of a maximum amount of R100 million.

**Question 15**

Correct

Mark 1.00 out of 1.00

The Prevention of Organised Crime Act (POCA) contains measures primarily designed to combat:

Select one:

- a. Illegal gambling.
- b. Drug dealing.
- c. Organised crime, money laundering and criminal gang activities.
- d. Conspiracies to commit major offences.

Your answer is correct.

The correct answer is: Organised crime, money laundering and criminal gang activities.

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## Question 16

Incorrect

Mark 0.00 out of 1.00

The FAIS General Code of Conduct prescribes that certain disclosures should be made during the Representative's interaction with the client. These disclosures should be made at:

Select one:

- a. Contact stage only.
- b. Quotation stage only.
- c. Contact stage and quotation stage.
- d. Quotation stage and acceptance stage.

Your answer is incorrect.

The correct answer is: Contact stage and quotation stage.

## Question 17

Correct

Mark 1.00 out of 1.00

Leroy has advised Kelly on an investment policy. In order for Leroy to carry out the compliance provisions, he has to disclose certain important information under the FAIS General Code of Conduct. Which one of these statements is INCORRECT?

Select one:

- a. All information must be factually correct.
- b. All information must be provided in plain language.
- c. All information must be provided within a period of 3 months so as to afford the client sufficient time to make an informed decision.
- d. All information must avoid uncertainty and confusion and not be misleading.

Your answer is correct.

The correct answer is: All information must be provided within a period of 3 months so as to afford the client sufficient time to make an informed decision.



Question 18

Correct

Mark 1.00 out of 1.00

FICA places certain duties on accountable institutions. These are:

Select one:

- a. The duty to perform customer due diligence, the duty to keep records, reporting duties and access to information, measures to promote compliance by accountable institutions, and referral and supervision.
- b. The duty to perform customer due diligence and to report suspicious transactions.
- c. The duty to 'know your client', reporting duties and to train internal personnel.
- d. The duty to perform customer due diligence, the duty to keep records, reporting duties, and referral and supervision.

Your answer is correct.

The correct answer is: The duty to perform customer due diligence, the duty to keep records, reporting duties and access to information, measures to promote compliance by accountable institutions, and referral and supervision.

Question 19

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.

Your answer is correct.

The correct answer is: 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.

Question 20

Incorrect

Mark 0.00 out of 1.00

FSPs and Representatives have certain responsibilities with regard to qualifications of Representatives and duties of FSPs towards the maintenance of the FAIS licence as contained in Section 13 of the FAIS Act. Which statement best describes this responsibility?

Select one:

- a. Nobody may act as a Key Individual for an FSP unless the person can confirm to clients (certified by the FSP) that they have an employment or mandate agreement with the FSP, to represent the FSP and that the FSP accepts responsibility for the activities of the Key Individual performed in terms of the agreement.
- b. The Board of Directors must at all times take reasonable steps to ensure that Representatives comply with applicable codes of conduct and with other applicable laws on conduct of business.
- c. Nobody may act as a Representative for an FSP unless the person can confirm to clients (certified by the FSP) that they have an employment or mandate agreement with the FSP to represent the FSP and that the FSP accepts responsibility for the activities of the Representative performed in terms of the agreement.
- d. If a Representative was debarred, they can never operate as a Representative again.

Your answer is incorrect

The correct answer is: Nobody may act as a Representative for an FSP unless the person can confirm to clients (certified by the FSP) that they have an employment or mandate agreement with the FSP to represent the FSP and that the FSP accepts responsibility for the activities of the Representative performed in terms of the agreement.

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Question 21

Incorrect

Mark 0.00 out of 1.00

Money laundering has:

Select one:

- a. little effect on legitimate business and economic development, as it is too small to affect an entire country.
- b. a negative effect on legitimate business and economic development because of its scale and overall impact.
- c. the greatest effect on major economies, because that is where it occurs most often.
- d. little effect on weak economies because they offer the least scope for it.

Your answer is incorrect.

The correct answer is a negative effect on legitimate business and economic development because of its scale and overall impact.

Question 22

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.

Your answer is incorrect.

The correct answer is Class of Business training and Product Specific Training relevant to the financial product for which they are authorised or appointed.

Question 23

Correct

Mark 1.00 out of 1.00

Evidence of a Representative being an honest person and having integrity is required:

Select one:

- a. only when the person is appointed as a Representative.
- b. only after the person has been appointed as a Representative.
- c. both before and after the person is appointed as a Representative.
- d. only when the financial services provider chooses to conduct a check on their honesty and integrity.

Your answer is correct.

The correct answer is both before and after the person is appointed as a Representative.

Question 24

Correct

Mark 1.00 out of 1.00

As a Representative of ABC Finance, you need to ensure that you adhere to the transparency and conflict of interest requirements.

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

Select one:

- a. A conflict of interest will happen when there are two or more interests that are in conflict with each other and that conflict makes the service and information advice that the client receives inadequate.
- b. A conflict of interest will only happen where the incentive or fee payable to the provider exceeds a certain amount.
- c. When a provider renders a financial service, the provider must disclose the existence of any personal interest in the relevant service to the client.
- d. When a provider renders a financial service, the provider needs to disclose the existence of any personal interest in the relevant service to the client.

Your answer is correct.

The correct answer is: A conflict of interest will only happen where the incentive or fee payable to the provider exceeds a certain amount.

Question 25

Correct

Mark 1.00 out of 1.00

The financial products in respect of which a Discretionary FSP may render financial services, as listed in Section 1 of FAIS, only covers certain policies. From the policies listed below, choose the INCORRECT one.

Select one:

- a. Securities and instruments.
- b. A participatory interest in one or more collective investment schemes.
- c. A long-term or a short-term insurance contract or policy, referred to in the Long-Term Insurance Act, 1998 (Act No. 52 of 1998), and the Short-Term Insurance Act, 1998 (Act No. 53 of 1998).
- d. Forex Investment Business.

Your answer is correct.

The correct answer is: A long-term or a short-term insurance contract or policy, referred to in the Long-Term Insurance Act, 1998 (Act No. 52 of 1998), and the Short-Term Insurance Act, 1998 (Act No. 53 of 1998).

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## Question 26

Incorrect

Mark 0.00 out of 1.00

The FAIS General Code does NOT require Representatives to:

Select one:

- a. make adequate disclosures.
- b. maintain adequate and appropriate recordkeeping.
- c. keep a log of all car expenses.
- d. keep clients' funds safe and separate.

Your answer is incorrect.

The correct answer is keep a log of all car expenses.

## Question 27

Correct

Mark 1.00 out of 1.00

As a Representative of ABC Finance, you need to understand the requirements to comply with the FICA requirements embedded in the FAIS legislation. Consider the following statements carefully and then choose the statement that is TRUE.

Select one:

- a. One of the objectives of FICA is to introduce control measures to assist the detection and investigation of credit granting activities.
- b. In terms of FICA, accountable institutions are required to obtain statements from customers suspected to be laundering money.
- c. The FAIS compliance report requires information relating to an FSP's adherence to the FAIS General Code with regard to "the necessary policies, procedures and systems to ensure full compliance with FICA and other applicable anti-money laundering or terrorist financing legislation".
- d. FICA empowers the Financial Intelligence Centre to supervise the accountable institutions.

Your answer is correct.

The correct answer is: The FAIS compliance report requires information relating to an FSP's adherence to the FAIS General Code with regard to "the necessary policies, procedures and systems to ensure full compliance with FICA and other applicable anti-money laundering or terrorist financing legislation".

**Question 28**

Incorrect

Mark 0.00 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.

Your answer is incorrect.

The correct answer is: must request the client to lodge such a complaint in writing.

**Question 29**

Correct

Mark 1.00 out of 1.00

Part of the Fit and Proper requirements determined by the FAIS Act are that a Representative must meet the Honesty, Integrity and Good Standing requirements. InsCo, an insurance company, wants to appoint a couple of Representatives. Richard and Sharon are potential candidates.

Choose one statement, that confirms the candidates meet the requirements for Honesty, Integrity and Good Standing.

Select one:

- a. Sharon worked for a large brokerage with an FSP licence as a director. She tells you that she left them because their FSP licence was suspended because the Key Individual committed fraud.
- b. Richard is appointed as a Representative by his current employer and he has been rendering financial services in various subcategories of Category I products for the past 2 years.
- c. Sharon is a Category IIA Representative and she has 2 years' practical experience in rendering financial services, and has been disciplined in relation to business conduct.
- d. Sharon has a qualification that is on the FSCA qualification list, and she has been uncooperative in dealing with the Authority.

Your answer is correct.

The correct answer is: Richard is appointed as a Representative by his current employer and he has been rendering financial services in various subcategories of Category I products for the past 2 years.

**Question 30**

Incorrect

Mark 0.00 out of 1.00

The purpose of disclosures is to:

Select one:

- a. enable the client to make an informed decision.
- b. enable the insurer to evaluate the risk.
- c. be used as an agenda for a discussion with the client.
- d. inform the Representative of the attitude of the client towards the recommended product.

Your answer is incorrect.

The correct answer is: enable the client to make an informed decision.

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## Question 31

Incorrect

Mark 0.00 out of 1.00

When dealing with complaints, the Ombudsman must be independent and impartial. The objective of the Ombud is to consider and dispose of complaints. What is the manner in which the Ombud must deal with a complaint?

Select one:

- a. In a fair manner.
- b. In an informal manner.
- c. In an economical and expeditious manner.
- d. All of the options listed.

Your answer is incorrect.

## Question 32

Incorrect

Mark 0.00 out of 1.00

Safe Insurance, an Insurance company, appointed a few new Representatives in January and February 2019 and not all of them meet the Fit and Proper competence requirements. Three of these Representatives will have to work under supervision until they meet the requirements. You are tasked to assist Safe Insurance to ensure that the GENERAL conditions, which apply to the period under supervision, are met.

Read each statement carefully and then choose the statement that is TRUE.

Select one:

- a. Representatives working in multiple categories or subcategories cannot get experience in all the categories at the same time.
- b. The supervision period need not be linked to any category or subcategory, as long as the supervised representative renders a financial service.
- c. Representatives under supervision must complete the level one regulatory exam for representatives (RE 5) and the relevant qualification for the applicable category or subcategory within 2 years from the date of appointment.
- d. Representatives under supervision must complete the level one regulatory exam for representatives (RE 5) for the applicable category or subcategory within two years of the date of the first appointment as Representative.

Your answer is incorrect.

The correct answer is: Representatives under supervision must complete the level one regulatory exam for representatives (RE 5) for the applicable category or subcategory within two years of the date of the first appointment as Representative.

**Question 33**

Incorrect

Mark 0.00 out of 1.00

The party who may debar a Representative is:

Select one:

- a. the product supplier, who informs the Authority that the Representative is no longer entitled to sell its products.
- b. the Ombud, by making an appropriate ruling against a Representative.
- c. the Authority, by removing the Representative name from the register of licensees.
- d. the financial services provider, by removing the Representative name from its register of Representatives.

Your answer is incorrect.

The correct answer is: the financial services provider, by removing the Representative name from its register of Representatives.

**Question 34**

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.

Your answer is incorrect.

The correct answer is: Full competence has been achieved and all other requirements have been met.

**Question 35**

Incorrect

Mark 0.00 out of 1.00

The FAIS General Code of Conduct requires that Representatives fulfil the following responsibilities. Which statement is INCORRECT?

Select one:

- a. They have to act honestly and fairly, and with due skill, care and diligence, in the interests of clients and the integrity of the financial services industry.
- b. They must have and effectively employ the resources, procedures and appropriate technological systems for the proper performance of professional activities.
- c. They have to ensure that clients can make an informed decision by providing a client with at least 3 quotations when recommending financial products.
- d. They should obtain appropriate and available information regarding clients' financial situation, financial product experience and objectives in connection with the financial services required.

Your answer is incorrect.

The correct answer is: They have to ensure that clients can make an informed decision by providing a client with at least 3 quotations when recommending financial products.



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## Question 36

Correct

Mark 1.00 out of 1.00

What is the requirement instituted under the FIC Amendment Act, 1 of 2017 which the accountable institutions need to adhere to?

Choose the INCORRECT statement.

Select one:

- a. Accountable institutions have a duty to perform customer due diligence using a risk-based approach.
- b. Accountable institutions need to report cash transactions over R100 000.00.
- c. Accountable institutions need to keep records of all transactions and customer due diligence processes.

Your answer is correct.

The correct answer is: Accountable institutions need to report cash transactions over R100 000.00.

## Question 37

Incorrect

Mark 0.00 out of 1.00

Ayanda, a Representative for an insurance company, wants to attend some courses and workshops in his personal capacity and as part of his training plan at work.

To establish with the providers which of these would contribute towards his CPD hours, he must establish that the courses and workshops:

Select one:

- a. Are verifiable and related to his work.
- b. Result in a number of NQF credits.
- c. Contribute to a qualification.
- d. Have been formally assessed.

Your answer is incorrect.

The correct answer is: Are verifiable and related to his work.

## Question 38

Incorrect

Mark 0.00 out of 1.00

Before sequestration, winding-up or closure of an FSP, business will become effective and legal under the following condition(s):

Select one:

- a. The FSP must lodge the necessary documentation with the Authority.
- b. The FSP must get the 'approval' of the Authority.
- c. The court must agree to adequate distribution of assets.
- d. a and b.
- e. a and c.

Your answer is incorrect.

The correct answer is: a and b.

**Question 39**

Incorrect

Mark 0.00 out of 1.00

Both FAIS and FICA have requirements in terms of confidentiality. The most CORRECT statement with regard to confidentiality is:

Select one:

- a. Client information may not be released without the client's written consent.
- b. Client information may be released without the client's written consent, if it is in the public interest.
- c. Client information may be released without the client's written consent, if the information is required under any law.
- d. Client information may not be released without the client's written consent having been obtained beforehand, or disclosure of the information is required in the public interest or under any law.

Your answer is incorrect.

The correct answer is: Client information may not be released without the client's written consent having been obtained beforehand, or disclosure of the information is required in the public interest or under any law.

**Question 40**

Correct

Mark 1.00 out of 1.00

Joseph has just been appointed as a Representative to sell health-care benefits (he will sell no other products). Which of the following will he be required to take?

Select one:

- a. Regulatory Examination 5 and Product Specific Training on the Medical Schemes Act.
- b. Level 1 on the Medical Schemes Act and Regulatory Examination 3.
- c. Regulatory Examination 5 and Class of Business for Health Services Benefits.
- d. Product Specific Training and Regulatory Examination 2.

Your answer is correct.

The correct answer is: Regulatory Examination 5 and Class of Business for Health Services Benefits.

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Question 41

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.

Your answer is incorrect.

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

Question 42

Correct

Mark 1.00 out of 1.00

Which of the following is NOT required in terms of FAIS? Representations made and information provided to a client by the provider:

Select one:

- a. must be factually correct.
- b. may, subject to the provisions of the General Code of Conduct, be provided orally and must be confirmed in writing within 30 days.
- c. must, where provided in writing or by means of standard forms or format, be in a clear and readable print size, spacing and format.
- d. must be provided in plain language, avoid uncertainty or confusion and not be misleading.

Your answer is correct.

The correct answer is: may, subject to the provisions of the General Code of Conduct, be provided orally and must be confirmed in writing within 30 days.

Question 43

Correct

Mark 1.00 out of 1.00

To provide a financial service means to:

Select one:

- a. only give advice.
- b. only provide an intermediary service.
- c. give advice and/or provide an intermediary service.
- d. adhere to the General Code.

Your answer is correct.

The correct answer is: give advice and/or provide an intermediary service.

Question 44

Incorrect

Mark 0.00 out of 1.00

A conflict of interest can arise where a Representative:

Select one:

- a. represents more than one product supplier.
- b. has business interests with the client.
- c. has conflicting business and personal interests.
- d. has personal interests as far as the client is concerned.

Your answer is incorrect.

The correct answer is: represents more than one product supplier.

Question 45

Incorrect

Mark 0.00 out of 1.00

FICA is aimed at identifying suspicious transactions so that the people who engage in money laundering activities can be charged under:

Select one:

- a. POCA.
- b. FICA.
- c. POCA and FICA.
- d. FICA and POCDATARA.

Your answer is incorrect.

The correct answer is: POCA.

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Question 46

Incorrect

Mark 0.00 out of 1.00

What is/are the FIC's main objective(s)?

- i. Identifying proceeds of unlawful activities.
- ii. Combatting money laundering by breaking the cycle used by organised criminal groups to benefit from illegitimate profits.
- iii. Combatting the financing of terrorist and related activities.

Select one:

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

Your answer is incorrect.

The correct answer is i, ii and iii.

Question 47

Correct

Mark 1.00 out of 1.00

The qualifying criteria serve 2 purposes. They are used to:

Select one:

- a. see if people meet the Honesty Integrity and Good Standing Requirements.
- b. set the standards for the Regulatory Examinations.
- c. evaluate the content of the qualifications.
- d. a and b.
- e. b and c.
- f. a and c.

Your answer is correct.

The correct answer is b and c.

Question 48

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.

Your answer is correct.

The correct answer is: Management experience in all the products.

Question 49

Incorrect

Mark 0.00 out of 1.00

Which of the following statements are TRUE with regard to the recordkeeping requirements in Section 24 of the FIC Act?

- i. In terms of Section 24 (1), the recordkeeping obligation may be outsourced to a third party provided the accountable institution is given free and easy access to these records.
- ii. Outsourcing of the recordkeeping function to a third party discharges the accountable institution from the recordkeeping responsibility.
- iii. Section 24 (3) stipulates that if the accountable institution appoints a third party to keep records on its behalf, then particulars of the third party keeping records on behalf of the accountable institution must be provided to the FIC and relevant supervisory body.
- iv. Section 24 (3) stipulates that if the accountable institution appoints a third party to keep records on its behalf, then particulars of the third party keeping records on behalf of the accountable institution must be provided to the FSCA (previously known as the FSB).

Select one:

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

Your answer is incorrect.

Question 50

Incorrect

Mark 0.00 out of  
1.00

There are certain Regulatory Examinations that Representatives need to complete before they can act as Representatives. Which one is a requirement for a Representative?

Select one:

- a. Regulatory Examination Level 1 is not compulsory for Representatives.
- b. Regulatory Examination Level 1 is compulsory for Representatives.
- c. Representatives must first obtain the required qualifications before completing Regulatory Examination Level 1.
- d. Regulatory Examination Level 2 applies to Key Individuals only.

Your answer is incorrect.

The correct answer is: Regulatory Examination Level 1 is compulsory for Representatives.