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Completed on Wednesday, 2 October 2019, 8:53 AM

Time taken 2 mins 32 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

Correct

Mark 1.00 out of 1.00

Which of the following can be seen as unlawful activities?

Select one:

- a. Selling fruit on the street.
- b. Driving a car with a learner's licence.
- c. Fraudulently acquiring land.
- d. Decreasing your taxable income in line with the relevant laws.

Your answer is correct.

Question 2

Incorrect

Mark 0.00 out of 1.00

Can a FSP use information obtained from external sources to debar a person?

Select one:

- a. Yes.
- b. No.
- c. Sometimes.
- d. Only if the debarred person agreed.

Your answer is incorrect.

Question 3

Incorrect

Mark 0.00 out of 1.00

The duties FICA imposes on a financial services provider relating to its employees, are the ongoing training of staff and:

Select one:

- a. Formulating a code of conduct binding on all staff members.
- b. Ensuring that all staff meet the Fit and Proper Requirements.
- c. Developing, implementing and maintaining a Risk Management and Compliance Programme.
- d. Developing, implementing and maintaining a Risk Management and Compliance Programme and reporting all breaches by staff to the Financial Intelligence Centre.

Your answer is incorrect.

Question 4

Incorrect

Mark 0.00 out of 1.00

Samir is a Representative for Insure4Us and has a Grade 12 National Certificate. He does comply with the entry-level requirements insofar as:

- i. Samir renders financial services in respect of Long-Term Insurance subcategory A and/or Friendly Society Benefits.
- ii. Samir works under supervision until he completes a relevant qualification.
- iii. Samir is deemed Fit and Proper for all product categories of a Category I FSP.
- iv. Samir is appointed to only perform the execution of sales, in respect of a product provider.

Select one:

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

Your answer is incorrect.

Question 5

Incorrect

Mark 0.00 out of 1.00

Which of the following must be disclosed to the client as soon as possible?

- i. Details about the legal relationships between FSP, product supplier and Representative (if any), so that it is clear to the client who accepts responsibility for the actions of the FSP or Representative or the extent to which the client must accept such responsibility.
- ii. Names and contact details of the relevant legal departments or, in the case of a Representative, the contact details of the Representative.
- iii. Details of the financial services which the provider is authorised to provide and of any conditions or restrictions applicable to the licence and whether the FSP has guarantees or professional indemnity or fidelity insurance cover or not.
- iv. Whether a Representative of a provider is rendering services under supervision as defined in the Determination of Fit and Proper Requirements.

Select one:

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

Your answer is incorrect.

RE 5 Mock Exam 2019

Question 6

Incorrect

Mark 0.00 out of 1.00

While visiting one of the branches of Premium Financial Services, the Compliance Officer (Sven) discovers a weakness in the compliance controls. He has witnessed that clients are handing over cash to the receptionist, and that the receptionist is issuing a receipt for the funds received. In terms of the function which Sven fulfils, he will have to do the following:

- i. Inform the Ombud immediately of the non-compliance with the Act.
- ii. Lodge a complaint with the branch manager and refer the matter to the FSCA for investigation.
- iii. Include this in his report to the FSP.
- iv. Report the matter to the FSCA for investigation.
- v. Recommend ways to improve the situation.

Select one:

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

Your answer is incorrect.

Question 7

Incorrect

Mark 0.00 out of 1.00

Choose the most CORRECT statement. What is the main purpose of FICA?

Select one:

- a. FICA criminalises money laundering and imposes certain duties on accountable institutions.
- b. FICA introduced money laundering control measures.
- c. FICA places certain duties on accountable institutions, such as the duty to keep records, report suspicious transactions, and so forth.
- d. FICA introduced money laundering control measures and makes provision for the establishment of a Financial Intelligence Centre and amendment of certain acts.

Your answer is incorrect.

Question 8

Incorrect

Mark 0.00 out of 1.00

Funeral insurance is usually NOT sold by:

Select one:

- a. Banks.
- b. Retail stores.
- c. Insurers.
- d. Employers.

Your answer is incorrect.

Question 9

Incorrect

Mark 0.00 out of 1.00

The disclosure requirements regarding financial services and products specify that pre-determined premium increases must be projected on:

Select one:

- a. a 1-yearly basis for the first 5 years and not more than 20 years.
- b. a 2-yearly basis for the first 5 years and not more than 20 years.
- c. a 4-yearly basis for the first 5 years and not more than 20 years.
- d. a 5-yearly basis for the first 5 years and not more than 20 years.

Your answer is incorrect.

Question 10

Incorrect

Mark 0.00 out of 1.00

Tony's job description should describe the following duties with regard to his role as Compliance Officer:

Select one:

- a. Monitoring and training.
- b. Monitoring and providing support.
- c. Providing support and training.
- d. Monitoring, training and providing support.

Your answer is incorrect.

RE 5 Mock Exam 2019

Question 11

Correct

Mark 1.00 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.

Your answer is correct.

Question 12

Incorrect

Mark 0.00 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.

Your answer is incorrect.

Question 13

Incorrect

Mark 0.00 out of 1.00

Paul is a Representative and he is meeting a client, Steve, for the first time. During this first meeting, Paul must disclose the following information about himself to Steve:

Select one:

- a. Details of the financial services that he is authorised to provide in terms of the license.
- b. Comprehensive details of all products on which he is authorised to give advice.
- c. Name and contact details of the product provider.
- d. Whether more than 30% of his total remuneration for the previous 12 months was from one product supplier.

Your answer is incorrect.

Question 14

Correct

Mark 1.00 out of 1.00

There are additional steps taken by the FSP when debarring a Representative. They include:

- i. Ensuring that concluded business of the Representative is properly recorded by the Authority.
- ii. Taking immediate steps to ensure that the debarment does not prejudice the interests of the clients of the Representative.
- iii. Ensuring that all unconcluded business of the Representative is properly concluded.
- iv. Ensuring that all clients get a warning not to do business with the debarred Representative.

Select one:

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

Your answer is correct.

Question 15

Incorrect

Mark 0.00 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.

Your answer is incorrect.

RE 5 Mock Exam 2019

Question 16

Incorrect

Mark 0.00 out of 1.00

What are the main duties of accountable institutions in respect of FICA?

Choose the CORRECT one.

Select one:

- a. Duties to perform customer diligence using a risk-based approach.
- b. Duties to report suspicious transactions.
- c. Duties to train staff on an ongoing basis and to put reporting procedures in place.
- d. All of the above.

Your answer is incorrect.

Question 17

Incorrect

Mark 0.00 out of 1.00

Which of the following can result in imprisonment of up to 15 years or a fine of up to R100 million according to the FIC Act?

- i. Failure to register.
- ii. Failure to submit a suspicious transaction report.
- iii. Destroying or tampering with records.
- iv. Violation of prohibitions relating to persons and entities identified by the UN Security Council.
- v. Failure to keep records.

Select one:

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

Your answer is incorrect.

Question 18

Correct

Mark 1.00 out of 1.00

The Competency requirement relating to Product Specific Training applies to:

Select one:

- a. All Key Individuals of all categories of FSPs.
- b. Category II, Category IIA, Category III FSPs and their Representatives.
- c. All Category I Representatives.
- d. All of the above.

Your answer is correct.

Question 19

Incorrect

Mark 0.00 out of 1.00

As Betty's supervisor, Thomas has certain responsibilities. Which of the following statements BEST describe Thomas's responsibilities as a supervisor?

- i. Thomas must ensure that the FAIS Compliance Officer signs off all transactions which Betty completes.
- ii. Thomas must assess the advice given by Betty for appropriateness by reviewing her client contact list, daily diary and record of advice.
- iii. Thomas must ensure that Betty has a good understanding of an exposure to the categories or subcategories she is providing financial advice in.
- iv. Thomas must observe selected meetings between customers and Betty.

Select one:

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

Your answer is incorrect.

Question 20

Incorrect

Mark 0.00 out of 1.00

Apply your knowledge of recordkeeping and choose the statement that is CORRECT.

Select one:

- a. The documents used as part of the customer due diligence process as well as records of all transactions must be retained for a period of at least 2 and a half years from the date on which the business relationship was terminated.
- b. The documents used as part of the customer due diligence process as well as records of all transactions must be retained for a period of at least 5 years from the date on which the business relationship was terminated.
- c. The documents used as part of the customer due diligence process as well as records of only transactions, which are regarded important must be retained for a period of at least five years from the date on which the business relationship commenced.
- d. The documents used as part of the customer due diligence process as well as records of only transactions which are regarded important, must be retained for a period of at least 5 years from the date on which the business relationship commenced.

Your answer is incorrect.

The documents used as part of the customer due diligence process as well as records of all transactions must be retained for a period of at least 5 years from the date on which the business relationship was terminated.

RE 5 Mock Exam 2019

Question 21

Incorrect

Mark 0.00 out of 1.00

Which of the following is TRUE?

- i. Section 7 of the FAIS Act includes the qualification of Representatives and duties of the FSPs towards the maintenance of the FAIS licence.
- ii. FSPs may only have one licence.
- iii. The licensing conditions will never include exemptions applicable to the FSP.
- iv. The financial services of the FSP are limited to the specific sub product category for which a licence is issued.

Select one:

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

Your answer is incorrect.

Question 22

Incorrect

Mark 0.00 out of 1.00

Section 15 of the FAIS Act requires that the Codes must have (at least) provisions relating to:

Select one:

- a. adequate recordkeeping.
- b. the power of the Authority.
- c. the control or prohibition of incentives given or accepted by a provider.
- d. a and c.

Your answer is incorrect.

Question 23

Incorrect

Mark 0.00 out of 1.00

Section 21 (1) of FICA requires accountable institutions to identify new clients and verify their particulars before any transaction may be concluded or any business relationship is established with them unless they qualify for Exemption 2.

Exemption 2 stipulates that:

Select one:

- a. An accountable institution may accept a mandate from a prospective client and proceed to establish a business relationship or conclude a single transaction with that client.
- b. Banks are not regarded as accountable institutions in terms of FICA.
- c. Each supervisory body is responsible for enforcing compliance with money laundering legislations by the accountable institutions under its regulation or supervision.
- d. None of the above. Exemption 2 has been repealed.

Your answer is incorrect.

Question 24

Incorrect

Mark 0.00 out of 1.00

A record of advice does NOT have to include:

Select one:

- a. a brief summary of the information and material on which the advice was based.
- b. the qualifications of the Representative.
- c. the financial products considered.
- d. the financial products recommended and why these products are suitable for the client.

Your answer is incorrect.

Question 25

Correct

Mark 1.00 out of 1.00

Which of the following is an example of a document that should be maintained in terms of the FAIS Act?

Select one:

- a. A cancellation of an endowment policy 1 year before it pays out.
- b. An application for a retirement annuity.
- c. A record of premium payments towards a policy.
- d. A copy of a change of address received by a client.

Your answer is correct.

RE 5 Mock Exam 2019

Question 26

Incorrect

Mark 0.00 out of 1.00

The General competence requirements for an FSP, Representative and Key Individual include:

Select one:

- a. Adequate, appropriate and relevant skills, knowledge and expertise in respect of financial services, products and functions that it performs.
- b. Compliance with minimum experience, minimum qualifications, Regulatory Examinations, Class of Business Training and Product Specific Training.
- c. Maintaining competence.
- d. All of the above.

Your answer is incorrect.

Question 27

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.

Your answer is correct.

Question 28

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.

Your answer is incorrect.

Question 29

Correct

Mark 1.00 out of 1.00

The regulatory examinations include a set of core examinations that focus on the:

Select one:

- a. Regulatory framework.
- b. FAIS Act and FICA.
- c. regulatory framework, the FAIS Act and FICA.
- d. Regulatory framework, the FAIS Act, FICA and the regulatory role and responsibilities of the Representative.

Your answer is correct.

Question 30

Correct

Mark 1.00 out of 1.00

Sue recently took out a funeral policy for herself and her family. She was advised to make sure that she informs the insurer if any of her details change. Why was she advised to this?

Select one:

- a. Her claims will not pay out if her details are not up to date.
- b. Her claims will take longer to pay out because her details must first be verified.
- c. So that she will receive important notifications regarding the status of her policy. ✓
- d. So that the insurer's marketing department can send her pamphlets of any special offers.

Your answer is correct.

RE 5 Mock Exam 2019

Question 31

Incorrect

Mark 0.00 out of 1.00

The FAIS Act requires that the Representative makes certain disclosures during their interaction with the client. The purpose of these 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 client of the FSP's complaints resolution process.

Your answer is incorrect.

Question 32

Correct

Mark 1.00 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.

Your answer is correct.

Question 33

Incorrect

Mark 0.00 out of 1.00

An FSP must establish and maintain policies on CPD that include, how the FSP, Key Individual and Representative will:

Select one:

- a. maintain knowledge and skills that are appropriate for their activities and responsibilities.
- b. maintain their knowledge and skills.
- c. develop new knowledge and skills to assist with their current functions and responsibilities.
- d. a and c.

Your answer is incorrect.

Question 34

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.

Question 35

Correct

Mark 1.00 out of 1.00

In order to investigate a claim the Ombud for long-term insurance requires the following information:

Select one:

- a. Details of the policyholder, details of the insurer and the policy number.
- b. Details of the policyholder and the policy number.
- c. Details of the insurer and the policy number.
- d. Details of the policyholder and details of the insurer.

Your answer is correct.

RE 5 Mock Exam 2019

Question 36

Incorrect

Mark 0.00 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.

Your answer is incorrect.

Question 37

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.

Your answer is incorrect.

Question 38

Correct

Mark 1.00 out of 1.00

In order for an intermediary to collect premiums, he must comply with certain conditions. Which of the following statements are NOT requirements? Choose the incorrect one.

Select one:

- a. Have a separate bank account for premium collection.
- b. Be authorised by the insurer in writing.
- c. Be a member of a professional body.
- d. Have a separate bank account for premium collection and be a member of a professional body.

Your answer is correct.

Question 39

Correct

Mark 1.00 out of 1.00

The FSP must do the following in order to debar a Representative:

- i. Withdraw the authority of the Representative to act for and on behalf of the FSP.
- ii. Remove the name of the Representative from the Representative register.
- iii. Remove the name of the Key Individual of a non-juristic Representative from the Representative register.
- iv. Return the FAIS licence to the Authority.

Select one:

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

Your answer is correct.

Question 40

Incorrect

Mark 0.00 out of 1.00

When a client lodges a complaint to the Ombudsman of Long-Term Insurance, it must be done by:

Select one:

- a. writing a letter and sending a copy of the insurer's final response.
- b. writing a letter in English only.
- c. completing a complaint registration form and sending a copy of the insurer's final response.
- d. sending a copy of the insurer's final response only.

Your answer is incorrect.

RE 5 Mock Exam 2019

Question 41

Incorrect

Mark 0.00 out of 1.00

Your colleague wants to know which type of complaints the Ombud deals with. Which of the following examples does NOT correctly explain this type of complaints?

Select one:

- a. Complaints submitted by a specific client against another client.
- b. Complaints relating to a financial service rendered by the Representative of an FSP.
- c. Complaints relating to an admin service rendered by an admin manager of an FSP.
- d. Complaints relating to a financial service rendered by a sole proprietor.

Your answer is incorrect.

Question 42

Incorrect

Mark 0.00 out of 1.00

An employment contract between an FSP and a Representative should at least state non-compliance with the following Fit and Proper requirements as possible reasons for debarment:

Select one:

- a. Honesty, Integrity and Good Standing only.
- b. Competency only.
- c. Continuous professional development only.
- d. Honesty, Integrity and Good Standing and Competency.

Your answer is incorrect.

Question 43

Incorrect

Mark 0.00 out of 1.00

There are certain measures available for consumer protection purposes within the FAIS legislature, when consumers receive inappropriate advice.

Which one of the following is INCORRECT?

Select one:

- a. The consumer can approach the Ombud.
- b. The consumer can institute civil proceedings based on delictual liability.
- c. The consumer can institute civil proceedings based on breach of contract.
- d. None of the above.

Your answer is incorrect.

Question 44

Incorrect

Mark 0.00 out of 1.00

Any person who benefits from illegal activities under FICA is guilty of an offence. The penalties are harsh and include one of the following:

Select one:

- a. A maximum fine of R15 million.
- b. Imprisonment of up to 30 years.
- c. A maximum fine of R10 million and imprisonment of up to 30 years.
- d. None of the above.

Your answer is incorrect.

Question 45

Incorrect

Mark 0.00 out of 1.00

If the Authority has directed that an FSP who carried on with an undesirable business practice should reinstate any damages or loss caused, the FSP has to rectify the matter within:

Select one:

- a. 30 days.
- b. 90 days.
- c. 50 days.
- d. 60 days.

Your answer is incorrect.

The correct answer is 60 days

RE 5 Mock Exam 2019

Question 46

Incorrect

Mark 0.00 out of 1.00

After the introduction of FAIS, aggrieved clients:

Select one:

- a. still have to prove that inappropriate or poor advice caused them damage or loss.
- b. no longer have to prove that the inappropriate or poor advice caused them damage or loss.
- c. can now obtain redress from the Ombud on a no-fault basis, without having to prove anything against the advisor.
- d. can now obtain redress because the advisor is answerable to the Ombud.

Your answer is incorrect.

Question 47

Incorrect

Mark 0.00 out of 1.00

When a Representative terminates their employment or mandate with an FSP, thus ending their representation, what are the Representative's obligations in terms of the General Code of Conduct?

Select one:

- a. To inform the Authority.
- b. To notify the FSCA in writing.
- c. To consult with clients and product suppliers.
- d. There are no specific obligations.

Your answer is incorrect.

Question 48

Incorrect

Mark 0.00 out of 1.00

To keep their knowledge up to date, Representatives are required to complete:

Select one:

- a. Between 15 to 60 hours of CPD activities over a 2-year cycle. The activities and the number of hours depend on the licence category or subcategory.
- b. Between 15 and 50 hours of CPD activities over a 3-year cycle. The activities and the number of hours depend on the licence category or subcategory.
- c. More than one Class of Business must complete a minimum of 18 hours of CPD activities per CPD cycle.
- d. Between 20 and 60 hours of CPD activities over a 2-year cycle. The activities and the number of hours depend on the licence category or subcategory.

Your answer is incorrect.

Question 49

Incorrect

Mark 0.00 out of 1.00

Pauline (a Representative) is faced with a difficult choice: the FAIS Code of Conduct requires her to act in the interests of the customer and the integrity of the financial services industry. If she tells her customer about a certain feature of Product A, she may lose the sale, but her company needs to boost sales of Product A in order to achieve their strategic objectives.

Which one of the following options presents the most appropriate course of action?

Select one:

- a. Pauline tells the customer about the feature and, if he does not purchase Product A, she must work harder to attract suitable buyers.
- b. Pauline must first conclude the sale and then tell the customer about the features to make sure that there are no undisclosed relevant facts.
- c. Pauline must encourage the customer to purchase the product that suits his needs, even if her sales do not reflect the targets provided.
- d. Pauline must continue to promote the product, together with a service or other innovative solution that overcomes the negative feature.

Your answer is incorrect.

Question 50

Correct

Mark 1.00 out of 1.00

Competence requirements relating to Class of Business training do NOT apply to:

Select one:

- a. A Category I FSP, its Key Individuals and Representatives that are authorised, approved or appointed only to render financial services or manage or oversee financial services in respect of Long-Term Insurance subcategory A and/or Friendly Society Benefits.
- b. A Key Individual of a Category I FSP who is only appointed to render financial services in respect of Tier 1 financial products.
- c. A Category I FSP that is authorised to render financial services in respect of Tier 1 financial products.
- d. A Key Individual who also performs intermediary services in respect of Tier 1 financial products.

Your answer is correct.