

# RE 5 Mock Exam 2019

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Completed on Wednesday, 2 October 2019, 8:40 AM

Time taken 2 mins 52 secs

Marks 19.00/50.00

Grade 38.00 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

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

Choose the administrative sanction that would be imposed.

Select one:

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

Your answer is incorrect.

The correct answer is: Any of the above.

## Question 2

Incorrect

Mark 0.00 out of 1.00

'Advice' as defined in terms of FAIS does NOT include any recommendation with the intention of getting the client to consider:

Select one:

- a. purchasing or investing in a financial product.
- b. finalising a loan on a financial product.
- c. changing or replacing a financial product or investment.
- d. drafting a will.

Your answer is incorrect.

The correct answer is: drafting a will.

Question 3

Incorrect

Mark 0.00 out of 1.00

Providers are required to maintain policies and procedures on CPD that include:

Choose the CORRECT one.

Select one:

- a. How the FSP will develop new knowledge and skills to assist with their current functions and responsibilities in the future.
- b. Training plans for each CPD cycle to ensure that CPD continually improves the professional standards and practice of the FSP, its Key Individuals and Representatives.
- c. Training plans for each CPD cycle to ensure that CPD is relevant and appropriate for its Key Individuals and Representatives.
- d. All of the above.

Your answer is incorrect.

The correct answer is: All of the above.

Question 4

Correct

Mark 1.00 out of 1.00

How often should the Representative register be updated?

Select one:

- a. Every month.
- b. Bi-annually.
- c. Within 15 days of any changes to the Representative's Fit and Proper circumstances.
- d. As soon as there are any changes to the Representative's Fit and Proper circumstances.

Your answer is correct.

The correct answer is: Within 15 days of any changes to the Representative's Fit and Proper circumstances.

Question 5

Incorrect

Mark 0.00 out of 1.00

Funeral policies are classified as follows in terms of the Long-Term Insurance Act:

Select one:

- a. Life policy.
- b. Sinking fund policy.
- c. Assistance policy.
- d. Fund policy.

Your answer is incorrect.

The correct answer is: Assistance policy.

# RE 5 Mock Exam 2019

## Question 6

Incorrect

Mark 0.00 out of 1.00

Once a policy has been issued, which one of the following is required for quality assuring a policy?

Select one:

- a. The agreement between the proposal, quotation and the policy itself.
- b. That the administrator issuing the policy has a relevant qualification.
- c. That the policy schedule has similar amounts to those quoted.
- d. All of the options listed.

Your answer is incorrect.

The correct answer is: The agreement between the proposal, quotation and the policy itself.

## Question 7

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.

The correct answer is: More than one Class of Business must complete a minimum of 18 hours of CPD activities per CPD cycle.

## Question 8

Incorrect

Mark 0.00 out of 1.00

Select the CORRECT answer:

What is the prescribed limit of cash transactions according to the FIC Act?

Select one:

- a. R24 999.99.
- b. R25 000.99.
- c. R25 001.00.
- d. R25 010.00.

Your answer is incorrect.

The correct answer is: R24 999.99.

Question 9

Incorrect

Mark 0.00 out of 1.00

The following constitutes evidence that a person does not qualify in terms of the Honesty, Integrity and Good Standing requirement. Choose the CORRECT one.

Select one:

- a. They have been accused of an offence under a law relating to the regulation of supervision of a financial institution as defined in the Financial Institutions Act.
- b. They have been convicted of any offence, where the penalty imposed for the offence was imprisonment with the option of a fine.
- c. They have been accused of a criminal proceeding or civil proceeding under any law.
- d. They have been found guilty (and the conviction has not been expunged) of an offence under a law relating to the regulation of supervision of a financial institution as defined in the Financial Institutions Act.

Your answer is incorrect.

The following constitutes evidence that a person does not qualify in terms of the Honesty, Integrity and Good Standing requirement.

Choose the CORRECT one.

The correct answer is: They have been found guilty (and the conviction has not been expunged) of an offence under a law relating to the regulation of supervision of a financial institution as defined in the Financial Institutions Act.

Question 10

Correct

Mark 1.00 out of 1.00

When an FSP removes a Representative's name from its register for the purpose of debarment, the FSP has to inform:

Select one:

- a. the Representative, in writing, of the debarment only.
- b. the Representative, in writing, of the debarment, including reasons for the debarment as well as the conditions for lifting it.
- c. the Representative of the reasons for the debarment only.
- d. the Representative of the conditions for lifting it only.

Your answer is correct.

The correct answer is: the Representative, in writing, of the debarment, including reasons for the debarment as well as the conditions for lifting it.

# RE 5 Mock Exam 2019

## Question 11

Correct

Mark 1.00 out of 1.00

One of the benefits that can be found on a funeral policy is a Terminal Illness Benefit. This benefit will pay out:

Select one:

- a. A double benefit in the event that the life assured dies within 12 months of being diagnosed with a terminal illness.
- b. A portion of the benefit in the event that the life assured dies within 12 months of being diagnosed with a terminal illness.
- c. A portion of the benefit when the life assured is diagnosed with a terminal illness and is expected to die within 12 months, the balance on death.
- d. A portion of the benefit when the life assured is diagnosed with a terminal illness and is expected to die within 12 months, a double benefit on death.

Your answer is correct.

The correct answer is: A portion of the benefit when the life assured is diagnosed with a terminal illness and is expected to die within 12 months, the balance on death.

## Question 12

Incorrect

Mark 0.00 out of 1.00

What are the Fit and Proper requirements for a Representative that is a natural person?

Choose the CORRECT statement below.

Select one:

- a. Personal character qualities of honesty, integrity and good standing, competency requirements and operational ability.
- b. A separate bank account.
- c. Financial soundness.
- d. Location of the FSP.

Your answer is incorrect.

The correct answer is: Personal character qualities of honesty, integrity and good standing, competency requirements and operational ability.

**Question 13**

Incorrect

Mark 0.00 out of 1.00

Read the statements carefully and choose the CORRECT statement.

Select one:

- a. Representatives are appointed by the FSP, either through employment or through a mandate-type agreement and act on behalf of the FSP.
- b. Representatives carry the responsibility for their actions, not FSPs.
- c. The Representative register needs to be updated twice a year or when a Representative joins or leaves the FSP's employment.
- d. All of the above.

Your answer is incorrect.

The correct answer is: Representatives are appointed by the FSP either through employment or through a mandate-type agreement and act on behalf of the FSP.

**Question 14**

Correct

Mark 1.00 out of 1.00

Which of the following requirements are NOT applicable when an FSP receives money from a client without a bank being involved?

Select one:

- a. The FSP must issue a written confirmation when the money is received.
- b. The FSP must pay the money into the bank account within 1 day of receipt.
- c. The FSP must pay the money into the bank account within 1 month of receipt.
- d. The FSP must pay the money into a separate account.

Your answer is correct.

The correct answer is: The FSP must pay the money into the bank account within 1 month of receipt.

**Question 15**

Incorrect

Mark 0.00 out of 1.00

Choose the statements that are FALSE with regard to general experience requirements which have to be met by Representatives in all product categories:

- i. The Representative must, on the date of appointment (by the FSP) meet the minimum experience required in the different product categories (as described in the relevant table).
- ii. The experience may be intermittent experience gained 6 years prior to application date.
- iii. The experience must have been obtained through active involvement in providing financial services and could not have been gained while working under supervision.
- iv. The experience must have been obtained through active involvement in providing financial services and could have been gained while working under supervision for the minimum experience period.

Select one:

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

Your answer is incorrect.

The correct answer is: i and iii.

# RE 5 Mock Exam 2019

## Question 16

Correct

Mark 1.00 out of 1.00

What is the cost for lodging a complaint with the Ombudsman for long-term insurance?

Select one:

- a. A standard administration fee.
- b. There is no cost.
- c. A fee is determined by the Ombudsman.
- d. A fee is determined by the insurer.

Your answer is correct.

## Question 17

Correct

Mark 1.00 out of 1.00

Derrick is a Representative and at the first meeting with a client, he should make contact stage disclosures which involve the disclosure of information regarding:

Select one:

- a. The product suppliers.
- b. The financial services provider.
- c. The insurer's details.
- d. The Representative's details.

Your answer is correct.

## Question 18

Incorrect

Mark 0.00 out of 1.00

The Financial Intelligence Centre Act requires that a Risk Management and Compliance Programme needs to be developed, documented, maintained and implemented. The Risk Management and Compliance Programme would NOT govern which option?

Select one:

- a. The process to monitor the financial application of clients' funds.
- b. A process for the recording of the required information, as well as the manner in which, and place at which the records must be kept.
- c. The steps to be taken to determine when a transaction is reportable.
- d. The training of employees of the FSP to recognise and handle suspected money laundering activities.

Your answer is incorrect.

The correct answer is: The process to monitor the financial application of clients' funds.

Question 19

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.

Your answer is incorrect.

The correct answer is: Advice concerning the viability of a client's budget.

Question 20

Incorrect

Mark 0.00 out of 1.00

Certain records need to be kept in terms of the FAIS requirement. Which one of the following statement is TRUE?

Select one:

- a. A copy of the insured's payslip.
- b. A copy of the insured's bank statement.
- c. A copy of the recommendation made to the client.
- d. A copy of the insured's financial arrangement account agreements.

Your answer is incorrect.

The correct answer is: A copy of the recommendation made to the client.



# RE 5 Mock Exam 2019

## Question 21

Correct

Mark 1.00 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 correct.

The correct answer is i, iii and iv only.

## Question 22

Correct

Mark 1.00 out of 1.00

Jeanne has been licensed as an FSP of ABC Finance for the past 2 years. A colleague, Laura, who worked with her at Safe Insurance many years ago has been appointed at ABC Finance and realised that Jeanne left Safe Insurance under a cloud because her licence was withdrawn at the time due to dishonesty. Choose the CORRECT statement:

Select one:

- a. Laura reports the previous withdrawal of Jeanne's licence to the Authority, her current licence may be withdrawn on the grounds that she did not disclose all relevant information to the Authority.
- b. If Laura reports the previous withdrawal of Jeanne's licence to the Authority, it will not have any effect on Jeanne's current licence.
- c. If Laura reports the previous withdrawal of Jeanne's licence to the Authority, she will have to continue working under supervision.
- d. If Laura reports the previous withdrawal of Jeanne's licence to the Authority, he may determine that she should do additional CPD hours for the next 2 years.

Your answer is correct.

The correct answer is: Laura reports the previous withdrawal of Jeanne's licence to the Authority, her current licence may be withdrawn on the grounds that she did not disclose all relevant information to the Authority.

Question 23

Incorrect

Mark 0.00 out of 1.00

To provide an intermediary service means to:

Select one:

- a. do something for a client, which may result in them buying an insurance policy.
- b. do something with a view to collecting premiums from a client.
- c. give advice.
- d. a and b.

Your answer is incorrect.

The correct answer is d and b.

Question 24

Correct

Mark 1.00 out of 1.00

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

Select one:

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

Your answer is correct.

The correct answer is: may be experience gained within or outside the borders of South Africa.

Question 25

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.

# RE 5 Mock Exam 2019

## Question 26

Correct

Mark 1.00 out of 1.00

When a provider provides advice, which of the following steps have to be followed?

Select one:

- a. Conduct an analysis and recommend suitable financial products.
- b. Obtain information, conduct an analysis, identify suitable financial products and make the necessary disclosures regarding product replacements.
- c. Obtain information, identify suitable financial products and make the necessary disclosures regarding product replacements (if applicable).
- d. Identify suitable financial products and make the necessary recommendations.

Your answer is correct.

The correct answer is: Obtain information, conduct an analysis, identify suitable financial products and make the necessary disclosures regarding product replacements.

## Question 27

Incorrect

Mark 0.00 out of 1.00

Henry has recently taken out a funeral policy for himself. When he completed the application form, he did not mention that he takes part in sky-diving. Henry dies in a sky-diving accident 8 months after taking out the policy. Henry's funeral policy will:

Select one:

- a. Pay out because death was due to an accident.
- b. Pay out because death occurred after the 6 months' waiting period.
- c. Will not pay out due to non-disclosure of information.
- d. Will not pay out because sky-diving is generally excluded on funeral policies.

Your answer is incorrect.

The correct answer is: Will not pay out due to non-disclosure of information.

## Question 28

Correct

Mark 1.00 out of 1.00

Advice EXCLUDES:

Select one:

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

Your answer is correct.

The correct answer is: All of the above.

Question 29

Incorrect

Mark 0.00 out of 1.00

Robert is a Representative and is required by the FAIS General Code of Conduct to make certain disclosures during his interaction with the client. These disclosures should be made at the:

Select one:

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

Your answer is incorrect.

The correct answer is Contact stage and quotation stage.

Question 30

Incorrect

Mark 0.00 out of 1.00

There is a time period that the FSP has to adhere to regarding the confirmation of information provided to the client. How many days does an FSP have to confirm the information provided to the client verbally regarding product supplied?

Select one:

- a. Within 45 days from date of transaction.
- b. Within 30 days from date of transaction.
- c. Within 12 months from date of transaction.
- d. Immediately.

Your answer is incorrect.

The correct answer is Within 30 days from date of transaction.

# RE 5 Mock Exam 2019

## Question 31

Correct

Mark 1.00 out of 1.00

Which of the following activities qualify as CPD activities?

Select one:

- a. Courses performed towards a qualification.
- b. Product Specific Training.
- c. Conferences, workshops and seminars accredited by a professional body.
- d. Passing a Regulatory Examination.

Your answer is correct.

The correct answer is: Conferences, workshops and seminars accredited by a professional body.

## Question 32

Incorrect

Mark 0.00 out of 1.00

Angie is planning to take out a funeral policy with Goldberg Funeral Insurers. She wants to insure herself, her husband and her two children for funeral cover on this policy. Angie also wants to ensure that if she should become disabled, she will not have to continue paying the premiums, but the policy will not lapse or be cancelled. Angie can add a benefit onto the policy known as:

Select one:

- a. Disability premium benefit.
- b. Death and disability cover benefit.
- c. Waiver of premium benefit.
- d. Waiver of death and disability benefit.

Your answer is incorrect.

The correct answer is: Waiver of premium benefit.

## Question 33

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.

Question 34

Incorrect

Mark 0.00 out of 1.00

An FSP must establish and maintain policies and procedures 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. Maintain knowledge and skills to assist with new functions and responsibilities.
- d. All of the above.

Your answer is incorrect.

Question 35

Incorrect

Mark 0.00 out of 1.00

Which of the following statements is TRUE regarding recordkeeping?

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 5 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 two and a half 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 all transactions do not have to be retained.

Your answer is incorrect.

# RE 5 Mock Exam 2019

Question 36

Incorrect

Mark 0.00 out of 1.00

The role of the underwriter is to:

Select one:

- a. Ensure that the insurer only insures young, healthy clients who will live for a long time.
- b. Not accept the risk of insuring old, unhealthy clients who will only live for a short time.
- c. Ensure that the insurer is not exposed to risks that will result in the insurer's inability to pay out claims.
- d. Ensure that the insurer is exposed to risks that will make them more competitive in the funeral insurance market.

Your answer is incorrect.

Question 37

Incorrect

Mark 0.00 out of 1.00

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

Select one:

- A True
- B False

The correct answer is True

Question 38

Correct

Mark 1.00 out of 1.00

Cyril was debarred as a Representative by ABC Finance 2 years ago. He now meets all the Fit and Proper Requirements. Choose the CORRECT statement.

Select one:

- a. Cyril may now be reappointed.
- b. Cyril may now be reappointed if all his previous unconcluded business has been properly concluded.
- c. Cyril may now be reappointed if any client complaints, legal or administrative proceedings in any court, before the Ombud, or in terms of any legislation relating to his actions before debarment, have been concluded and he has fully complied with any decision or court order.
- d. Cyril may now be reappointed if all his previous unconcluded business has been properly concluded and if any client complaints, legal or administrative proceedings in any court, before the Ombud, or in terms of any legislation relating to his actions before debarment have been concluded and he has fully complied with any decision or court order.

Your answer is correct.

Question 39

Correct

Mark 1.00 out of 1.00

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

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

Select one:

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

Your answer is correct.



Question 40

Correct

Mark 1.00 out of 1.00

Lewis is a Representative and has been advising his client Chad with regard to a solution to provide funeral cover for his family. During the interaction, Lewis has made the relevant contact stage disclosures verbally to Chad. The General Code of Conduct further requires that the disclosures must be confirmed in writing within:

Select one:

- a. 15 days.
- b. 20 days.
- c. 30 days.
- d. 60 days.

Your answer is correct.

The correct answer is 30 days.

# RE 5 Mock Exam 2019

## Question 41

Correct

Mark 1.00 out of 1.00

The role of the FAIS Ombud is to settle disagreements between clients and financial services providers:

Select one:

- a. That relate to services provided by the FSP in which they did not comply with the FAIS Act.
- b. Where the amount of money involved exceeds R800 000.
- c. Regarding long-term insurance contracts.
- d. Regarding the cancelling of long-term insurance contracts.

Your answer is correct.

## Question 42

Incorrect

Mark 0.00 out of 1.00

The insurer in exchange for a premium, will:

Select one:

- a. manage a funeral scheme on behalf of a group of members.
- b. provide funeral cover for a client and his 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 his needs.

Your answer is incorrect.

## Question 43

Incorrect

Mark 0.00 out of 1.00

Records that must be kept in terms of the FAIS Act include records of:

Select one:

- a. known premature cancellations of transactions or financial products by clients of the FSP.
- b. complaints received and information on whether the complaints have been resolved.
- c. ongoing compliance with the requirements of Section 8 of the FAIS Act.
- d. All the above.

Your answer is incorrect.

Question 44

Incorrect

Mark 0.00 out of 1.00

The following are examples of subcategories in Category I:

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.

Your answer is incorrect.

Question 45

Correct

Mark 1.00 out of 1.00

Where records of an accountable institution are not available to the public and a Representative of the FIC needs access to these records, a warrant issued by a judge or magistrate will only be issued if:

Select one:

- a. it is uncertain whether the records will assist in identifying the proceeds of unlawful activities.
- b. the records contain factual evidence of the proceeds of unlawful activities.
- c. the records have been kept for 2 years only.
- d. there are reasonable grounds to believe that the records will assist in identifying the proceeds of unlawful activities.

Your answer is correct.

The correct answer is: there are reasonable grounds to believe that the records will assist in identifying the proceeds of unlawful activities.

# RE 5 Mock Exam 2019

## Question 46

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.

Your answer is None of the above. Exemption 2 has been repealed.

## Question 47

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.

Your answer is incorrect.

Your answer is 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.

**Question 48**

Correct

Mark 1.00 out of 1.00

Tumi has been appointed as Representative at BrokersRUs since 2014 to render financial services to prospective clients interested in shares. BrokersRUs is an approved Category II FSP that collects premiums and hold clients' funds on behalf of their clients. The following Fit and Proper requirements apply to Tumi.

Choose the CORRECT statement.

Select one:

- a. Tumi needs to obtain Product Specific Training in shares.
- b. Tumi must maintain Competence requirements by completing Continuous Professional Development activities.
- c. Tumi needs to maintain the Financial Soundness requirement.
- d. Tumi needs to complete the Class of Business training within 3 months.

Your answer is correct.

**Question 49**

Correct

Mark 1.00 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 correct.

Question 50

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.

The correct answer is iii and iv only.