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Completed on Thursday, 3 October 2019, 10:56 AM

Time taken 2 mins 31 secs

Marks 11.00/50.00

Grade 22.00 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

Who must submit compliance reports to the Registrar?

Select one:

- a. The Compliance Officer.
- b. The FSP.
- c. The Compliance Officer, or in their absence, the authorised FSP.
- d. The Key Individual.

Your answer is:

[Redacted answer]

### Question 2

Incorrect

Mark 0.00 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:

[Redacted answer]

Question 3

Incorrect

Mark 0.00 out of 1.00

In terms of general Competence Requirements, a Representative must, at date of appointment by an FSP:

- i. Be fully experienced, as services under supervision only applies to Key Individuals.
- ii. Have the minimum experience requirements (unless the Representative works under supervision).
- iii. Have completed all the applicable CPD requirements.
- iv. Have an appropriate qualification unless the Representative works under supervision.

Select one:

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

Your answer is incorrect.

Question 4

Correct

Mark 1.00 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 correct.

Question 5

Incorrect

Mark 0.00 out of 1.00

Under Section 22A of FICA, which record is NOT kept?

Select one:

- a. The amount involved and the currency in which it was denominated.
- b. The date on which the transaction was concluded.
- c. Business correspondence.
- d. Register of Representatives.

Your answer is incorrect.

# RE 5 Mock Exam 2019

Question 6

Incorrect

Mark 0.00 out of 1.00

Select the INCORRECT statement. A provider, other than a direct marketer, must, prior to providing a client with advice:

Select one:

- a. take reasonable steps to seek appropriate and available information from the client regarding their financial situation, financial product experience and objectives to enable the provider to provide the client with appropriate advice.
- b. conduct a comprehensive financial needs analysis for purposes of the advice based on the information provided.
- c. identify the financial product or products that will be appropriate to the client's risk profile and financial needs, subject to the limitations imposed on the provider under the Act or any contractual arrangement.
- d. take reasonable steps to establish whether the financial product identified is wholly or partially a replacement for an existing financial product of the client and, if it is such a replacement, the provider must comply with sub-paragraph (d).

Your answer is incorrect.

Question 7

Incorrect

Mark 0.00 out of 1.00

Which one of the following tasks forms part of the oversight function of the Compliance Officer?

Select one:

- a. Monitoring Representatives' behaviour.
- b. Implementing advice processes.
- c. Liaising with the Registrar.
- d. Identification of training needs.

Your answer is incorrect.

Question 8

Incorrect

Mark 0.00 out of 1.00

The person responsible for the debarment of a Representative is the:

Select one:

- a. FSP.
- b. Authority of banks.
- c. Compliance Officer.
- d. Money laundering officer.

Your answer is incorrect.

Question 9

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 10

Incorrect

Mark 0.00 out of 1.00

In Section 13 of the FAIS Act, certain duties and responsibilities on FSPs are imposed. Which of the following statements is INCORRECT?

Select one:

- a. If a Representative was debarred, they can never operate as a Representative again.
- b. FSPs must take reasonable steps to ensure that Representatives comply with the applicable Codes of Conduct and with other applicable laws on the conduct of business.
- c. Nobody may provide Financial Services to clients for or on behalf of unauthorised FSPs who are not exempted from the FAIS Act.
- d. All of the options listed.

Your answer is incorrect.

# RE 5 Mock Exam 2019

## Question 11

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.

[Redacted]

## Question 12

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.

[Redacted]

## Question 13

Incorrect

Mark 0.00 out of 1.00

Alice took out a funeral policy a few years ago in which she insured her family. Alice's husband recently died and Alice must submit a claim for the payment of her husband's funeral benefit. Alice should contact:

Select one:

- a. the branch admin assistant.
- b. The admin manager of the relevant branch.
- c. The branch manager of the relevant branch.
- d. The client servicing centre.

Your answer is incorrect.

[Redacted]

Question 14

Correct

Mark 1.00 out of 1.00

The following people are all aware of proceeds from unlawful activities. Who has a legal obligation to report this to the FIC?

- i. Kagiso – owner of the business.
- ii. Stephen – the Compliance Officer.
- iii. Mary – the secretary.
- iv. Agatha – the cleaning lady.
- v. Mpho – the client.

Select one:

- a. i, ii, and iii BUT NOT iv and v.
- b. ii only.
- c. i, ii, iii, and iv BUT NOT v.
- d. i, ii, iii, and v BUT NOT iv.

Your answer is correct.



Question 15

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.



# RE 5 Mock Exam 2019

## Question 16

Incorrect

Mark 0.00 out of 1.00

The appointment of the Compliance Officer has to be approved by the:

Select one:

- a. Ombud.
- b. FSP.
- c. Managing Director.
- d. Registrar.

Your answer:

[Redacted answer]

## Question 17

Incorrect

Mark 0.00 out of 1.00

GoodLife Brokers, a brokerage with 20 Representatives, does not currently have a Compliance Officer. Which of the following tasks will they not be able to perform?

Select one:

- a. Completing branch audits.
- b. Resolving customer service-related queries.
- c. Fulfilling required compliance functions.
- d. Meeting individual training needs.

Your answer:

[Redacted answer]

## Question 18

Incorrect

Mark 0.00 out of 1.00

In terms of Section 34 of the FAIS Act, who may declare a particular business practice to be undesirable?

Select one:

- a. The Authority.
- b. The FAIS Ombud.
- c. The FAIS Compliance Officer.
- d. The Financial Sector Conduct Authority.

Your answer:

[Redacted answer]

Question 19

Incorrect

Mark 0.00 out of 1.00

Daniel (24) wishes to take out a funeral policy on his own life with the maximum cover allowed.

Cover on this policy may not exceed:

Select one:

- a. R10 000.
- b. R30 000.
- c. R18 000.
- d. R36 000.

Your answer is incorrect.

[Redacted answer]

Question 20

Incorrect

Mark 0.00 out of 1.00

Disclosures that must be made regarding an endowment policy do NOT have to include:

Select one:

- a. the premiums to be paid.
- b. how often premiums have to be paid.
- c. the requirements that premiums may only be paid in cash.
- d. information on what will happen if premiums are not paid.

Your ansv.

[Redacted answer]



# RE 5 Mock Exam 2019

## Question 21

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.

## Question 22

Incorrect

Mark 0.00 out of 1.00

Which of the following is NOT an example of a high risk client in terms of the FIC Act?

- i. A business that takes in a lot of cash.
- ii. A second-hand car dealership operating near a border or harbour.
- iii. A client who lives abroad, particularly in a country that doesn't have strict anti-money laundering legislation.
- iv. A client with three or more dependents.

Select one:

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

Your answer is incorrect.

Question 23

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.



Question 24

Incorrect

Mark 0.00 out of 1.00

Safe Insurance, an authorised short-term insurance provider appoints Mandla as a Representative and places him on the Representative register. A complaint is later lodged against him for mis-selling. Who will be held responsible?

Select one:

- a. Mandla will be held entirely responsible.
- b. Safe Insurance and the Compliance Officer will be held responsible.
- c. The FSCA will be held responsible.
- d. Safe Insurance will be held responsible.

Your answer is incorrect.



Question 25

Incorrect

Mark 0.00 out of 1.00

Which of the following is NOT among the responsibilities of a financial services adviser in terms of the FAIS General Code of Conduct?

Select one:

- a. Acting honestly and fairly.
- b. Effectively employing resources and procedures for proper performance of professional activities.
- c. Acting with caution and treating clients fairly.
- d. Disclosing membership to any professional body or organisations.

Your answer is incorrect.



# RE 5 Mock Exam 2019

## Question 26

Incorrect

Mark 0.00 out of 1.00

A Representative receives a large sum of money to invest for a client. The client wants to split the money between unit trusts, investment policies, bank investments and fixed property shares, all with the shortest term possible. She doesn't want to comment on the reason for this choice of product combination. The Representative suspects money laundering and is, therefore, required to:

Select one:

- a. Report the transaction without informing the client.
- b. Process the request and flag the newly created accounts as suspects.
- c. Advise the client that he is not able to assist her without further information.
- d. Inform the client that he has to report the transaction.

## Question 27

Correct

Mark 1.00 out of 1.00

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

Select one:

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

## Question 28

Correct

Mark 1.00 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.

Question 29

Incorrect

Mark 0.00 out of 1.00

In terms of FAIS and FICA, the industry standard is to keep records in the following format:

Select one:

- a. Paper files.
- b. Electronic format that should be easily retrievable and readily reducible to written or printed form.
- c. Paper and electronic format.
- d. Electronic format that should be easily retrievable, kept safe from destruction and readily reducible to written or printed form.

Your answer is incorrect.



Question 30

Incorrect

Mark 0.00 out of 1.00

The grace period within which the premiums must be paid is:

Select one:

- a. Between 15 and 21 days.
- b. Between 15 and 25 days.
- c. Between 15 and 29 days.
- d. Between 15 and 31 days.

Your answer is incorrect.



# RE 5 Mock Exam 2019

## Question 31

Incorrect

Mark 0.00 out of 1.00

Requirements for recordkeeping in terms of the FAIS General Code include the following:

- i. Adequate systems and procedures to record verbal and written communications relating to the provision of financial services to clients.
- ii. Safekeeping of records from destruction.
- iii. Retrieval of the records and other material documentation relating to client or financial services.
- iv. Clients must be able to get copies of the telephonic advertisement records within 10 days of request.

Select one:

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

Your answer is incorrect.

Your answer is i, ii and iii.

## Question 32

Correct

Mark 1.00 out of 1.00

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

Select one:

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

Your answer is

Your answer is c.

Question 33

Incorrect

Mark 0.00 out of 1.00

The law within FICA has a number of control measures aimed at facilitating the detection and investigation of money laundering. Which one of the control measures below does NOT apply?

Select one:

- a. Intermediaries of behalf of the financial institution must know with whom they are doing business (customer due diligence).
- b. A paper trail of customer due diligence procedures and transactions through the financial institution must be preserved (recordkeeping).
- c. Suspicious transactions must be brought to the attention of the compliance officer of the institution only.
- d. Possible money laundering transactions must be reported to the investigating authorities.

Question 34

Incorrect

Mark 0.00 out of 1.00

The following applies to the regulatory examinations for Representatives:

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.

Question 35

Incorrect

Mark 0.00 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 incorrect.



# RE 5 Mock Exam 2019

## Question 36

Incorrect

Mark 0.00 out of 1.00

When debarment takes place:

Select one:

- a. The FSP must remove the Representative's name, and the names of the Key Individuals of the Representative from the register referred to in Section 13 (3) of the FAIS Act and must inform the Authority thereof in writing, as well as the reasons for debarment in such format as the Authority may require, within a period of 15 days after the removal.
- b. The FSP must remove the Representative's name from the register referred to in Section 13 (3) of the FAIS Act and must inform the Authority thereof in writing, as well as the reasons for debarment in such format as the Authority may require, within a period of 15 days after the removal.
- c. The FSP must remove the Representative's name, and the names of Key Individuals of the Representatives from the register referred to in Section 13 (3) of the FAIS Act and must inform the Authority thereof in writing, as well as the reasons for debarment in such format as the Authority may require within a period of 30 days after the removal.
- d. The FSP must remove the Representative's name from the register referred to in section 13 (3) of the FAIS Act and must, within a period of 30 days after the removal, inform the Authority in writing thereof and the reasons for debarment in such format as the Authority may require.

Your answer is:



## Question 37

Incorrect

Mark 0.00 out of 1.00

The law within FICA has a number of control measures aimed at facilitating the detection and investigation of money laundering.

Which one of the control measures below does NOT apply?

Select one:

- a. Intermediaries on behalf of the financial institution must know with whom they are doing business (customer due diligence).
- b. A paper trail of transactions through the financial institution must be preserved (recordkeeping).
- c. Suspicious transactions must be brought to the attention of the Compliance Officer of the institution only.
- d. Possible money laundering transactions must be reported to the investigating authorities.

Your answer:





Question 40

Correct

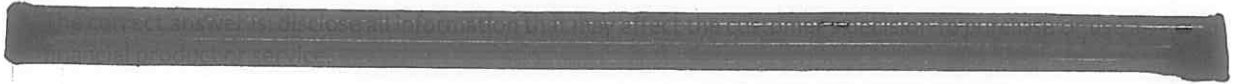
Mark 1.00 out of 1.00

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

Select one:

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

Your answer is



Question 38

Correct

Mark 1.00 out of 1.00

The FAIS Act requires that the FSP or Key Individual must ensure the Representatives are Fit and Proper at recruitment and appointment stage and secondly that the Representatives remain Fit and Proper throughout their employment.

Choose the statement that is FALSE.

Select one:

- a. To ensure Honesty Integrity and Good Standing, you can check the data bureau.
- b. To ensure Honesty Integrity and Good Standing, you should only rely on the applicant's disclosure of information as the FAIS Act prohibits any checking of information submitted by prospective Representatives.
- c. To ensure Honesty Integrity and Good Standing, you can check the validity of membership of professional bodies or other institutions.
- d. To ensure Honesty Integrity and Good Standing, you can check the FSCA website to see if a Representative has been debarred.

Your answer is correct.



Question 39

Correct

Mark 1.00 out of 1.00

Funeral insurance policies are available as:

Select one:

- a. Whole life policies.
- b. Term policies.
- c. Whole life and term policies.
- d. Whole life and term policy combination.

Your answer is correct.



# RE 5 Mock Exam 2019

Question 41

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

Question 42

Incorrect

Mark 0.00 out of 1.00

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

Select one:

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

Your answer is incorrect

Question 43

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 44

Correct

Mark 1.00 out of 1.00

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

Select one:

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

Question 45

Correct

Mark 1.00 out of 1.00

James has been found guilty of misappropriating clients' funds by his FSP ABC Finance. What should they do?

Select one:

- a. ABC Finance should immediately dismiss James.
- b. ABC Finance should issue James with a fine and command him to compensate his clients.
- c. ABC Finance should debar James and remove his name from the Representative's register.
- d. ABC Finance should inform law enforcement to send a warrant for his arrest.

# RE 5 Mock Exam 2019

Question 46

Incorrect

Mark 0.00 out of 1.00

Choose the CORRECT option:

Select one:

- a. The Authority registers Representatives, provided they meet certain criteria.
- b. The FSP authorises a Representative to represent it, provided the Representative meets the Fit and Proper criteria stipulated in the FAIS Act, including financial soundness, and then has to maintain a register with certain details as required by the Act.
- c. The FSP authorises a Representative to represent it, provided the Representative meets the Fit and Proper criteria stipulated in the FAIS Act, excluding financial soundness, and then has to maintain a register with certain details as required by the Act.
- d. The FSP authorises a Representative to represent it, provided the Representative meets the Fit and Proper criteria stipulated in the FAIS Act, excluding financial soundness, and then the Authority Registers the Representative.

Question 47

Incorrect

Mark 0.00 out of 1.00

In terms of Section 3 of the General Code of Conduct, all records must be kept in a format that is easily accessible and must be available within \_\_\_ should the Authority request the information.

Select one:

- a. 2 days
- b. 3 days
- c. 5 days
- d. 7 days

Question 48

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.

Question 49

Incorrect

Mark 0.00 out of 1.00

ABC Finance advertises a new financial service by telephone to their clients. They have a system and procedure in place to access and convert the voice logged records to a written format. If no financial service was provided from the telephonic advertisement, what is the minimum period for which ABC Finance must retain the records?

Select one:

- a. 60 days.
- b. 30 days.
- c. 45 days.
- d. 90 days.



Question 50

Correct

Mark 1.00 out of 1.00

Chanel, an employee of Premium Life, did not make the necessary disclosures in a very lucrative deal, and realised that her actions warranted dismissal. She immediately handed in her resignation, which was accepted, and started working for Excel Bank Ltd. When the client suffered huge losses and complained to Premium Life, they could have responded as follows:

Select one:

- a. They are unable to proceed with debarment, as Chanel is no longer in their employ, but they could inform the Authority.
- b. They could have collected and submitted evidence to the FSCA, recommending that Chanel be debarred.
- c. They could have advised the client to lodge their complaint with the Ombud for Financial Services Providers (FAIS Ombud), as Chanel was no longer in their employment.
- d. They could have provided Excel Bank Ltd with the evidence, recommending that they proceed with her debarment.

