

RE5

**Mock-up Exam 1 Memorandum**

1.	D	49.	A	97.	T
2.	A	50.	B	98.	F
3.	D	51.	A	99.	T
4.	B	52.	D	100.	T
5.	E	53.	B	101.	F
6.	C	54.	D	102.	T
7.	B	55.	D	103.	F
8.	A	56.	B	104.	A
9.	C	57.	D	105.	B
10.	E	58.	D	106.	C
11.	E	59.	T	107.	A
12.	E	60.	F	108.	C
13.	D	61.	T	109.	B
14.	C	62.	F	110.	C
15.	D	63.	A	111.	B
16.	E	64.	B	112.	D
17.	A	65.	D	113.	C
18.	C	66.	A	114.	T
19.	D	67.	C	115.	T
20.	D	68.	A	116.	F
21.	B	69.	B	117.	T
22.	C	70.	B	118.	T
23.	E	71.	D	119.	T
24.	E	72.	C	120.	T
25.	B	73.	D	121.	F
26.	E	74.	F	122.	T
27.	E	75.	F	123.	F
28.	D	76.	T	124.	C
29.	E	77.	F	125.	C
30.	E	78.	T	126.	B
31.	D	79.	F	127.	C
32.	D	80.	F	128.	C
33.	B	81.	T	129.	D
34.	E	82.	F	130.	D
35.	E	83.	T	131.	D
36.	D	84.	A	132.	B
37.	D	85.	C	133.	C
38.	C	86.	B	134.	D
39.	A	87.	D	135.	A
40.	E	88.	B	136.	T
41.	C	89.	A	137.	F
42.	C	90.	D	138.	T
43.	T	91.	C	139.	T
44.	T	92.	A	140.	T
45.	T	93.	C	141.	F
46.	T	94.	C	142.	T
47.	F	95.	A	143.	T
48.	A	96.	A		

RES Mock-up Exam 1

1. The purpose of the FAS act is:

A	the protection of consumers in the financial services environment
B	to ensure that consumers are provided with adequate information so that they can make informed decisions
C	the regulation of the rendering of certain financial advisory and intermediary selling activities of financial planners
D	all of the above

2. John, Peter, Frans and Judy are all employed by XYZ Co. XYZ Co. is a registered financial provider. John does all consultations with clients, providing them with financial advice and assisting clients to make informed decisions. Peter usually assists John, drawing up all advice records with recommendations regarding the financial products. Frans are responsible for the client's income tax returns taking into account all financial products that may be tax deductible. Judy takes all documentation after checking all application forms and is responsible to report back to John and clients with regards to their products. Which of the employees are representatives in terms of the act:

A	John and Peter
B	John, Peter, Frans
C	John, Peter and Judy
D	John, Peter, Frans and Judy

3. When is a representative obligated to register?

A	When working as a PA for a Financial Advisor
B	When making sure that all policy contracts are legally correct
C	When assisting clients to deduct premiums for tax purposes
D	When rendering financial services to clients

4. In terms of the fit and proper requirements, a representative should meet the following:

A	Proper safe keeping
B	Should obtain appropriate information regarding client's financial situation, product experience and objectives
C	Avoid fraudulent and misleading advertising
D	Proper record keeping

5. In terms of the General Code of conduct a representative should:

A	Act honestly and fairly
B	Make adequate disclosures of material information
C	Have the necessary resources and procedures to perform professional activities
D	Adequate and appropriate record keeping
E	B and D

6. Whose responsibility is it to issue licences to representatives:

A	FAS ombud
B	Financial services Board
C	Registrar of financial Services Providers
D	The employer of the representative

7. How many sub categories are there for Category I Financial Services Provider?

A	16
B	19
C	18
D	17

8. Martin is a representative of a Financial Services Provider. He specialises in risk policies (death, disability and health events). Some of the policies he sells also provide for savings which guarantee a minimum return of capital invested at a specific future date. For which Long-term insurance category does he need to be licensed for:

A	Long-term Insurance Category B	
B	Long-term Insurance Category A and B	
C	Long-term Insurance Category C	
D	Long-term Insurance Category B and C	

9. Client B would like to invest in a retirement annuity to make use of his tax deduction. He understands that the investment do not offer guarantees. For what category does the representative need to be licensed for:

A	Long-term Insurance Cat C	
B	Long-term Insurance Cat B	
C	Retail Pension Benefits	
D	Long term Deposit	

10. The Registrar of Financial Services Providers may do the following before issuing a license:

A	ask for additional information	
B	may impose conditions and restrictions on the license	
C	may refuse an application if the applicant does not meet the fit and proper requirements	
D	must inform the applicant of the decision and give reasons	
E	All of the above	

11. A Representative must meet the following fit and proper requirements:

A	Personal character	
B	Financial Soundness	
C	Operational Ability	
D	Experience requirements	
E	A and D	

12. A Financial Services Provider must meet the following fit and proper requirements:

A	Financial Soundness	
B	Operational ability	
C	Competency requirements	
D	Personal character qualities	
E	B, C and D	

13. Whose responsibility is it to make sure that a representative has the necessary personal character qualities of the honesty and integrity?

A	The Representative	
B	The Registrar of Financial Services Providers	
C	Ombud	
D	Financial Services Provider	

14. When applying for a license, a representative must show that he/she was not found guilty in any criminal or civil proceedings of fraud or dishonesty, in the last:

A	1 year
B	3 years
C	5 years
D	6 years

15. CFD requires that the representative must obtain a certain amount of hours over a specific time period:

A	10 to 40 hours over a 2 year cycle
B	15 to 50 hours over a 3 year cycle
C	15 to 60 hours over a 2 year cycle
D	15 to 60 hours over a 3 year cycle

16. The register of Representatives must be updated by the Financial Services Provider with the following information:

A	his/her matric certificate
B	name and business address
C	whether the representative acts as employee or mandate
D	categories registered for
E	C and D

17. Advice to a client will include the following:

A	recommendation to vary, replace or terminate of financial product or investment
B	a description of a financial product
C	keeping a financial product in safe custody
D	processing claims of a client against a product supplier

18. Mr. Jones (client) has an investment of R500 000 in the money market. He would like assistance with buying a property with the investment and taking out a loan for the outstanding purchase price. Peter and Sarah from ABC Co, a Financial Services Provider assist Mr. Jones with the following: Peter made a presentation to Mr. Jones in which he explained the different types of investments and composed property to a money market investment. Peter also explained that if the property was bought, Mr. Jones will need life cover for the deficit. Sarah assisted Mr. Jones in completing all application forms for the life cover and to withdraw all money out of his money market account.

A	Peter and Sarah gave advice
B	Peter and Sarah rendered intermediary services
C	Peter gave advice and Sarah and Peter rendered intermediary services
D	Peter and Sarah gave advice and both rendered intermediary services

19. In terms of sec 18 of the FAS Act and General Code of Conduct the following documents must be maintained:

A	cases of non-compliance and reasons for non-compliance and reasons for non-compliance
B	complaints received
C	pre mature cancellations of transactions or financial products
D	all of the above

20. Records must be kept for a period of

A	3 years
B	4 years
C	2 years
D	5 years

21. Record/s of advice should reflect the following:

A	Personal information of client's, the client's objectives, the client's ability to maintain the product's premiums	
B	Brief summary of information on which advice was based, financial products considered and recommended and an explanation why the product will satisfy the client's identified needs and objectives	
C	Factual record regarding the procedure to a transaction and a description of a financial product	
D	all of the above	

22. The role of a key individual is to

A	tender advice	
B	overseeing and managing compliance	
C	managing and overseeing the activities of FSP's and it's Representatives	
D	all of the above	

23. A key individual must meet the following fit and proper requirements:

A	Personal character qualifies	
B	Must have a minimum of 1 year experience in managing or overseeing a financial service.	
C	Must have a recognised qualification for the sub-category registered for	
D	Must be financially sound.	
E	A, B and C	

24. What is meant by an "undisable practice"

A	Prejudicing, deceiving or unfairly affecting clients	
B	Displaying and distribution of promotional material	
C	Harming the relationship between the authorised FSP and/or clients and/or general public.	
D	Keeping of records electronically	
E	A and C	

25. What reparation measures are available to the Registrar if a FSP continues with an undesirable business practice?

A	Suspend a FSP's licence immediately	
B	FSP must rectify any damages within 60 days and if not rectify the Registrar may suspend or withdraw the FSP's licence	
C	Withdraw a FSP's licence immediately	
D	suspend or withdraw FSP's licence immediately	

26. What are the requirements in terms of the Act regarding the displaying of licences

A	Must be displayed in each of the applicant's business premises	
B	Only the original licence must be displayed in the head office of the applicant	
C	Must be displayed in business documentation and advertisements, but not necessary to display in promotional material	
D	Must be available to anyone who requests proof that the business is licensed.	
E	A and D	
F	A and B	

27. Where a licence is to be suspended, the Registrar must inform the licensee of the following:

A	the intention to suspend and grounds for suspension
B	the intended period of suspension
C	any terms to be attached to the suspension
D	that the suspension is the result of factors other than non-compliance issues.
E	A, B, C and D

28. The Registrar may withdraw a licence for the following reasons:

A	A FSP did not disclose all relevant information material to the issuing of a licence
B	The FSP provided false or misleading information when applying for the licence
C	If the FSP contravened or failed to comply with the FAS Act in any way
D	All of the above

29. Why would a FSP's licence lapse?

A	He dies or are sequestrated
B	Fails to provide information regarding previous civil convictions in the preceding 5 years of application
C	Forgot to pay annual licence fees
D	Make a business decision not to offer their product any longer
E	A, B and D

30. What recourse does a FSP have where his licence is suspended or withdrawn?

A	The Registrar must give the licensee a reasonable opportunity to make submissions in response to allegations
B	When licence is suspended or withdrawn reinstatement is possible by application to the Registrar, once all conditions are met by applicant
C	When a licence is withdrawn, the Registrar can only amend, on good cause shown, the period in which the person can apply for a new licence
D	The Registrar can reinstate a suspended licence once all conditions have been met
E	B, C and D

31. The FAS Ombud has the following powers:

A	The Ombud will only entertain complaints if all interested parties has been informed in writing of the complaint and are provided with enough evidence which will enable them to respond and granted all the relevant parties the opportunity to submit a response to the complaint
B	decline to investigate a complaint which occurred more than 3 years before the complaint was lodged
C	decline to investigate if complainant has instituted court proceedings prior to lodging the complaint or if the matter must be dealt with in court or other available dispute resolution processes
D	All of the above

32. In terms of sec 15 of the Code of Conduct on FSP and their representatives should:

A	act honestly and fairly and in the interest of clients
B	effectively employ resources and procedures for the proper performance of professional activities
C	obtain all relevant information from client regarding their financial situation, product experience and objectives
D	all of the above

33. If a disclosure was done verbally between the Representative and client, within how many days should it be confirmed in writing?

A	10 day
B	30 day
C	45 day
D	60 days

34. MN Co is a FSP and Peter is working as a representative advising clients on financial products. When meeting the client for the first time, the following information regarding himself and the FSP should be revealed:

A	Information about the legal relationship between the FSP, product supplier and Representative
B	Information regarding restrictions or conditions on licence
C	That staff have been trained on the external resolution processes
D	Information regarding indemnity insurance
E	A, B and D

35. The following disclosures regarding product suppliers and products should be made:

A	the contractual relationship between the FSP, product supplier and the FSP's relationships with other product suppliers
B	information where the FSP holds more than 5% share in the product supplier
C	information where the FSP has received more than 35% of its total remuneration from a product supplier
D	contact details of the compliance department
E	A and D

36. The following disclosures should NOT be made regarding financial products to enable the client to make an informed decision.

A	the extent of the benefits
B	tax considerations
C	information about the liquidity of the product
D	contact details of the compliance department

37. Which of the following, regarding disclosures on commission received, is FALSE:

A	FSP must disclose all amounts, sums, values, charges, fees, remuneration or monetary obligations
B	It should be reflected in monetary terms
C	It is however necessary for the FSP, to inform or disclose any incentive, remuneration or consideration which become payable to the provider
D	It is not necessary to disclose non-cash incentives

38. BCD Co (a FSP) has an internal complaint resolution system and procedures which include a policy for the process of internal resolutions. Client A experienced financial loss and complained verbally. What should the FSP do next and what steps should he have taken to ensure that the process complies with the requirements of the Act?

A	The FSP should ask for the complaint in writing, ensure that the FSP Ombud receives the complaint and provide the client with the Ombud's address, telephone number and reference number of the complaint
B	Ensure that his staff is fully trained and ask for the complaint in writing, maintain the records for three years and try to resolve the complaint within 12 weeks
C	FSP should ask the complainant to lodge the claim in writing, handle the complaint fairly and early and ensure that the complaint is investigated and respond promptly
D	If the complaint is not resolved within 12 weeks and to the satisfaction of the client, the FSP should inform the client of alternatives and ensure that all original documents are duly completed before the complainant lodge a claim at the Ombud

39. When a financial product is replaced, the following should be disclosed by the Representative:

A	Actual and potential financial implications, costs and consequences
B	If the financial product is only replaced partially it is only required to disclose costs of the replacement
C	It is not necessary to disclose consequences of a replacement of a financial product if the new financial product provides for more comprehensive benefits, less costs and better investment returns
D	All of the above

40. If a FSP receives client's funds or premiums, such funds must be accounted for properly and promptly. Which of the following is **NOT** correct?

A	Should immediately issue a receipt and pay the money into the client's account within 3 business days
B	Ensure that the client's funds are discernible from the FSP's/representative's private assets
C	Interest accruing on the client's funds should be paid to the client or the owner of the fund
D	The client is entitled to request the funds and deductions which are authorised is charged, fees and interest earned in the last month
E	A and D

41. Which one is not a financial service?

A	Short-term insurance
B	Banking
C	Auditing
D	Long-term insurance

42. Which one is not a financial product?

A	Long term insurance Category B
B	Long term insurance Category A
C	Business Assurance
D	Employee Benefits
E	Collective investment schemes

43. True or False?

<b>Statement</b>	Advice means any financial recommendation, guidance or proposal given to any client or group of clients on any financial product with the intention of getting the client to consider entering into a financial transaction in respect of a financial product; investing in a financial product; varying, replacing or terminating any of these. The conclusion of any other transaction, including a loan or pension, aimed at incurring liability or acquiring rights/benefits in any financial product.
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44. True or False?

<b>Statement</b>	An intermediary service occurs when a person performs any act for or on behalf of a client or product supplier, including giving advice, which facilitates a transaction relating to a financial product
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45. True or False?

<b>Statement</b>	For the purposes of FAS, advice does NOT include factual advice given.  On the procedure for entering into any transaction relating to a financial product; in relation to the description of a financial product; in response to a routine administrative query; in the form of objective information about a specific financial product; By the display or distribution of promotional material.
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46. True or False?

<b>Statement</b>	The General Code applies to all services and advice in financial products not covered by the Specific Code Short-term Deposit business. It also applies in conjunction with the Disciplinary and the Administrative Codes.
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47. True or False?

Statement	The Specific Code - Short-Term Deposit business applies only to bank deposits with a term of less than 12 years.
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48. A Representative:

- i) Can be a temporary, a casual, a consultant or an outsourced person
- ii) Is responsible for obtaining and maintaining their "Fit and Proper" status for each product that they deal with
- iii) Is a person who renders a financial service to a client on behalf of a FSP
- iv) Is listed on the FSP's register of representatives

A	All of the choices are true
B	None of the choices are true
C	Choices (i) and (ii) are true
D	Choices (i) and (iii) are true
E	Choices (i) and (iv) are true

49. Key individuals are responsible for:

- i) Managing or overseeing the activities relating to the FSP
- ii) Key individuals bring both technical competence in a particular financial product category and managerial skill to their organizations
- iii) Legal and accounting reporting

A	All of the choices are true
B	Choices (i) and (ii) are true
C	Choices (iii) and (iv) applies
D	Choices (i) is true
E	Choices (iii) is true

50. Financial services include:

A	Instructions on the development of products
B	The rendering of advice and/or intermediary services
C	The processing of policy applications
D	Overseeing of the compliance processes

51. The different types of advice include:

A	Comprehensive advice, advice on policy replacements and advice when no analysis is performed
B	Comprehensive advice and advice on financial products
C	Comprehensive advice and advice when no analysis is performed
D	Comprehensive advice and advice on second hand policies

52. Which one of the following is not included in the steps that an FSP has to follow when providing advice?

A	Obtain appropriate and available information from the client
B	Conduct an analysis based on the information obtained as a basis for advice
C	Identify the financial products that are suitable to the needs of the client
D	Inform the client who the product supplier is and by whom the recommended product was developed

53. FAS defines a replacement as:

A	The replacement of a financial product with only a long term policy
B	The replacement of a financial product with another financial product
C	The replacement of a long term policy with only another long term policy

54. A record of advice does not have to include:

A	A brief summary of the information and material on which the advice was based
B	The financial products considered
C	The financial products recommended and why these products are suitable for the client
D	The qualifications of the representative

55. Which of the following are not included in the definition of a financial product in terms of FAS?

A	Shares and debentures
B	Money market instruments
C	Health service benefits
D	Property

56. If a client purchases a product from someone who is not an authorised FSP, then the agreement between the product supplier and the client will be:

A	Unenforceable
B	Enforceable
C	Cancelled
D	Amended

57. Which of the following persons are not included in the FAS definition of a "client"?

A	Specific person or group of persons to whom a financial service is rendered
B	The beneficiary of a financial service
C	The successor in title of a person to whom a financial service is rendered
D	Member of the general public

58. Which of the following does not have to be disclosed in the event of a replacement?

A	Fees and charges in respect of the replacement product
B	Special terms and conditions which may be applicable to the replacement product
C	The impact of age and health changes on the premium payable in the case of insurance products
D	Who the product supplier of the replacement product is

59. True or false?

Statement	The Auditor is responsible for the financial statements of the FSP and who submits reports to the FSB on the financial state of the FSP
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60. True or false?

Statement	To become a Recognised body, representative and membership bodies will have to make an application, containing all the details and infrastructures information about the organization. Once this application form is looked at, the FSB makes a decision and if it is accepted, then the organization gets approved as a "representative body" and may act as an agent on behalf of the organization applying to become an authorised FSP, in submitting the licence to the FSB on the FSP's behalf.
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61. True or false?

Statement	Support staff supports the function of the sales staff within the administrative functions of an FSP
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62. True or false?

Statement	The FAS Act prevent a client who has been aggrieved by an FSP or a representative from seeking legal redress in terms of any other law
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63. Which of the following scenarios is not applicable when advice is given but no analysis is performed?

A	The advisor refused to do an analysis
B	The client has elected to conclude a transaction that differs from that recommended by the provider
C	The client has not provided all the information requested
D	There was not sufficient time to conduct the analysis

64. Debarment happens when:

A	An FSP grants the authority to a representative to act on its behalf
B	An FSP withdraws the authority granted to a representative to act on its behalf
C	A representative retires
D	A representative resigns

65. The FSP must inform the Registrar in writing of the removal of a representative's name from its register:

A	Within 5 days of the removal of the representative's name
B	Within 30 days of the removal of the representative's name
C	Within 10 days of the removal of the representative's name
D	Within 15 days of the removal of the representative's name

66. The person responsible for the debarment of a representative is:

A	The FSP
B	The Registrar
C	The Compliance Officer
D	The Money Laundering Officer

67. Which one of the following is a condition for reappointment after debarment as a result of causes other than a lack of competence?

A	6 Months must have elapsed since the debarment date
B	Only the fit and proper requirement of competency must have been met
C	12 Months must have elapsed since the debarment date
D	Only the fit and proper requirement of honesty and integrity must have been met

68. Reasons for debarment include:

A	Non-compliance with any of the relevant fit and proper requirements or if the representative has contravened or failed to comply with any other provisions of the Act
B	Poor work performance
C	Only if the representative has contravened or failed to comply with any provisions (other than the fit and proper provisions) of the Act
D	Only non-compliance with any of the relevant fit and proper requirements

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

A	Inform the representative in writing of the debarment only
B	Inform the representative in writing of the debarment, inform him of the reasons for the debarment as well as the conditions for lifting it
C	Inform him of the reasons for the debarment only
D	Inform him of the conditions for lifting it only

70. When a representative is linked to FSP A and is debarred by FSP B, then A will be informed of the debarment by:

A	FSP B
B	The Registrar
C	The Compliance Officer
D	The Ombud

71. The reason that the Registrar is allowed to publish information on the debarment of representatives is:

A	Because it is an official duty of the Registrar in terms of FICA
B	Because it is newsworthy
C	Because it is an official duty of the Registrar in terms of FALS
D	To ensure that the public is informed of representatives who contravene the Act or who are no longer licensed to operate

72. Once a FSP has debarred a representative, the FSP has to take steps to ensure that:

A	Unconcluded business of the debarred representative is cancelled
B	Clients of the debarred representative are informed that no further financial services could be rendered to them
C	Clients of the debarred representative are not disadvantaged and that any unconcluded business is properly concluded
D	All records of the debarred representative's clients are destroyed

73. 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:

A	Honesty and integrity only
B	Competency only
C	Continuous professional development
D	Honesty and integrity and competency

74. True or False?

<b>Statement</b>	The FSP does not debar representatives, but only updates the central register after having been notified by the Registrar of the debarment of representatives
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75. True or False?

<b>Statement</b>	The FSP may make known any debarment as well as the reasons for it in the Government Gazette or in any appropriate public media.
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76. True or False?

<b>Statement</b>	FSPs may recommend the debarment of ex-representatives by submitting any evidence collected and informing the FSB. If the FSB agrees with the debarment recommendation, it has to issue a notification of intention to debar and give the recommended representative time to respond.
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77. True or False?

<b>Statement</b>	A representative whose debarment is being considered may request an opportunity to state his case and a hearing will take place.
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78. True or False?

<b>Statement</b>	The purpose of debarment is therefore to ensure that consumers are protected against dealings with persons who are unfit to render financial services.
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79. True or False?

<b>Statement</b>	The FSB must conclude all of the representative's unfinished business with clients
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80. True or False?

<b>Statement</b>	If a representative is debarred he may be reappointed provided that he complies with the requirements of reappointment as determined by the Ombud in the Government Gazette.
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81. True or False?

<b>Statement</b>	Before a debarred representative can be reappointed, any client complaints or legal or administrative proceedings in any court, before the Ombud, or in terms of any legislation, relating to the debarred representative's actions before debarment must have been concluded and the debarred representative must have fully complied with any decision or court order.
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82. True or False?

<b>Statement</b>	A Key Individual may not be debarred if the representative, that such Key Individual is responsible for, is debarred.
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83. True or False?

<b>Statement</b>	Before a debarred representative can be reappointed provided that he complies with the requirements of reappointment, all uncompleted business of the debarred representative must have been properly concluded and all fit and proper requirements must be met.
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84. An FSP has to appoint a Compliance Officer if:

A	It has a Key Individual or one or more representatives
B	It has a Key Individual
C	It has only representatives
D	It has one or more representatives

85. The requirements for a Compliance Officer are as follows:

A	A legal or accountancy university degree
B	At least 3 years experience in the financial services industry
C	A legal or accountancy university degree, and at least 3 years experience in the financial services industry
D	A legal or accountancy university degree, and at least 5 years experience in the financial services industry

86. The accountability for being FATF compliant is that of:

A	The Compliance Officer
B	The FSP
C	All senior managers
D	All representatives

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

A	The Ombud
B	The FSP
C	The Managing Director
D	The Registrar

88. Which of the following is not one of the main functions of a Compliance Officer?

A	Monitoring
B	Administrative services
C	Training
D	Support

89. Which one of the following tasks forms part of the monitoring function of the Compliance Officer?

A	Submission of compliance reports and other compliance related reports to the Registrar
B	Performance evaluations of representatives
C	Drafting of job descriptions
D	Identifying training needs

90. Which one of the following tasks forms part of the training function of the Compliance Officer?

A	Supervision of the compliance function
B	Assisting with the creation of a compliance culture
C	Working with the Registrar
D	Identification of training needs

91. Which one of the following tasks forms part of the support function of the Compliance Officer?

A	Creating, implementing and monitoring systems and procedures
B	Being accountable for the compliance function of the organization
C	Assisting with the creation of a compliance culture
D	Organising training

92. The function of the Compliance Officer:

A	May be outsourced to an external Compliance Officer
B	Must be outsourced to an external Compliance Officer
C	Must only be performed by an internal staff member
D	May not be outsourced to an external Compliance Officer

93. On 12 December 2010, Jack accepted an appointment as a Compliance Officer of Excel Insurers. He is to begin working in this position on 1 January 2011. He applied to the FSB for approval as a Compliance Officer on 15 January 2011. The Registrar confirmed Jack's approval as a Compliance Officer from:

A	1 January 2011
B	15 January 2011
C	1 February 2011
D	12 December 2010

94. The FAS Compliance Officer is responsible for:
- a. Providing the FSP with written reports on the course of and progress achieved with compliance monitoring duties
  - b. Making recommendations to the FSP regarding any aspect of the required compliance or monitoring duties
  - c. Monitoring compliance with FAS by the FSP, Key Individuals and its Representatives
  - d. Working with the Registrar

A	All of the choices are true	
B	None of the choices is true	
C	Choices (i), (iii) and (iv) are true	
D	Choices (ii), (iii) and (iv) are true	

95. The Compliance Officer is required to:
- e. Assist with the setting up of procedures to ensure compliance
  - f. Monitor compliance with FAS
  - g. Supervise the activities of the Key Individuals and Representatives
  - h. Submit reports to the Registrar

A	All of the choices are true	
B	Choices (ii), (iii) and (iv) are true	
C	Choices (ii), (iii) and (iv) are true	
D	None of the choices is true	

96. What is the first step once the FAS Compliance Officer has received the formal complaint, he will:

A	Acknowledge receipt of the complaint in writing	
B	Go to court	
C	Get back to the client in writing with the findings	
D	Analyze the cause and reason for complaint	

97. True or False?

Statement	The Compliance Officer can be a director, member, auditor or other office holder of the FSP.	
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98. True or False?

Statement	The Compliance Officer assists with the setting of work procedures of Key Individuals to ensure work performance.	
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99. True or False?

Statement	The Compliance Officer has adequate resources available to ensure proper compliance monitoring.	
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100. True or False?

Statement	The Compliance Officer has direct access to senior management in respect of any representative.	
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101. True or False?

Statement	The Compliance Officer does not function independently and objectively.	
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102. True or False?

Statement	The Compliance Officer provides the FSP and FSB with timely written reports on the monitoring course and progress achieved.	
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103. True or False?

Statement	The Compliance Officer does not have to keep written records of all activities during the course of the compliance monitoring.	
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104. Which of the following is an example of a document that should be maintained in terms of the FAS Act?

A	A cancellation of an endowment policy one 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	

105. When Life Partner A outsources their record-keeping function in terms of FAS they have to ensure that these documents can be accessed by the Registrar for inspection within what number of days?

A	Five
B	Seven
C	Six
D	Three

106. The industry standard for the method of storing and retrieving records is:

A	An appropriate electronic format which can easily be converted into a written or printed format
B	An appropriate written format
C	An appropriate electronic or recorded format which can easily be converted into a written or printed format
D	An electronic format only

107. If a provider wants to disclose any confidential information obtained from a client:

A	He has to obtain written consent from the client beforehand
B	He does not need to obtain consent from the client
C	He has to obtain verbal consent from the client beforehand
D	He has to obtain verbal consent from the client at the time of the disclosure

108. FICA requires the FSP to keep records of:

A	Proceeds of insurance products or investments that are paid out on maturity
B	The number of representatives working for it
C	Documents used to identify and verify the client
D	Annual reports

109. When an accountable institution outsources its record-keeping duty to a third party, it has to notify the FIC of:

A	The date on which the outsourcing commences
B	The particulars of the third party
C	The time period for which this function will be outsourced
D	The reasons for the outsourcing of this function

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

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 R10 million
D	Imprisonment for a maximum period of 30 years

111. The Money Laundering Reporting Officer has to report a suspicious transaction to the FIC within:

A	15 Working days of learning of it
B	15 Working days of learning of it or from when the suspicion arose
C	15 Working days from when the suspicion arose
D	30 Working days of learning of it

112. 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:

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 two years only
D	There are reasonable grounds to believe that the records will assist in identifying the proceeds of unlawful activities

113. Which of the following is not a requirement in terms of the FAS General Code of Conduct regarding procedures and systems to keep records?

A	The records of verbal and written communications relating to a financial service rendered to a client
B	The storage and retrieval of such records relating to the client or financial service rendered to the client
C	The dispatch of documents to clients regarding a financial service rendered to the client
D	Keeping such client records and documentation safe from destruction and keeping it for a period of five years after the rendering of the financial service

114. True or False?

<b>Statement</b>	FSP must maintain records in respect of money and assets held on behalf of clients
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115. True or False?

<b>Statement</b>	A FSP must maintain a register of representatives and key individuals of such representatives where applicable, which must contain the name and business address of each representative (and key individual) and the categories in which such representative is competent to render financial services
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116. True or False?

<b>Statement</b>	A FSP must maintain records of only complaints received
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117. True or False?

<b>Statement</b>	A FSP must maintain records of cases of non-compliance with the Act and the reasons therefore
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118. True or False?

<b>Statement</b>	The Registrar has, for the purposes of the performance of the registrar's functions under the FAS Act or any other law, access to the Ombud files and records and may without further proof rely on a copy of any record of proceedings signed by the Ombud
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119. True or False?

<b>Statement</b>	A FSP must maintain records of continued compliance of licensing requirements
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120. True or False?

<b>Statement</b>	FICA requires FSP to keep record of the identity of the client and the identity and authority of a person acting on behalf of the client.
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121. True or False?

<b>Statement</b>	When the record keeping obligation is outsourced to a third party, the accountable institution is discharged from this responsibility.
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122. True or False?

<b>Statement</b>	When the record keeping obligation is outsourced to a third party, the accountable institution must provide the PIC with the full name and contact details of the individual who issues on behalf of the accountable institution concerning the retention of records
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123. True or False?

<b>Statement</b>	Client records and documentation must be kept safe from destruction in only a water proof environment
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124. Which of the following activities can be seen as a money laundering activity?

A	Buying a house with funds generated by the sale of shares
B	Investing the proceeds of a life insurance policy in unit trusts
C	Buying unit trusts with cash that was generated by petroleum smuggling
D	Buying a business with funds generated from the split up of a partnership

125. Which of the following can be seen as unlawful activities?

A	Selling fuel 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	

126. The focus of money laundering legislation is:

A	On the crime that generated illegal money	
B	On the proceeds of the crime that generated illegal money	
C	On drug trafficking	
D	On foreign exchange	

127. The main laws dealing with money laundering in South Africa are:

A	FICA + POCA	
B	FICA + POCDATARA	
C	POCDATARA + POCA + FICA	
D	PACDATARA + POCA	

128. Penalties for the contravention of POCA can be:

A	A maximum fine of R100 million or imprisonment for 15 years	
B	Imprisonment for 30 years	
C	A maximum fine of R100 million or imprisonment for 30 years	
D	A maximum fine of R100 million	

129. Which one of the following is not an accountable institution?

A	An attorney	
B	A long-term insurance company	
C	A representative of a long-term company	
D	A training organization in the insurance industry	

130. The main purpose of the FIC is to:

A	Identify the proceeds of unlawful activities only	
B	Combat money laundering activities only	
C	Report information to all accountable institutions	
D	Identify the proceeds of unlawful activities and to combat money laundering activities	

131. The aim of POCDATARA is to:

A	Introduce an obligation to report certain offences linked to terrorist activities only	
B	Introduce an obligation to report certain offences linked to terrorist activities, including terrorist financing	
C	Combat money laundering	
D	Introduce the concept of unlawful activities for the first time	

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

A	ID Document	
B	Bank statement	
C	Passport	
D	Air ticket	

133. The purpose of POCA is to:

A	Introduce measures to combat organized crime and money laundering	
B	Introduce measures to combat money laundering and criminal gang activities	
C	Introduce measures to combat organized crime, money laundering and criminal gang activities	
D	Introduce measures to combat organized crime and criminal gang activities	

134. Which one of the following statements reflect the description of offences in terms of POCA:

A	If a person knowingly launders the proceeds of unlawful activities and uses or possesses property that he knows are the proceeds of unlawful activities.
B	If a person knowingly assists another person to benefit from the proceeds of unlawful activities or acquire, use or possess property that he knows are the proceeds of unlawful activities.
C	If a person knowingly launders the proceeds of unlawful activities and assists another person to benefit from the proceeds of unlawful activities.
D	If a person knowingly launders the proceeds of unlawful activities, assist another person to benefit from the proceeds of unlawful activities or acquires, uses or possesses property that he knows are the proceeds of unlawful activities.

135. FICA is aimed at identifying suspicious transactions so that the people who engage in money laundering activities:

A	Can be charged under POCA
B	Can be charged under FICA
C	Can be charged under POCA and FICA
D	Can be charged under FICA and POCA/TARA

136. True or False?

<b>Statement</b>	The purpose of FICA establish a FIC and a Money Laundering Advisory Council in order to combat money laundering activities
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137. True or False?

<b>Statement</b>	The first stage of money laundering is possession, where the origin of illegal money is usually mixed with the origin of legitimate money
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138. True or False?

<b>Statement</b>	The second stage of money laundering consists of the following objectives: disguise the ownership; disguise the origin; disguise the audit trail and disguise the profit and source of crime
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139. True or False?

<b>Statement</b>	The third stage of money laundering consists of a series of complex transactions involving a number of legal entities in many jurisdictions, designed to conceal the true source of the funds. By this stage, the money already appears "legal"
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140. True or False?

<b>Statement</b>	One objective of the FIC is to exchange information with similar bodies in other countries regarding money laundering activities and similar offences
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141. True or False?

<b>Statement</b>	The Money Laundering Advisory Council advises the Minister of Fraud on policies and best practices to combat money laundering and to identify the proceeds of unlawful activities
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142. True or False?

<b>Statement</b>	One of the offences listed in POCA is obstructing of official in performance of functions
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143. True or False?

<b>Statement</b>	An authorised representative of the FIC has access to records kept by an accountable institution during ordinary working hours and may examine, make extracts or make copies of such records
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