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IMPORTANT NOTICE

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GENERAL NOTICES

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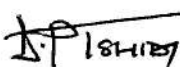
FINANCIAL SERVICES BOARD

COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002

Determination of Fit and Proper Requirements and Conditions for Managers of Collective Investment Schemes

Under sections 42 (read with sections 48, 51, 53, 54, 64, 77 and 114(4)(b)) of the Collective Investment Schemes Control Act, 2002, I, Dube Phineas Tshidi, Registrar of Collective Investment Schemes, hereby determine the Fit and Proper Requirements and Conditions for Managers of Collective Investment Schemes as set out in the Schedule.

This Notice is called the Determination of Fit and Proper Requirements and Conditions for Managers of Collective Investment Schemes.



DP TSHIDI

REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES

SCHEDULE

DETERMINATION OF FIT AND PROPER REQUIREMENTS AND CONDITIONS FOR MANAGERS OF COLLECTIVE INVESTMENT SCHEMES

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INTRODUCTION

PART I DEFINITIONS

1. In this Schedule-

"the Act" means the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002), and any word or expression to which a meaning has been assigned in the Act bears the meaning so assigned to it.

PART II INTRODUCTION

2. (1) Any manager authorised in terms of the Act, to administer a collective investment scheme, is required to adhere to the Fit and Proper

Requirements and Conditions for Managers of Collective Investment Schemes as determined in this Notice.

(2) Managers must complete Annexure B attached to this Notice in respect of its directors and submit it to the registrar within three months after publication of this Notice together with a written statement signed by the chairperson/managing director describing compliance/non-compliance with paragraphs 3, 4, 5, 6, 7, 8 and 9 of this Notice.

(3) Thereafter, managers must annually submit a written statement as prescribed in paragraph 10 of this Notice to the registrar.

(4) Where an application is made for registration as manager of a collective investment scheme as contemplated in section 42(1) (read with sections 48, 51, 53, 54, 64 and 77) of the Act, or for approval for a change in directors as contemplated in section 43(1)(a) of the Act, Annexure B must be completed by the applicant or manager with regard to its directors.

(5) If the appointment of a director of a manager is terminated for whatever reason the terminated director and public officer must complete Annexure C and submit it to the registrar within one month after termination of such appointment.

PART III REQUIREMENTS FOR APPOINTMENT OF BOARD OF DIRECTORS OF MANAGERS

3. (1) The registrar hereby determines the following requirements for the board of directors of managers:

(a) A minimum of four directors must be appointed as members of the board of directors of a manager (the number of directors to be appointed must be determined in the constituting documents of the company);

(b) the executive directors must be resident in the Republic;

(c) the non-executive directors must constitute at least 50% of the board of directors and the majority of the non-executive directors should be independent;

(d) the board of directors must be informed on issues for which enlightenment is sought and at least two executive directors or senior management should attend meetings of the board of directors with a duty to inform members; and

(e) the chairperson should preferably be a non-executive and need not necessarily be resident in the Republic. The chairperson will be required to sign statutory documents and must be available to do so.

(2) There must be sufficient collective investment schemes, legal and accounting experience and expertise amongst members of the board of directors. Each of the directors must be fit and proper and complete Annexure B together with the documents as required in terms of the said Annexure.

(3) Prior written approval of the registrar must be obtained for any change in directors. An application for such change must be provided to the registrar and accompanied by reasons for such change. Managers must complete Annexure B in respect of new directors and Annexure C in respect of outgoing directors.

PART IV FIT AND PROPER REQUIREMENTS FOR DIRECTORS

4. Directors of a manager must satisfy the following fit and proper requirements:

- (a) A director must be a person who is honest and has integrity.
- (b) In determining whether a director complies with subparagraph (a), the registrar may refer to any information in possession of the registrar or brought to the registrar's attention.
- (c) Without prejudice to the generality of subparagraphs (a), (b) and (d), any of the following factors constitutes *prima facie* evidence that a director does not qualify in terms of paragraph (a), namely if the director -
 - (i) has within a period of five years preceding the date of application or the proposed date of appointment or approval, as the case may be, been found guilty in any criminal proceedings or liable in any civil proceedings by a court of law (whether in the Republic or elsewhere) of having acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty;
 - (ii) has within a period of five years preceding the date of application or the proposed date of appointment or approval, as the case may be, been found guilty by any statutory professional body

or voluntary professional body (whether in the Republic or elsewhere) recognised by the Financial Services Board, of an act of dishonesty, negligence, incompetence or mismanagement, sufficiently serious to impugn the honesty and integrity of the director;

(iii) has within a period of five years preceding the date of application or the proposed date of appointment or approval, as the case may be, been denied membership of any body referred to in subparagraph (c)(ii) on account of an act of dishonesty, negligence, incompetence or mismanagement, sufficiently serious to impugn the honesty and integrity of the director;

(iv) has within a period of five years preceding the date of application, or the proposed date of appointment or approval, as the case may be-

(aa) been found guilty by any regulatory or supervisory body (whether in the Republic or elsewhere), recognised by the Financial Services Board; or

(bb) had its authorisation to carry on business refused, suspended or withdrawn by any such body, on account of an act of dishonesty, negligence, incompetence or mismanagement sufficiently serious to impugn the honesty and integrity of the director; or

(v) has at any time prior to the date of application, appointment or approval, as the case may be, been disqualified or prohibited by any court of law (whether in the Republic or elsewhere) from taking part in the management of any company or other statutorily created, recognised or regulated body, irrespective whether such disqualification has since been lifted or not.

(d) A manager and director must in the application to the registrar, be candid and accurate and must of own accord disclose all facts or information at the disposal of, or which may be assessable to, the manager or director and which may be relevant for purposes of a decision by the registrar whether the director complies with subparagraph (a).

PART V OPERATIONAL REQUIREMENTS FOR MANAGER

5. (1) A manager must have and be able to maintain the operational ability to fulfil the responsibilities imposed on it by the Act, including but not limited to the following:

- a) A principal office;
- b) adequate storage and filing systems for the safe-keeping of records, business communications and correspondence;
- c) adequate access to communication facilities including at least a full-time telephone or cell phone service, internet, typing and document duplication facilities; and
- d) the necessary policies, procedures and systems to ensure full compliance with the Financial Intelligence Centre Act, 2001, and other applicable anti-money laundering or terrorist financing legislation.

(2) A manager that utilises any third party to render administrative or system functions on its behalf, must have in place a detailed service level agreement, specifying the agreed services, time, standards, roles and responsibilities and any penalties that might be applicable.

PART VI FINANCIAL SOUNDNESS OF MANAGER

6. (1) A manager and its shareholder(s) must not be under liquidation or provisional liquidation.

(2) The assets of any shareholder (direct and/or indirect) of the manager as well as that of the manager must exceed the liabilities of the shareholder or manager, as the case may be. In addition, the manager must also comply with the capital requirements as determined in sections 4(3), 88 and 89 of the Act.

PART VII MANAGEMENT AND SUPERVISION BY MANAGER

7. (1) A manager must comply with standards of internal organisation and operational conduct that aim to protect the interests of investors and ensure proper management of risk.

(2) A manager must conduct its business in a way that protects the interests of investors and helps preserve the integrity of the collective investment schemes industry.

(3) A manager is responsible for ensuring appropriate internal policies and procedures for compliance with relevant legislation and appropriate internal controls and risk management systems. Senior management must understand the business, its internal control procedures and environment and its policies on the assumption of risk.

(4) A manager must ensure that internal control structures, procedures and controls are in place including *inter alia*:

- a) Documentation relating to business processes, policies and controls, and technical requirements;
- b) system application testing;
- c) disaster recovery and back-up procedures on electronic data;
- d) appropriate training for all staff regarding the requirements of relevant legislation; and
- e) a business continuity plan.

(5) A manager must record all financial and system procedures to ensure that the manager is able to report in terms of applicable accounting requirements.

(6) A manager must ensure that the necessary controls and compliance procedures are in place to manage and monitor the relevant system(s) in use.

(7) A manager must have general administration processing, accounting transactions and risk control measurements in place to ensure accurate, complete and timeous processing of data, information reporting and the assurance of data integrity.

PART VIII

RISK MANAGEMENT BY THE MANAGER

8. (1) The manager must execute periodic evaluation of risk management processes to ensure compliance with all relevant legislation. This must be conducted by an independent party, e.g. auditors or independent risk management consultants, so as not to compromise the evaluation.

- (2) A manager must at all times have and effectively employ resources, procedures and appropriate technological systems that can reasonably be expected to eliminate the risk that investors may suffer financial loss through theft, fraud, other dishonest acts, poor administration, negligence, professional misconduct or culpable omissions, and to protect the interests of investors in general.

PART IX COMPLAINT RESOLUTION BY MANAGER

9. (1) For the purposes of this Part -

‘complaint’ means a complaint submitted by an investor to a manager for purposes of resolution by the manager;

‘internal complaint resolution system procedures’, in relation to a manager and an investor, means the system and procedures established and maintained by the manager in accordance with this paragraph for the resolution of complaints by investors; and

‘resolution’ or **‘internal resolution’** in relation to a complaint and a manager means the process of resolving a complaint through and in accordance with the internal complaint resolution system .

- (2) A manager must-

- (a) request that any investor who has a complaint against the manager must lodge such complaint in writing;
- (b) maintain record of complaints for a period of five years;
- (c) handle complaints from investors in a timely and fair manner;
- (d) take steps to investigate and respond promptly to complaints; and
- (e) where a complaint is not resolved to the investor's satisfaction, advise the investor of any further steps which may be available to the investor in terms of any other law.

- (3) A manager must maintain an internal complaint resolution system procedures based on the following:

- (a) Maintenance of a comprehensive complaints policy outlining the manager's commitment to, and system and procedures for, internal resolution of complaints;

- (b) transparency and visibility: ensuring that investors have full knowledge of the procedures for resolution of complaints;
- (c) accessibility of facilities: ensuring the existence of easy access to such procedures at any office or branch of the manager open to investors, or through ancillary postal, fax, telephone or electronic helpdesk support; and
- (d) fairness: ensuring that a resolution process be effected which is fair to both investors and the manager and its staff.

(4) The internal complaint resolution system procedures of the manager must be designed to ensure the existence and maintenance of at least the following for purposes of effective and fair resolution of complaints:

- (a) availability of adequate manpower and other resources;
- (b) adequate training of all relevant staff, including imparting and ensuring full knowledge with regard to resolution of complaints;
- (c) delegation of responsibilities and mandates to facilitate complaints resolution of a routine nature;
- (d) provision for the escalation of non-routine serious complaints and the handling thereof by staff with adequate expertise; and
- (e) internal follow-up procedures to ensure avoidance of occurrences giving rise to complaints, or to improve services and complaint systems and procedures where necessary.

(5) The internal complaint resolution system procedures of a manager must contain arrangements which must-

- (a) (i) reduce the details of the internal complaint resolution system procedures of the manager, including all subsequent updating or upgrading thereof, to writing; and
- (ii) provide that access to the procedures is at all times available to investors at any relevant office or branch of the manager, or by electronic medium, and that such availability is appropriately made known by public press or electronic announcements or separate business communications to existing investors.

- (b) stipulate that complaints must, if possible, be submitted in writing and must contain all relevant information, and that copies of all relevant documentation must be attached thereto;
 - (c) provide that the receipt of complaints is promptly acknowledged in writing to the investor, with communication particulars of contact staff to be involved in the resolution of the complaint, are properly internally recorded by the relevant staff;
 - (d) make provision that after the receipt and recording of a particular complaint, the complaint will as soon as practically possible be forwarded to the relevant staff appointed to consider its resolution, and that -
 - (i) the complaint receives proper consideration; and
 - (ii) appropriate management controls are available to exercise effective control and supervision of the consideration process.
- (6) In any case where a complaint is resolved in favour of an investor, the manager must ensure that a full and appropriate level of redress is offered to the investor without any delay.

PART X

COMPLIANCE REPORT FOR MANAGERS

10. A manager must, together with its audited financial statements submitted to the registrar in accordance with section 90(1)(a) of the Act, submit a written statement signed by the chairperson/managing director of the manager describing compliance/non-compliance with paragraphs 3, 4, 5, 6, 7, 8 and 9 of this Notice to the registrar.

ANNEXURE A**GENERAL INFORMATION ON COMPLETION OF QUESTIONNAIRES AS
CONTAINED IN ANNEXURES B AND C****A. Instructions for completion and submission**

1. The questionnaires in Annexure B and C must be properly completed and signed. Questions must be answered either in full or indicated not applicable ("n/a"). The signatory(ies) of the questionnaires must be duly authorised to furnish the information.
2. The questionnaires in Annexure B and C must be completed in respect of directors as indicated therein.
3. The format of the questionnaire or the wording of questions may not be changed. However, this document may be reproduced.
4. Answers may be in writing or may be typed.
 - 4.1 If the questionnaire is completed electronically -
 - (a) delete the solid lines in those areas provided for answers before the answers are typed or use the overtype mode whilst the answers are typed; and
 - (b) rows may be inserted where insufficient space is provided for answers.
 - 4.2 If the questionnaire is completed in writing and should the space provided not be sufficient, the detail can be provided on a separate page, duly cross-referenced to the relevant question. Please indicate the number of any supplementary sheets attached to Annexure B and C.
 - 4.3 If the questionnaire submitted contains any changes to typed or written information, such changes must be signed.

B. General information

1. The registrar may request information or documents in addition to the information and documentation requested in this questionnaire.
2. The information in the questionnaire is confidential and not available for inspection by the general public.

ANNEXURE B**QUESTIONNAIRE TO BE COMPLETED IN RESPECT OF DIRECTORS**

1. Name of the manager in respect of which this questionnaire is being completed: _____
2. Personal details of the director or individual proposing to become a director.
 - 2.1 Surname and title: _____
 - 2.2 Full first name(s): _____
 - 2.3 Any previous surname(s) or first name(s): _____
 - 2.4 Indicate the proposed position to be held, e.g. director or managing director: _____
 - 2.5 Effective date of appointment (where applicable): _____
 - 2.6 Residential address and telephone number (both land line and cell):

 - 2.7 Postal address: _____

 - 2.8 Previous residential address(es) during the previous 5 years:

2.9 Dates, numbers and places.

Date of birth: _____

Place of birth: _____

RSA Identity Document number: _____

(attach a certified copy)

Passport number: _____

Expiry date: _____

Country: _____

2.10 Nationality and indicate how it was acquired (e.g. birth, naturalisation or marriage):

2.11 Professional qualification(s), the year(s) when, and the institution(s) at which, this was acquired:

2.12 Attach completed Personal Credential Verification Forms for purposes of the background screening of each director. The said forms are obtainable from the Financial Services Board at request of the manager.

2.13 Attach detailed curriculum vitae.

3. General details in respect of the individual proposing to become a director.

3.1 State in what capacity you are completing this document, i.e. as a current or prospective director (executive or non-executive). State full job title and describe the particular duties and responsibilities attached to the position:

- 3.2 Indicate whether in your position as director you have or will have executive responsibility for the management of the manager's business: If so, furnish particulars:

- 3.3 In carrying out your duties, will you be acting on the directions or instructions of any other individual or body corporate? If so, furnish particulars:

- 3.4 Have you been, or will you be, appointed as an independent non-executive director?

Yes¹	
No	

- ¹ If the answer is "Yes", are you, or will you be, a director who –
- is not a representative of a shareholder who has the ability to control or significantly influence management of the manager;

Yes	
No²	

- has not been employed by the manager, or the group, of which it currently forms part, in an executive capacity;

Yes	
No²	

- is not a member of the immediate family of an individual who is, or has been in any of the past three financial years, employed by the manager or the group in an executive capacity;

Yes	
No²	

- is not a professional advisor to the company or the group, other than in a director's capacity; and

Yes	
No²	

- is free from business or other relationship that could be seen to materially interfere with the individual's capacity to act in an independent manner.

Yes	
No²	

² If the answer is no, kindly specify any matters that affect, or may affect, your independence:

- 3.5 Are you a director of, or do you have a direct or indirect interest in, associated with any other collective investment scheme or any other party related to the administration of a collective investment scheme (e.g. authorised agent, administrator, investment manager, etc):

Yes¹	
No	

¹ If the answer is "Yes", provide detail:

4. Employment and membership qualifications in respect of individual proposing to become a director.

- 4.1 List occupation(s) and employment(s) currently and during the previous 10 years as per table below:

Name of employer/ Organisation	Nature of business	Last position held	Period of service

- 4.2 Name(s) of other body corporate(s) at any time during the last 10 years of which you are a director or managing executive and indicate the dates on which you filled these positions:

- 4.3 Name(s) of any body corporate in which you have a direct or indirect interest representing 15 per cent or more of the issued capital of that body corporate:

5. Business relationships in respect of individual proposing to become a director.

- 5.1 Does any of the employers/organisations/body corporate listed in reply to questions 4.1, 4.2 and 4.3 maintain a business relationship with the manager?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 5.2 Do you carry on, or have you ever carried on, or applied for a licence or equivalent authorisation to carry on any business activity in the RSA or elsewhere?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 5.3 Has any application referred to in paragraph 5.2 above been refused or withdrawn after it was granted or any registration revoked?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 5.4 Do you, in your private capacity, or does any associate of yours, undertake business with the manager?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 5.5 Does any institution with which you are, or have been, associated as a director or managing executive hold, or has it ever held or

applied for a licence or equivalent authorisation to carry on any related business activity?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

5.6 Was any application referred to in paragraph 5.5 refused or withdrawn after it was granted or any registration revoked?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

6. Disciplinary matters in respect of individual proposing to become a director.

6.1 Fit and proper requirements for directors

6.1.1. Has an adverse finding been made against you within a period of five years preceding the date of application in any civil or criminal proceedings by a court of law (whether in the Republic of South Africa or elsewhere) in which you were found to have acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 6.1.2. Have you within a period of five years preceding the date of application been found guilty by any professional or financial services industry body (whether in Republic or elsewhere), of an act of dishonesty, negligence, incompetence or mismanagement?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

- 6.1.3. Have you within a period of five years preceding the date of application been denied membership of any body referred to in paragraph 6.1.2 on account of an act of dishonesty, negligence, incompetence or mismanagement?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

- 6.1.4. Have you within a period of five years preceding the date of application been found guilty by any regulator or supervisory body (whether in the Republic or elsewhere), recognised by the Financial Services Board, or has an authorisation to carry on business been refused, suspended or withdrawn by any such body on account of an act of dishonesty, negligence, incompetence or mismanagement?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

- 6.1.5. Have you within a period of five years preceding the date of this application, or appointment as director, as the case may be, had any authorisation by any regulatory or supervisory body referred to in paragraph 6.1.4 suspended or withdrawn by such body on account of an act of dishonesty, negligence, incompetence or mismanagement, sufficiently serious to impugn the honesty and integrity of you as director?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

- 6.1.6. Have you at any time prior to the date of application been disqualified or prohibited by any court of law (whether in the Republic or elsewhere) from taking part in the management of any company or other statutorily created, recognised or regulated body, irrespective whether such disqualification has since been lifted or not?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2. Additional information

- 6.2.1. Have you at any time been convicted of any offence, other than -
 (a) any offence already mentioned in paragraph 6.1;

- (b) any offence committed when you were under 18 years, unless the same was committed within the previous 10 years;
- (c) any road traffic offence in respect of which a fine was levied; or
- (d) any political offence for which amnesty has been granted?

Yes ¹	
No	

1. If the answer is "Yes", furnish particulars of the court by which you were convicted, the offence, the penalty imposed and the date of conviction:

6.2.2. Have you been refused the right to carry on or restricted from carrying on a trade, business or profession for which a specific licence, registration or other authority is required by law in any country?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.3. Have you been issued with a prohibition order under any law administered by the Financial Services Board or been prohibited by other regulatory bodies from operating in the financial services industry?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.4. Have you been involved with a corporation, which has been

censured, disciplined, suspended or refused membership or registration by a stock exchange, future exchange, other market or regulatory authority?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.5. Have you had any judgment (including a finding of fraud, misrepresentation or dishonesty) given against you in any civil proceedings, in South Africa or elsewhere or are there any proceedings now pending which may lead to such judgment?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.6. Have you knowingly or negligently aided or abetted other persons in the breaching of any laws, regulations, exchange rules or codes of conduct?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.7. Have you, or has any body corporate, partnership, trust or unincorporated body with which you are, or have been associated as a director or member of the managing executive, been the subject of any investigation or disciplinary proceedings by any regulatory authority

(whether in the Republic or elsewhere) or exchange, professional body or government body or agency?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.8. Have you ever been declared insolvent (either provisionally or finally) by a court in the Republic or elsewhere or has a bankruptcy petition ever been served on you?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.9. Have you ever been refused a licence or registration in any place under any law, which requires licensing or registration in relation to securities, properties or participation bonds activities?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

6.2.10. Have you ever been refused authorisation to carry on business by any regulatory body (whether in the Republic or elsewhere), recognised by the Financial Services Board or has such authorisation ever been suspended or revoked by any such body, because of negligence, incompetence or mismanagement?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 6.2.11. Have you, in the Republic or elsewhere, been censured, disciplined, warned as to future conduct, or made the subject of a court order at the instigation of any regulatory authority or any professional body to which you belong or belonged, or have you ever held a practising certificate subject to conditions?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 6.2.12. Have you, in the Republic or elsewhere, been dismissed from any office or employment, or been subject to disciplinary proceedings by your employer or barred from entry to any profession or occupation?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 6.2.13. Have you failed to satisfy any debt adjudged due and payable by you, as a judgment-debtor under an order of a court in the Republic or elsewhere, or made any compromise arrangement with your creditor within the previous 10 years?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 6.2.14. Has any body corporate, partnership, trust or unincorporated institution with which you were associated as a director or member of the executive, in the Republic or elsewhere, been wound up, made subject to an administration order (including curatorship and judicial management), otherwise made any compromise or arrangement with its creditors or ceased trading either while you were associated with it or within one year after you ceased to be associated with it or has anything analogous to any of these events occurred under the laws of any other jurisdiction?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 6.2.15. Have you been concerned with the management or conduct of the affairs of any body corporate which, by reason of any matter relating to a time when you were so concerned, has been censured, warned as to future conduct, disciplined or made the subject of a court order at the instigation of any regulatory authority in the Republic or elsewhere?

Yes¹	
No	

1. If the answer is "Yes", provide detail:

- 6.2.16. Are you presently, or do you, other than in a professional capacity, expect to be engaged in any litigation in the Republic or elsewhere?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

- 6.2.17. Do you have any further information which should be brought to the registrar's attention, which may have an impact on the evaluation by the registrar of your honesty and integrity?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

7. Shareholding in the manager by individual proposing to become a director.

In this part "associate" has the meaning assigned to it in section 69(3)(a)(i) of the Act.

- 7.1 Are shares in the manager registered in your name or the name of an associate? :

Yes ¹	
No	

1. If the answer is "Yes", furnish the name(s) in which it is registered, number and class of shares:

- 7.2 In how many shares in the manager (not being registered in your name or that of an associate), do you or an associate have a beneficial interest?

- 7.3 Do you, or does any associate, hold shares in the manager as trustee or nominee?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

- 7.4 Are any of the shares in the manager mentioned in reply to questions 7.1, 7.2 and 7.3 equitably or legally charged or pledged to any party?

Yes ¹	
No	

1. If the answer is "Yes", provide detail:

- 7.5 What proportion of the voting power at any general meeting of the manager (or of another body corporate of which it is a subsidiary) are you or any associate entitled to exercise or control the exercise of?

- 7.6 If the exercise of the voting power at any general meeting of the

manager or of another body corporate of which it is a subsidiary, is or may be controlled by one or more associates of you, furnish the proportion of the voting power so controlled in each case and the identity of each associate:

8. Is there any other information or documents that are relevant to this document?

Yes¹	
No	

¹ If the answer is "Yes" kindly specify the information or documents.

9. I hereby enclose -

- 9.1 a certified copy of the RSA identity number referred to in question 2.9;
- 9.2 completed Personal Credential Verification Forms referred to in question 2.12;
- 9.3 the *curriculum vitae* referred to in question 2.13;
- 9.4 the signed declaration; and
- 9.5 the other documents, if any, mentioned in questions in support of the information contained in this document.(Please indicate the pages of each enclosure and the number of question above to which enclosure relates):

ANNEXURE C
QUESTIONNAIRE TO BE COMPLETED IN RESPECT OF OUTGOING
DIRECTOR

1. Specific information to be provided:

- 1.1 Name of the manager in respect of which this questionnaire is being completed:

- 1.2 Title, full name(s) and surname of outgoing director:

- 1.3 Indicate the position held (e.g. director or managing director):

- 1.4 Reason(s) for the termination or resignation of outgoing director:

- 1.5 Effective date of the termination of the appointment or resignation:

2. Is there any other information or documents that are relevant to this document?

Yes¹	
No	

¹ If the answer is "Yes" kindly specify the information or documents:

SIGNATURE: MANAGING DIRECTOR

DATE

SIGNATURE: OUTGOING DIRECTOR

DATE

DECLARATION

I, the undersigned, _____,
(insert full first name(s) and surname) hereby certify that, to the best of my knowledge, the information given in answers to the above questions are true, complete and accurate and not misleading in any respect.

I undertake that, as long as I continue to be a director of the manager, I will notify the registrar of any material changes to, or affecting the completeness or accuracy of the answers to the questions above as soon as possible, but in no event later than 21 days from the day that the change comes to my attention.

I hereby authorise the Financial Services Board, and its duly authorised verification agent, to request or confirm any personal information as well as any other information that I have provided in support of my application to any personal data holders (including but not limited to the South African Police Service, the Government of the Republic, industry bodies and associations, employers and any educational, training, credit bureau and fraud prevention organisations) for the purpose of verifying my personal credentials and records.

Credential verification types include, but are not limited to, educational qualifications, professional membership, employment history, employment references including industry employment registers, consumer credit, criminal records, driver's licence, and fraud prevention checks.

I authorise the personal data holders (including but not limited to the aforesaid institutions) to furnish information regarding my credentials, whether claimed or not, to the Financial Services Board and its duly verification agent. I unconditionally indemnify the Financial Services Board, its verification agent and the personal data holders against any liability that may result from furnishing information in this regard.

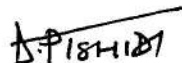
Position held:

SIGNATURE

DATE

NOTICE 911 OF 2010**FINANCIAL SERVICES BOARD****COLLECTIVE INVESTMENT SCHEMES CONTROL ACT, 2002**

Under sections 42 (read with sections 48, 51, 53, 54, 64, 77, and 114(3)) of the Collective Investment Schemes Control Act, 2002, I, Dube Phineas Tshidi, Registrar of Collective Investment Schemes, hereby determine the application form for registration as a manager in this Notice. Annexure C contained in Notice 569 of 2003 is hereby replaced.

**DP TSHIDI****REGISTRAR OF COLLECTIVE INVESTMENT SCHEMES****"ANNEXURE C****APPLICATION FORM FOR REGISTRATION AS MANAGER****The Registrar of Collective Investment Schemes**

I, the undersigned, being chairperson / managing director of
....., duly empowered thereto, hereby apply for the registration
of the said company as a manager of a collective investment scheme in
.....

I submit with the application, the following information:

1. General information to be submitted

- (a) A description of the company seeking registration as well as an organogram indicating the group structure and ownership of the company and a description of the main business of all the proposed shareholders (direct and indirect) of the proposed manager. The group structure must indicate which companies are operating or non-operating companies (i.e. holding company);

- (b) a current tax clearance certificate in respect of all of the proposed shareholders (direct and indirect) of the proposed manager;
- (c) full particulars of the collective investment scheme the company proposes to carry on and the manner in which it proposes to carry on such scheme;
- (d) an indication of the company's existing and proposed client base and an indication of the target market;
- (e) a business plan on how the marketing of the proposed scheme will be done;
- (f) the business objectives of the proposed scheme including the intended strategies to achieve these objectives and the different phases of achieving such objectives;
- (g) an indication of the portfolio(s) applied for with this application as well as those intended for the future;
- (h) the names and physical addresses of the chairperson, directors and managing director of the company together with their *curriculum vitae* (directors must also complete and submit Annexure B contained in the Determination of Fit and Proper Requirements and Conditions for Managers of Collective Investment Schemes, Notice 910);
- (i) the name of the proposed trustee for the scheme. The proposed trustee must complete and submit form CIS 2 which is obtainable from the FSB;
- (j) the name of the proposed auditor. The proposed auditor must complete and submit form CIS 3 which is obtainable from the FSB;
- (k) the name of the Financial Services Provider that will perform the asset management of the portfolio(s) and confirmation of its authorisation as such;
- (l) confirmation of the proposed manager's intention to become a member of the relevant industry association;
- (m) the names and *curriculum vitae* of all managerial staff responsible for the administration with specific reference to experience related to his/her responsibilities;
- (n) an indication of the pricing structure of each portfolio;
- (o) a copy of the memorandum and articles of association;
- (p) a pro-forma copy of the deed and of each supplemental deed;
- (q) motivations for the establishment of the portfolio(s) in accordance with Annexure E to General Notice 569 of 2003 determined by the registrar;
- (r) the proposed launch date(s);
- (s) such other information as the registrar may require; and
- (t) the prescribed fee.

2. Operational requirements of the proposed manager

The following information must be provided:

- (a) The physical and postal address of the proposed manager;
- (b) Confirmation that the proposed manager has adequate access to communication facilities, including at least, a full-time telephone or cell phone service, typing and document duplication facilities;

- (c) Confirmation that the proposed manager has adequate storage and filing systems for the safekeeping of records, business communications and correspondence;
- (d) A full description of the administration systems (accounting system, investor record keeping and asset management systems and any other) to be used and confirmation from an independent auditor that such systems are capable of the administration of the scheme.

In the event of any part of administration as defined in the Act, being outsourced, kindly confirm:

- (i) Which functions will be outsourced;
 - (ii) To whom will these functions be outsourced;
 - (iii) Provide details of the process in place to ensure that the entity selected for any outsourced function is suitable and confirmation that the systems it uses are capable of performing the required functions; and
 - (iv) Confirm that written service level agreements are in place that complies with paragraph 5(2) of the Schedule as contained in Notice 910.
- (e) Provide this Office with an audit certificate confirming the following:
 - (i) that written internal rules are in place as required by the **Financial Intelligence Centre Act, 2001** (FIC Act) or any other anti-money laundering legislation;
 - (ii) that processes are in place to ensure compliance with your identification, verification, record-keeping and reporting obligations under the FIC Act;
 - (iii) that anti-money laundering control policies, procedures and systems are in place;
 - (iv) that processes to incorporate any additional requirements as may be required under the FIC Act or any other anti-money laundering legislation are in place; and
 - (v) that a process is in place to train staff in relation to anti-money laundering legislation.

3. Financial Soundness of the proposed manager and its shareholders (direct and indirect)

The following information must be provided:

- (a) The latest audited annual financial statements in respect of the shareholders (direct and indirect) for the last 3 years;
- (b) A pro-forma capital adequacy return completed by the proposed manager with projected figures for its business operations;
- (c) Details of a feasibility study indicating projected cash-flow, income and expenditure of the manager for the first three years of the proposed manager; and

- (d) An indication of how the liquidity resources of the proposed manager will be managed.

4. Management and supervision by the proposed manager

Provide details on:

- (a) The proposed manager's standards on its internal organization and operational conduct that aim to protect the interests of investors and ensure proper management of risk.
- (b) How compliance will be monitored with these standards?
- (c) How business will be conducted in the interests of investors the integrity of the collective investment schemes industry?
- (d) How appropriate internal policies and procedures for compliance with relevant legislation and appropriate internal controls and risk management system will be ensured?
- (e) Whether the proposed manager has internal control structures, procedures and controls in place including the following:
- Segregation of duties and roles and responsibilities where such segregation is appropriate from an operational risk mitigation perspective;
 - application of logical access security;
 - access rights and data security on electronic data, where applicable;
 - physical security of the manager's assets and records, where applicable;
 - documentation relating to business processes, policies and controls, and technical requirements;
 - system application testing, where applicable;
 - disaster recovery and back-up procedures on electronic data, where applicable;
 - training for all staff regarding the requirements of the Act; and
 - a business continuity plan.
- (f) Whether the proposed manager has the necessary system controls and compliance measures in place to manage and monitor the relevant systems in use? Provide details.
- (g) Whether the proposed manager is able to record all financial and system procedures to ensure that it is able to report in terms of applicable accounting requirements.
- (h) Whether the proposed manager have general administration processing, accounting transactions and risk control measurements in place to ensure accurate, complete and timeous processing of data, information reporting and the assurance of data integrity.
- (i) The name of the compliance officer responsible for ensuring compliance with prudential requirements and also provide:

- (i) a detailed *curriculum vitae* of the compliance officer's qualification, experience, employment history and references which specifically relates to compliance. The *curriculum vitae* must include sufficient detail to satisfy the registrar that the compliance officer has the necessary skills and experience with regard to collective investment schemes;
- (ii) in a separate Annexure indicate:
- how the compliance officer gained sufficient and appropriate knowledge of the Act;
 - details of how the compliance officer will ensure that he/she will function independently and objectively from the manager;
 - details of the operational ability of the compliance officer (e.g. does the compliance officer has adequate resources available to ensure proper compliance monitoring of the collective investment scheme's business); and
 - details on the compliance officer's monitoring plan.

5. Risk management by the proposed manager

- (a) Does the proposed manager have a documented risk management plan?
- (b) How often will periodic evaluation of risk management be executed to ensure compliance with all relevant legislation and provide detail on the how it will be done?
- (c) Explain who will be responsible for the execution of such periodic evaluation?
- (d) Does the proposed manager have appropriate resources, procedures and technological systems that can reasonably be expected to eliminate the possible risk that investors may incur through theft, fraud, other dishonest acts, poor administration, negligence, professional misconduct or culpable omissions and to protect the interests of investors?
- (e) In a separate annexure provide details as to how the risk management plan is monitored.

6. Complaint resolution by the proposed manager

Does the proposed manager have a complaints policy and resolution system in place that complies with paragraph 9 of the Schedule as contained in Notice 910?

.....

CHAIRPERSON/MANAGING DIRECTOR

Address:

.....

.....

Date:"