**Occupational Certificate: Financial Advisor**

**SAQA ID: 105026**

**Regulatory Framework on Financial Advice**

**Module 2**

**NQF Level 5**

**17 credits**

**LEARNER RESOURCE GUIDE**

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# SECTION A: INTRODUCTION

**ABOUT THIS GUIDE**

This Resource Guide is serves as an additional source of information containing information which is related to your learning material and must be read in conjunction with the Occupational Certificate: Financial Advisor qualification.

The guide will cluster resources and information as per the qualification criteria. Section B will address Resources related to the Regulatory Framework on Financial Advice.

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|  | **Resources** During the contact session, your facilitator will refer to the resource guide where required – so please make sure you have it with you! |

# SECTION B: RESOURCES

## LEARNING MODULE: Regulatory Framework on Financial Advice

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| Learning Unit 1: Principles of Ethics | | |
| **Subheading** | **Source** | **Summary** |
| **1.1** **Corporate governance and ethics** | Hendrikse JW & Hendrikse LH (2012), *Corporate Governance Handbook: Principles and Practice*, Juta, 2nd Edition. | Pages 112-144 and 158-163 |
| **1.2 Professional Codes of Conduct** | Hendrikse JW & Hendrikse LH (2012), *Corporate Governance Handbook: Principles and Practice*, Juta, 2nd Edition.  <https://www.ethics.org/resources/free-toolkit/code-of-conduct/>  Rossow D & van Vuuren L (2007), *Business Ethics*, Oxford, 1st Edition. | The resources provides for the definition of a code of conduct and how it is created and implemented in an organisation. |
| **1.3 Organisational code of conduct and value system** | Hendrikse JW & Hendrikse LH (2012), *Corporate Governance Handbook: Principles and Practice*, Juta, 2nd Edition. | Pages 161-163 |
| **1.4 Developing and implementing a code of ethics** | Hendrikse JW & Hendrikse LH (2012), *Corporate Governance Handbook: Principles and Practice*, Juta, 2nd Edition. | Pages 161-163 |
| **1.5 Conflict of interest** | Hendrikse JW & Hendrikse LH (2012), *Corporate Governance Handbook: Principles and Practice*, Juta, 2nd Edition. | Page 76 |

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| Learning Unit 2: The Financial Advisory and Intermediary Services (FAIS) Act 37 of 2002 and Financial Regulation | | |
| **Subheading** | **Source** | **Summary** |
| **2.1 Background to compliance legislation** | Botha M et al. (2019), *Fundamentals of Financial Planning*, LexisNexis SA, 1st Edition. | Pages 23-27 deal with the background to the current legislation on financial advice. |
| **2.2 Financial Sector Regulation Act, 9 of 2017** | <http://www.treasury.gov.za/legislation/acts/2017/Act%209%20of%202017%20FinanSectorRegulation.pdf> | The Act is accessed from the National Treasury website. Simply open the link to the left. |
| **2.3 FAIS Licensing requirements** | Botha M et al. (2019), *Fundamentals of Financial Planning*, LexisNexis SA, 1st Edition.  FAIS Act 37 of 2002 | Sections 7 and 8 of the FAIS Act deal with the licencing requirements.  Pages 44-49 of the Fundamentals for Financial planning deal with licensing requirements. |
| **2.4 Fit and Proper requirements** | FSCA Board Notice 194 of 15 December 2017: Determination of Fit and Proper Requirements | The whole of the Board notice deals with the Fit and Proper requirements which became effective on 1 April 2018. |
| **2.5 Exemption of services under supervision** | FSCA FAIS Notice 86 of 2018: Exemption of Services Under Supervision, 2018. | The whole of the Board notice deals with Exemption of services under supervision which became effective on 1 February 2019. |
| **2.6 Enforcing the FAIS Act and the FSR Act** | Botha M et al. (2019), *Fundamentals of Financial Planning*, LexisNexis SA, 1st Edition.  FAIS Act 37 of 2002  Financial Sector Regulation Act, 9 of 2017 | The FAIS Act provides for the sanctions applicable for non-compliance. |
| **2.7 Consumer complaints** | <https://www.gov.za/documents/financial-advisory-and-intermediary-services-act-general-code-conduct-authorised-financial> | Information on consumer complaints is found in the FAIS General Code of Conduct which is accessed from the Government of South Africa website. Simply open the link to the left. |
| **2.8** **FAIS General Code of conduct** | <https://www.gov.za/documents/financial-advisory-and-intermediary-services-act-general-code-conduct-authorised-financial> | The FAIS General Code of Conduct is accessed from the Government of South Africa website. Simply open the link to the left. |

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| Learning Unit 3: Anti-money laundering and counter terrorism financing legislation | | |
| **Subheading** | **Source** | **Summary** |
| **3.1 Background to anti-money laundering legislation** | Grossley S (2014), *Anti-Money laundering: what you need to know,* Createspace Independent Publishing Platform, 1st Edition. | The book provides the background to money laundering and terrorist financing |
| **3.2 Money laundering and financing of terrorism** | Grossley S (2014), *Anti-Money laundering: what you need to know,* Createspace Independent Publishing Platform, 1st Edition.  Basson M et al. (2019), *Money Laundering and Terror Financing: Law and Compliance in SA 2019*, LexisNexis SA, 1st Edition.  de Koker L (2013), *Money Laundering in South Africa*, Centre for the Study of Economic Crime; University of Johannesburg. | The books provide more insight into money laundering and terrorist financing. |
| **3.3 The Financial Intelligence Centre Act (FICA) 38 of 2001** | <https://www.fic.gov.za/Documents/FIC%20Act%20with%202017%20amendments%20(1)%20(1).pdf> | The Act is accessed from the Financial Intelligence Centre website. Simply open the link to the left. |
| **3.4 Prevention of Organised Crime Act (POCA) 121 of 1998** | <http://www.justice.gov.za/legislation/acts/1998-121.pdf> | The Act is accessed from the Department of Justice and Correctional Services website. Simply open the link to the left. |
| **3.5** **Protection of Constitutional Democracy against Terrorist and Related Activities Act 33 of 2004** | <https://www.gov.za/documents/protection-constitutional-democracy-against-terrorist-and-related-acitivities-act> | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **3.6 Effects of money-laundering to the economy** | Botha M et al. (2019), *Fundamentals of Financial Planning*, LexisNexis SA, 1st Edition.  de Koker L (2013), *Money Laundering in South Africa*, Centre for the Study of Economic Crime; University of Johannesburg. | The books provide detail on the effects of money laundering and terrorist financing to the economy. |

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| Learning Unit 4: Further legislation impacting on financial services | | |
| **Subheading** | **Source** | **Summary** |
| **4.1** **Insurance Act 18 of 2017** | <https://www.gov.za/documents/insurance-act-18-2017-english-afrikaans-18-jan-2018-0000> | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.2** **Promotion of Access to Information Act 2 of 2000** | <http://www.justice.gov.za/legislation/acts/2000-002.pdf> | The Act is accessed from the Department of Justice and Correctional Service website. Simply open the link to the left. |
| **4.3** **Protection of Personal Information Act 4 of 2013** | https://www.gov.za/documents/protection-personal-information-act | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.4 National Credit Act 35 of 2005** | <http://www.justice.gov.za/mc/vnbp/act2005-034.pdf>  <https://www.banking.org.za/consumer-information/consumer-information-legislation/national-credit-act/> | The Act is accessed from the Department of Justice and Correctional Service website. Simply open the link to the left. |
| **4.5** **Consumer Protection Act 68 of 2008** | <https://www.gov.za/sites/default/files/32186_467.pdf> | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.6** **Financial Institutions (Protection of Funds) Act 28 of 2001** | <https://www.gov.za/documents/financial-institutions-protection-funds-act> | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.7** **Financial Markets Act 19 of 2012** | <https://www.gov.za/sites/default/files/gcis_document/201409/36121a.pdf> | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.8** **Pension Funds Act 24 of 1956** | <https://www.gov.za/documents/pension-funds-act-22-may-2015-1349> | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.9** **Collective Investment Schemes Control Act 45 of 2002** | <https://www.gov.za/documents/collective-investment-schemes-control-act> | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.10** **Medical Schemes Act 131 of 1998** | <https://www.medicalschemes.com/files/Acts%20and%20Regulations/MSACT19July2004.pdf> | The Act is accessed from the Council for Medical Schemes website. Simply open the link to the left. |
| **4.11** **Electronic Communications and Transactions Act 25 of 2002** | https://www.gov.za/sites/default/files/gcis\_document/201409/a25-02.pdf | The Act is accessed from the Government of South Africa website. Simply open the link to the left. |
| **4.12 Conduct of Financial Institutions Bill** | [www.fsca.co.za](http://www.fsca.co.za) | FCSA  Update by FCSA on implementation of COFI bill. |