

**BOARD NOTICE 154 OF 2008**

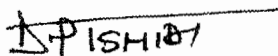
**FINANCIAL SERVICES BOARD**

**FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002**

**(ACT NO 37 OF 2002)**

**DETERMINATION OF EXAMINATION BODY CRITERIA, 2008**

I, DUBE PHINEAS TSHIDI, the Registrar of Financial Services Providers, after consultation with the Advisory Committee on Financial Services Providers, hereby under Part 6 of the Determination of Fit and Proper Requirements for Financial Services providers, 2008, determine the criteria for examination bodies as set out in the Schedule.



**DP TSHIDI,**  
*REGISTRAR OF FINANCIAL SERVICES PROVIDERS*

## SCHEDULE

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This Determination should be read in conjunction with the Determination of Fit and Proper Requirements for Financial Services Providers, 2008 and the Determination of Qualifying Criteria and Qualifications for Financial Services Providers, 2008.

### PART I: DEFINITIONS

1. In this schedule:-

**“the Act”** means the Financial Advisory and Intermediary Services Act, 2002, including, unless the context indicates otherwise, any measure referred to in the definition of “this Act” in section 1(1) of the Act;

and any word or expression to which a meaning has been assigned in the Act and in the Determination of Fit and Proper Requirements for Financial Services Providers, shall have that meaning and, unless the context otherwise indicates –

- (a) **“certificate”** means issuing a certificate of competence where a candidate has successfully completed the regulatory examination(s), and where the certificate clearly states the result that was obtained by the candidate;
- (b) **“examination body applicant”** means an industry association, statutory professional body or voluntary professional body that has submitted an application to the Financial Services Board for recognition as an examination body, but where recognition has not been granted as yet;

- (c) “**external moderator**” means a person or group of persons with the required moderation knowledge, skills and expertise and the relevant subject matter expertise to conduct objective and fair moderation of the examination content and examination results, independent of the examination body and the Financial Services Board;
- (d) “**fit and proper requirements**” means the requirements as set out in the Determination of Fit and Proper requirements for Financial Services Providers, 2008 as published in Board Notice 106 of 2008;
- (e) “**FAIS Advisory Committee**” means the Advisory Committee on Financial Services Providers referred to in section 5 of the Act;
- (f) **FSB**” means the Financial Services Board;
- (g) “**item bank**” means a source of questions specific to each category and / or sub-category from which questions will be selected to construct the regulatory examination level 1 and regulatory examination level 2;
- (h) “**professional body**” means an organisation of which the main objective is the promotion or furtherance of competence, skills, education and professional excellence in a particular industry;
- (i) “**quality audit**” means the process of examining the indicators which show the degree of excellence achieved;
- (j) “**Quality Management System (QMS)**” means the combination of processes used to ensure that a degree of excellence specified is achieved. A quality management system is the sum of activities and information an examination body uses:
  - i. to enable it to better and more consistently implement and administer examination services; and
  - ii. to meet and exceed the needs and expectations of its clients and beneficiaries in a cost effective and cost efficient manner.

## PART II: RECOGNITION AS EXAMINING BODY

- 2. (1) Subject to the provisions of the Act and the Determination of Fit and Proper Requirements, a professional body or industry body applying for recognition in terms of section 6 of the Act must comply with the criteria set out in this Determination. The provisions contained in this Determination and its Annexure must be implemented by an examination body.

**PART III: PURPOSE OF EXAMINATION BODY CRITERIA**

3. (1) The Registrar is responsible for the regulatory examinations in terms of the Determination of Fit and Proper Requirements, 2008 and will, in terms of Section 6 of the Act, delegate these functions to competent entities (authorised examination bodies) that can assist with the setting, conducting, managing and recording of the regulatory examinations in accordance with this Determination.
- (2) This Determination governs the functions of examination bodies as it relates to the regulatory examinations, as stipulated in the recognition notice, including-:
- (a) all principles and procedures established by the Registrar;
  - (b) the development and maintenance of the question bank for the regulatory examinations;
  - (c) the rules of combination and process for the setting of the regulatory examinations;
  - (d) the implementation, management, administration and record keeping of the regulatory examinations;
  - (e) the resulting and certification of the regulatory examinations;
  - (f) any quality assurance functions delegated to the authorised examination bodies;
  - (g) the roles and responsibilities of all the relevant role players involved with the regulatory examinations;
  - (h) the provision of data and reports in relation to appeals, complaints and irregularities in the conduct of regulatory examinations; and,
  - (i) the provision of data and feedback reports to the Registrar on an ongoing basis in terms of the regulatory examinations in relation to items specified in the authorisation agreement.
- (3) All examination bodies must to adhere to the principles and procedures stipulated within the criteria.
- (4) This examination body criteria provides for:
- (a) uniformity and consistency in decision making and operational processes amongst authorised examination bodies;
  - (b) direction of authorised examination bodies during internal change processes such as staff turnover, restructuring of internal processes and procedures, etc; and
  - (c) a framework for quality assurance in terms of regulatory examinations.

**PART IV: ONGOING MONITORING OF EXAMINATION BODIES**

4. The Registrar may conduct ongoing monitoring of the activities and functions performed by the examination bodies in relation to the setting, conducting, managing and recording of the regulatory examinations.

**PART V: USE OF FSB LOGO**

5. Examination bodies may not feature the FSB logo on any correspondence, marketing material, regulatory examinations or certificates without the prior written approval of the Board.

**PART VI: RESERVATION OF RIGHTS**

6. The Registrar reserves the right to request an examination body to set or administer additional regulatory examinations in the event that a particular Category or sub-category of FSP do not have sufficient access to the services of an examination body.

**PART VII: MAINTENANCE OF EXAMINATION BODY POLICY**

7. The Registrar may, from time to time, review the examination body criteria, and publish an updated schedule by notice in the *Gazette* as part of a cycle of continuous improvement.