

CHECKLIST

New Financial Services Provider (FSP) Licencing Service

Masthead (Pty) Ltd ("Masthead") provides a service ("service") to assist applicants to apply for FSP licences and/or profile change(s) from the Financial Sector Conduct Authority (FSCA), subject to the following:

1. The applicant acknowledges that the decision to apply for an FSP licence or profile change(s) is out of own volition and no fee paid to Masthead and/or the FSCA will be refunded to the said applicant.
2. The applicant acknowledges that the effective date of delivery of the service is directly attributable to the applicant providing complete and accurate information and/or supporting documentation where requested to do so.
3. It is the applicant's responsibility to provide Masthead with all information and/or supporting documentation where so requested and the applicant agrees that where the required information and/or supporting documentation remains outstanding for a period of three (3) months, Masthead may terminate the licensing request or instruction and will provide said applicant with a written notice to this effect.
4. The applicant acknowledges and confirms that all information and/or supporting documentation provided is accurate and correct.
5. The applicant acknowledges that Masthead has no control over the FSCA's service delivery and internal processing turnaround times and that Masthead consequently provides no guarantees in relation to said service delivery times, nor any guarantees that the licence applied for will be issued by the FSCA.
6. The applicant hereby acknowledges that he/she/it has no recourse in law or otherwise to recover from Masthead or its personnel any damages suffered by said applicant for any loss incurred directly or indirectly from failure by Masthead or the FSCA to deliver the service or to have any action performed within a specified timeframe.
7. The applicant indemnifies Masthead from any liability for any damages suffered or losses incurred arising from any advice and/or recommendation provided by Masthead. The applicant also agrees that Masthead is not legal counsel to said applicant and neither does it purport to be such.
8. Masthead will deliver the service with the necessary skill, expertise and professionalism.

Documents Required for New Category I, II and IIA FSP Licence Application

Forms to be completed

√ if attached

1.	FSP 1 - Business Information	
2.	FSP 2 - Licence Categories	
3.	FSP 3 - Directors, Shareholders, Partners, Trustees or Officers of Applicant	
4.	FSP 4A - Fitness and propriety of Applicant that is not a natural person	
5.	FSP 4B - Fitness and propriety of Applicant's directors, members, trustees and partners	
6.	FSP 4C - Fitness and propriety of Applicant that is a natural person	
7.	FSP 4D - Fitness and propriety of Key Individuals	
8.	FSP 5 - Representatives (<i>each representative needs to complete this form</i>)	
9.	FSP 6 - Compliance Officer of FSP (Phase 2 approval)	
10.	FSP 7 - Operational Ability	
11.	FSP 8 - Financial Soundness	
12.	FSP 9 - To be completed by External Auditor/Accountant/Independent Reviewer	
13.	FSP 10 - Nominee company of discretionary or administrative FSP	
14.	FSP 11 - Clearing firm or foreign forex services provider	
15.	FSP 12 - Application for approval as compliance officer- Phase 1 approval	
16.	FSP 13 - Application for exemption	

Documents to be attached to FSP forms and information to be provided

√ if attached

FORM FSP 1: BUSINESS INFORMATION OF APPLICANT		
17.	Registration documents for the Applicant who is not a natural person (CC or Company from CIPC) or Trust Deed and Letter of Authority (Trust)	
18.	Certified copy of Identity Document (of Natural Persons) or passport (if he/she is not a South African Citizen)	
19.	a) If the Applicant has more than one business bank account, provide details of the other accounts in a separate annexure.	
	b) Attach the latest bank statement for all bank accounts.	
	c) Provide in a separate annexure a list of activities for which the applicant is regulated per jurisdiction and the regulator. Attach proof of authorisations or registrations and proof of authorisation or registration number.	
	d) Provide in a separate annexure a summary of the applicant's current activities.	
FORM FSP 4A: FITNESS AND PROPRIETY OF APPLICANT THAT IS NOT A NATURAL PERSON		
20.	Resolution from the directors or members authorising the person to sign the application forms.	

FORM FSP 4B: FITNESS AND PROPRIETY OF APPLICANT'S DIRECTORS, MEMBERS, TRUSTEES AND PARTNERS		
21.	a) Certified copy of Identity Document of Directors, Members, Trustees and Partners (of Natural Persons) or passport (if he/she is not a South African Citizen).	
	b) Any additional information, which should be brought to the Authority's attention that may have an impact on the Applicant's honesty, integrity or good standing, to obtain or maintain a licence to act as an FSP? <i>[If the answer to the questions is YES, a full explanation and all relevant information must be provided in a separate annexure.]</i>	
FORM FSP 4C: FITNESS AND PROPRIETY OF APPLICANT THAT IS A NATURAL PERSON		
22.	Certified copy of Identity Document (of Natural Persons) or passport (if he/she is not a South African Citizen).	
23.	Any additional information, which should be brought to the Authority's attention that may have an impact on the Applicant's honesty, integrity or good standing to obtain or maintain a licence to act as a FSP? <i>[If the answer to the questions is YES, a full explanation and all relevant information must be provided in a separate annexure.]</i>	
24.	Certified copy of qualifications.	
25.	Certified copy of RE certificate(s) (RE1/RE3/RE5) of each KI.	
26.	Certified copies of class of business training certificates.	
27.	Reference letters confirming the experience obtained by the Applicant.	
28.	Copy of the Applicant's CV.	
FORM FSP 4D: FITNESS AND PROPRIETY OF KEY INDIVIDUALS		
29.	Certified copy of Identity Document of all KI's or passport (if he/she is not a South African Citizen).	
30.	Any additional information, which should be brought to the Authority's attention that may have an impact on the Applicant's honesty, integrity or good standing to obtain or maintain a licence to act as a FSP? <i>[If the answer to the questions is YES, a full explanation and all relevant information must be provided in a separate annexure.]</i>	
31.	Certified copy of qualifications of each KI.	
32.	Certified copy of RE certificate(s) (RE1/RE3/RE5) of each KI.	
33.	Certified copies of class of business training certificates.	
34.	Reference letter(s) for KIs reflecting management experience and experience in all categories and sub-categories being applied for.	
35.	Short CV of each KI	
36.	If the KI is approved for more than one FSP or juristic representative, or appointed as a representative of an FSP other than the FSP in respect of which the application is sought, then provide a matrix reflecting:	
	a) number of FSPs per category;	
	b) juristic representatives per Category of FSP;	
	c) number of representatives per Category of FSP;	
36.	d) number of business premises, business units and branches per province (including internationally) and per FSP and representative referred to in (a), (b) and (c), that you manage or oversee and that you intend to manage or oversee.	
38.	Demonstrate to the Authority that the KI has the operational ability to fulfil his/her functions if not permanently employed by the FSP or If the KI is approved for more than one FSP or juristic representative or appointed as a representative of an FSP other than the FSP in respect of which the application is sought.	

39.	Confirmation signed by both the FSP in respect of which approval is sought and the person seeking approval as KI that he/she has the ability, capacity and required decision making powers to actively and effectively manage or oversee the activities of the FSP relating to the rendering of financial services.	
FORM FSP 5: REPRESENTATIVES		
40.	Certified copy of Identity Document (of Natural Persons) or passport (if he/she is not a South African Citizen).	
41.	Date of first appointment.	
FORM FSP 7: OPERATIONAL ABILITY		
42.	Provide the following information and/or documentation having regard to the nature, scale and complexity of the applicant's business: [<i>The documents and/or information must provide sufficient detail to demonstrate the applicant's compliance with all the operational ability requirements. The policies and plans referred to below can be combined in one or more document, plan or policy.</i>]	
	(a) Business plan;	
	(b) Risk management policy which must include:	
	i. FICA Risk Management and Compliance Programme; and	
	ii. Processes relating to training of personnel to ensure compliance with FICA.	
	(c) Governance structures;	
	(d) Remuneration policies;	
	(e) Resolution plan;	
	(f) Financial recovery plan;	
	(g) Disaster recovery plan;	
	(h) Compliance management framework;	
	(i) Business continuity policy;	
	(j) Conflict of interest management policy;	
	(k) Complaints management framework;	
(l) Any other policies or procedures that demonstrate compliance with the operational ability requirements.		
(m) If the applicant intends to provide automated advice, then provide a copy of the policies and a description of the resources and the procedures and processes that will be implemented to meet the operational ability requirements applicable to automated advice.		
43.	If any activity is outsourced, describe in a separate annexure, how the applicant intends to supervise and manage the outsourced activities and the risks associated with the outsourced activities and indicate whether the applicant has entered into outsourced agreements with the persons to whom the activities were outsourced.	
44.	Mandate requirements for Category II, IIA and II FSP applicants Attach all specimen mandates and written terms or guides of business that require the Authority's approval.	
45.	Nominee requirements for Category II, IIA and II FSP applicants a) If the applicant does not intend to use a nominee company in whose name client assets will be registered, explain the reasons why not in a separate attachment.	
	b) Describe the process and procedures to ensure the proper reconciliation of client investments between the records of the applicant and that of the nominee in a separate attachment.	
46.	Additional requirements for Category IIA FSP applicants a) If the valuation process of the applicant is audited, provide details of the auditors and responsible partner responsible for the audit (as well as a copy of the latest audit report) in a separate attachment.	

	b) Provide details of the persons (ID numbers, qualifications and experience) responsible for: -	
	i. the risk management of the applicant's Category IIA activities;	
	ii. the valuation of the hedge fund portfolios;	
	iii. the administration of the hedge fund portfolios.	
	c) If any of the functions in b) above have been outsourced, provide a list of the entities to which it is outsourced in section 2 of this FSP Form 7.	
47.	Attach copies of the applicant's Professional Indemnity Insurance and/or Fidelity Insurance, if this is in place.	
FORM FSP 8: FINANCIAL SOUNDNESS OF APPLICANT		
	If it is the FSP's first year of business, then provide:	
48.	a) A copy of the applicant's financial projections (projected income and expenditure) and a statement of financial position (assets and liabilities) for the first year of business;	
	b) The applicant's latest set of financial management accounts, if any;	
	c) Confirmation from the applicant's auditor, accounting officer or independent reviewer that it is the applicant's first year of business.	
49.	If it is not the FSP's first year of business, and the FSP <i>does not intend</i> to make use of the general exemption granted by the Authority under FAIS Notice 82 of 2015, then provide:	
	a) A copy of the applicant's latest set of audited financial statements.	
50.	If it is not the FSP's first year of business, and the FSP <i>does intend</i> to make use of the general exemption granted by the Authority under FAIS Notice 82 of 2015, then provide:	
	a) Annexure A to the Schedule of FAIS Notice 82 of 2015;	
	b) The applicant's latest set of financial statements.	
51.	Category I FSPs that <u>do</u> hold client assets or collect, hold or receive premiums <u>and</u> Category II, IIA, III and IV FSPs must attach:	
	a) Form A in Annexure 6 to the Determination of Fit and Proper Requirements, 2017.	
	b) Proof of its required liquid assets.	
FORM FSP 9: EXTERNAL AUDITOR		
	The audit partner must provide a separate letter signed by him/her confirming each of the following:	
52.	a) Acceptance of the appointment;	
	b) That the audit firm and responsible audit partner is organisationally independent from the applicant, or the group of which it is a part of, and able to maintain an objective frame of mind in accomplishing its/his/her responsibilities. And if for whatever reason the audit firm and/or partner cannot carry out its/his/her duties, must immediately notify the applicant and/or the Authority;	
	c) That the audit firm ensures that its audit approach is kept up to date with regard to developments in the profession and within the financial statements industry;	
	d) That the audit firm ensures that its audit approach is kept up to date with regard to developments in the profession and within the financial statements industry;	
	e) That the responsible audit partner has sufficient and relevant experience, technical competence and knowledge of the industry and the applicant for the engagement and is able to deal with complex situations and meet deadlines;	
	f) That the responsible audit partner is qualified to act as an auditor as defined in the Act and is registered with a recognised professional body of Auditors;	
	g) That the responsible audit partner has access to a library with up-to-date sources of relevant statements, standards, legislation, regulation, literature, trends, and developments within the financial services industry.	

FORM FSP 10: NOMINEE COMPANY OF DISCRETIONARY OR ADMINISTRATIVE FSP		
53.	Describe the processes and procedures to ensure the proper reconciliation of client investments between the records of the applicant and that of the nominee in a separate attachment.	
54.	Attach a copy of the written agreement between the applicant and the nominee company.	
FORM FSP 11: CLEARING FIRM OR FOREIGN FOREX SERVICES PROVIDERS		
	Provide the name of the foreign regulator in a separate annexure together with:	
55.	a) details of such authorisation and any terms applicable to such authorisation; and	
	b) full particulars as regards the nature of the regulatory environment under which the clearing firm or the foreign forex services provider operates in the country concerned	
56.	Provide full particulars regarding any other authorisation required by the clearing firm or foreign forex services provider for the conduct of business in the country in which it is located and any terms applicable to such authorisation.	

The applicant hereby agrees and confirms that he/she/it is satisfied with the contents of this document and acknowledges that it is correct.

Thus, done and signed on this _____ day of _____ 20 _____

Applicant name _____ Applicant signature _____