

CONSULTATION REPORT

27 November 2019

PROPOSED AMENDMENTS TO THE DETERMINATION OF FIT AND PROPER REQUIREMENTS FOR FINANCIAL SERVICES PROVIDERS, 2017

FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002 (ACT NO. 37 OF 2002)

1. Definitions

In this consultation report –

“Authority” means the Financial Sector Conduct Authority;

“Fit and Proper Requirements” means the Determination of Fit and Proper Requirements, 2017 contained in Board Notice 194 of 2017 as published in GN No. 41321 in the *Government Gazette* of 15 December 2017;

“FAIS Act” means the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002); and

“Financial Sector Regulation Act” means the Financial Sector Regulation Act, 2017 (Act No. 9 of 2017).

2. Background and Purpose

- 2.1 On 29 March 2018, the then Registrar of Financial Services Providers published proposed amendments to the Fit and Proper Requirements (proposed amendments) for public comment.
- 2.2 The comments received have been considered and the proposed amendments have been revised to the extent deemed necessary and appropriate in the context of the comments received.
- 2.3 Section 1B of the FAIS Act provides that Fit and Proper Requirements determined under section 6A is a regulatory instrument.
- 2.4 As the Fit and Proper Requirements is a regulatory instrument, the process for making regulatory instruments as set out in Chapter 7 of the Financial Sector Regulation Act must be applied when giving effect to amendments to the Fit and Proper requirements.
- 2.5 As part of this process, section 104(1) and (2) of the Financial Sector Regulation Act provides that with each regulatory instrument, the Authority making the regulatory instrument must publish

a consultation report which includes a general account of the issues raised in the submissions made during the consultation, and a response to the issues raised in the submissions.

2.6 The purpose of this document is to provide a report on the consultation undertaken during the amendment of the Fit and Proper Requirements.

3. Summary of consultation process

3.1 The following documents were published for public comment on 29 March 2018:

- Invitation to comment on proposed amendments to the Determination of Fit and Proper Requirements for Financial Services Providers;
- Draft proposed amendments to the Determination of Fit and Proper Requirements for Financial Services Providers.

3.2 Six (6) commentators submitted comments on the proposed amendments with a total of 37 individual comments.

3.3 In general, commentators did not raise any significant issues in respect of the proposed amendments.

3.4 Annexure A to this report sets out all the comments that were received on the proposed amendments together with the Authority's responses to each comment.

3.5 In addition, the proposed amendments were submitted to Parliament in terms of section 103(1) of the Financial Sector Regulation Act on [insert date] 2019.



FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002



REGULATORY RESPONSE TO PUBLIC COMMENTS RECEIVED ON THE PROPOSED AMENDMENTS TO THE DETERMINATION OF FIT AND PROPER REQUIREMENTS FOR FINANCIAL SERVICES PROVIDERS, 2017 [Proposed amendments published for comment on 29 March 2018]


LIST OF COMMENTATORS




1.	Masthead	4.	ASISA
2.	Financial Intermediaries Association of Southern Africa (FIA)	5.	The Banking Association South Africa (BASA)
3.	SDK Compliance Consultants	6.	Efficient Select






Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
CLAUSE 2					
1.	5	2(a) [definition of "cash"]		<p>It is noted that the list of options of cash do not make reference to any cryptocurrency. It is suggested that clarity be provided on the following:</p> <ul style="list-style-type: none"> • Whether provision has been made for crypto currency in another section? • Whether a position has been taken on crypto currency? 	<p>The definition of "cash" does not include crypto-currencies and no provision has been made for it in any other section.</p> <p>Please refer to the joint media statement that was issued on 18 September 2014 by the National Treasury, South African Reserve Bank, FSCA, South African Revenue Service and the</p>


Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
					Financial Intelligence Centre regarding the monitoring of virtual currencies.
2.	5	2(a) [definition of "cash"]		No objections to the proposed wording and definition.	Noted.
3.	1	2(b) [definition of "CPD activity"]	<i>"the substitution for the definition "CPD activity:"</i>	Should this not read, <i>"the substitution for the definition "CPD activity:"</i> as the proposed amendments relate to "CPD activity"?	 See correction.
4.	1	2(b) [definition of "CPD activity"]		We have no objection to the proposed amendments to (a), (b) and (c). However, we do still question why activities performed towards a qualification cannot be included as CPD activities where a qualification meets the general requirements set out in section 32(1). It may make more sense for a person to spend money on a formal or official qualification, even if in the form of a short course, where this supports their continuous professional development rather than spend money on a CPD activity that may not carry any weight as a formal qualification. Further, we suggest that there are parts of qualification curricula that would be highly appropriate as CPD activity. We believe that the criteria against which an FSP must measure the appropriateness of a CPD activity will ensure that only those qualifications or parts of a qualification that meet the criteria are 'counted'.	The Authority remains of the view that an activity performed towards a qualification should not qualify as a CPD activity for the reasons provided in the Authority's Regulatory Response Matrix that was published on 15 December 2017.
5.	2	2(b) [definition of "CPD activity"]		Paragraph 2(b) refers to the replacement of the definition of structured product, but what follows is the definition of CPD activity. If the purpose is to change the definition of structured product the definition needs to be provided. If it was the intention to change the CPD definition the	 See correction.


Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE			
				reference should be corrected.				
6.	4	2(b) [definition of "CPD activity"]	2(b) the substitution for the definition "structured deposit" "CPD activity" of the following definition:		 See correction.			
7.	5	2(b) [definition of "CPD activity"]		The term "structured deposit" has been incorrectly referenced – it should read as "CPD activity" as that is the meaning which is provided.	 See correction.			
8.	5	2(b) [definition "CPD activity"]		We appreciate the clarity in respect of the need to ensure that the activity is verifiable. This has provided some clarity that has guided the way in which the content will be developed and implemented.	Noted.			
9.	5	2(g) [definition of "long-term insurance subcategory B1"]		<p>This is noted. However, as previously submitted under the PPR comment paper, we reiterate the following concern: The FAIS product descriptions are very significant and need to be retained as the Fit and Proper Board Notice, 194 of 2017, now provides for varied exemptions based on whether or not the product is classified as a simple product or a simple financial service. These exemptions are very necessary to avoid future scenarios where staff who fail to complete regulatory exams or classes of business training or continuous professional development would otherwise be subject to incapacity hearings, potentially losing their jobs.</p> <p>Table 1 – Life Insurance (Long-Term) Risk classes of life insurance business</p> <table border="1"> <tr> <td>1.</td> <td>a.</td> <td>Lump sum or, specified or</td> </tr> </table>	1.	a.	Lump sum or, specified or	<p>Noted.</p> <p>The main purpose of the proposed amendment is to provide for the alignment to the new authorisation classes of insurance business and alignment to the terminology used in the Insurance Act, 2017. The aim is to ensure that FSPs are able to render financial services in respect of insurance policies that are in nature and character the same, regardless of whether it was issued by insurers that are registered under the Long-term Insurance Act or Short-term Insurance or insurers that are</p>
1.	a.	Lump sum or, specified or						

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT			REGISTRAR'S RESPONSE
				Risk	Individual	determinable equal or unequal sums of money payable at specified intervals payable on the happening of a death event	licensed under the Insurance Act, 2017.
				Credit Life classes of life insurance business			
10.	1	2(i) [definition of "long-term insurance subcategory B2]	We suggest the following changes to subsection (a)(iv): <i>"a policy which combines the any of the policy features referred to in paragraphs (a) (i) to (a) (iii),"</i>	3. Credit Life		Lump sum or, specified or determinable equal or unequal sums of money payable at specified intervals to satisfy all or part of a financial liability to a credit provider— * on the happening of a death event, health event or a disability event; * in the event of unemployment, or other insurable risk that is likely to impair a person's ability to earn an income or meet credit obligations	 See correction.

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
11.	1	2(i) [definition of "long-term insurance subcategory B2]	We suggest that the word "insurance" be added after "life" in the first sentence of subsection (b) as there is no definition of "life policy" in the Insurance Act: <i>"a life insurance policy ..."</i>		 See correction.
12.	1	2(i) [definition of "long-term insurance subcategory B2]	We suggest the following changes to the numbering referred to in subsection (b)(iv): <i>"a policy which combines any of the policy features referred to in paragraphs (a) (i) to (e) (iii)."</i>		 See correction.
13.	1	2(l) [definition of "short-term insurance commercial lines"]		Should the reference to the definition of "non-life insurance personal lines" in subsection (b) not refer to the definition of "personal lines" as there is no definition in the Insurance Act for "non-life insurance personal lines"? The Insurance Act states that <i>"personal lines" means non-life insurance business where the policyholder is a natural person, acting otherwise than solely for the purposes of the person's own business; and"</i>	 See correction.

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
14.	2	2(m) [definition of "short-term insurance commercial personal lines"]		Paragraph 2(m) states "short-term insurance commercial lines" but the substitute definition is "short-term insurance personal lines"	 See correction.
15.	3	2(m) [definition of "short-term insurance personal lines"]		Note only: The heading of the proposed amendment incorrectly refers to the substitution of the definition of commercial lines. This should not impact on any person reading the actual substitution	 See correction.
16.	1	2(n) [definition of "short-term insurance personal lines A1"]	<i>"(b) a non-life insurance policy referred to in the definition of 'non-life insurance personal lines', but excluding non-life insurance policies underwritten ..."</i>	We suggest that the amendments to subsection (b) to align more closely with the definitions in the Insurance Act.	 See correction.
17.	1	2(n) [definition of "short-term insurance personal lines A1"]	Should the numbering reference in subsection (b)(ee)(fA) not read as follows, " <i>any combination of (ee)(aA) to (ee)(eA)</i> "		 See correction.
18.	2	2(n) [definition of "short-term insurance		Paragraph 2(n) states "short-term insurance commercial lines" but the substitute definition is "short-term insurance personal lines A1"	 See correction.

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
		personal lines A1"]			
19.	3	2(n) [definition of "short-term insurance personal lines A1"]		Note only: The heading of the proposed amendment incorrectly refers to the substitution of the definition of commercial lines. This should not impact on any person reading the actual substitution	 See correction.
20.	5	2 (all product category definitions)		We appreciate the clarity in respect of the need to ensure that the activity is verifiable. This has provided some clarity that has guided the way in which the content will be developed and implemented.	Noted.
CLAUSE 3					
21.	5	3 [section 27(1)]		It is noted that the removal of the "recognised for that purpose by the Registrar" is superfluous due to the examination bodies obtain their mandates from the Authority in terms of S6. No objection noted.	Noted.
CLAUSE 4					
22.	1	4 [section 40(1)(a)(i)]		We have no objection to the proposed amendment. However, in section 4.5 of the Explanatory Memorandum it states that the reason for this amendment is to clarify "that an FSP may not appoint a person as representative who is an unrehabilitated insolvent." We read/interpret this provision in two possible ways, and therefore seek some guidance and clarity from the Regulator as to what was intended. (1) Our first reading of the provision is that this means that no person who is an unrehabilitated insolvent may be appointed as a	The correct interpretation is that no person who is an unrehabilitated insolvent may be appointed as a representative under any circumstances. It is not correct that paragraphs (a) to (c) should be read conjunctively. Each paragraph stands on its own, therefore, if any one of the paragraphs apply, an FSP may

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
				<p>representative under any condition. (2) However, on a second reading it looks as though an FSP can appoint a person that is an unrehabilitated insolvent providing such appointment does not materially increase the risk to the FSP or to the fair treatment of clients as set out in section 40(1)(c). Our reasoning for this interpretation here is that it looks like (a) (b) AND (c) should be read together. Therefore, we would like clarity on which of our two interpretations/readings is correct.</p> <p>If, on our first reading, an unrehabilitated insolvent may not be appointed under any circumstances, does this only apply to 'new' appointments or must the FSP now debar any representative appointed prior to 1 April 2018 that is an unrehabilitated insolvent?</p>	<p>not appoint a representative.</p>
23.	3	4 [section 40(1)(a)(i)]		<p>There is no indication of whether there is any penalty or action to be taken in the event that a representative who was already employed prior to the determination is an unrehabilitated insolvent.</p> <p>Nor what actions should be taken in the event that a person becomes insolvent whilst in the employ of an FSP as a representative.</p> <p>There are many such within the industry who have been employed as a representative for a long time.</p>	<p> See insertion of new subsection for clarification purposes.</p> <p>The prohibition only applies to the appointment of a representative. In other words, a representative that is sequestrated after appointment may remain a representative. However, this only applies to a representative that is a natural person because in terms of section 44(3) a person may not become or continue as a juristic representative when insolvent, liquidated, etc.</p>

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
					To provide clarity regarding the interpretation of subsection (1) a new subsection is inserted that clarifies that an FSP may allow a representative who is a natural person and who was sequestered after the appointment as a representative, to continue to act on behalf of the FSP as a representative provided it puts measures in place to mitigate any risks that may arise for clients or the FSP as a result of the representative being sequestered.
24.	5	4 [section 40(1)(a)(i)]		We have noted that the financial soundness requirements under section 43(b)(i) do not apply to a representative that is a natural person. However, the appointment of representatives' requirements under section 40(1)(a) apply to a representative that is a natural person in so far as the requirement is that a representative may not be appointed if they are an unrehabilitated insolvent. The latter is contrary to the carve out under section 43(b)(i) as it appears to extend financial soundness requirements to representatives. It is suggested that section 40(1)(a) be deleted.	Disagree. The requirement that an FSP may not appoint an unrehabilitated insolvent representative and the exclusion that a representative who is a natural person is not subject to the financial soundness requirements are not mutually exclusive.
25.	5	4 [section 40(1)(a)(i)]		The restriction of the insolvency status to unrehabilitated insolvents is greatly appreciated. The previous position of excluding provisional insolvent representatives was untenable. Amendment is welcomed.	Noted.


Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
CLAUSE 5					
26.	1	5(a) – paragraph (b)(v)(bb) [section 47 – definition of “annual expenditure”]	<i>“a percentage of the revenue generated by an employee or representative of the FSP; and”</i>	We have no objection to the deletion of “contractor” but suggest that the word “or” be added between “employee” and “representative” in subsection (bb).	Noted. See insertion of the word “or”.
27.	3	5(a) – paragraph (b)(v)(bb) [section 47 – definition of “annual expenditure”]	The word “or” should not be deleted.		See response to item 26.
28.	6	5(a) and (b) [section 47 – definitions of “annual expenditure” and “remuneration”]		<p>Remuneration that is linked to a percentage of the FSP’s revenue or a percentage of revenue generated by an employee, representative or contractor of the FSP and that in the absence of such revenue the FSP has no obligation to pay the remuneration (“Variable Remuneration”) is currently excluded from the definition of annual expenditure. See (v) (aa) and (bb) of the definition of annual expenditure.</p> <p>Annual expenditure is used to determine the liquid asset requirement. The liquid asset requirement ensures an orderly winding-up of the FSP affairs should the situation arise. Therefore by excluding Variable Remuneration from the definition of annual expenditure the FSP will only</p>	<p>Disagree.</p> <p>The intention was to limit the dispensation to variable remuneration (wages, salaries, commissions, etc.) only and not to extend it to variable charges or fees payable to third parties for services rendered. It seems that the wording of the definition and more specifically the reference to “contractor”, may allow for an interpretation that is wider than what was initially intended.</p>


Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
				<p>include obligations that will exist even when no revenue is earned in the provision for liquid assets.</p> <p>If an FSP appoints a third-party asset manager (“the Contractor”) to fulfil an asset management function on behalf of the FSP, the remuneration paid to the Contractor is linked to the assets managed by the Contractor. The FSP’s revenue is also linked to the same assets under management. Therefore, the remuneration (i.e. fees) paid to the Contractor is linked to the revenue of the FSP and in the absence of the revenue no remuneration is payable to the Contractor.</p> <p>By removing the reference to “contractor” from the definitions of “annual expenditure” and “remuneration”, it will prohibit the FSP from excluding this Variable Remuneration from annual expenditure and increase the liquid asset requirement to more than what is necessary to provide for its “fixed” obligations.</p> <p>The “Variable Remuneration” paid to a contractor is no different to that paid to an employee or representative and we therefore submit that the proposed amendments to the definition of “annual expenditure” and “remuneration” is not required and will, in fact, be to the detriment of FSP’s who pay variable fees linked to revenue.</p> <p>This is a similar principle that is applied for in the Collective Investment Scheme industry where “Variable Remuneration” paid to contractors are also excluded from the liquidity requirements. In this regard we specifically</p>	<p>The amendment brings the wording of the provision in line with the original intent. If the wider interpretation should apply, it will be necessary for the Authority to increase the working capital requirements applicable to FSPs to compensate for the exclusion of the variable charges and fees to ensure that the soundness requirements achieve the appropriate outcomes and protections.</p> <p>As regards the reference to Board Notice 91 of 2014, it is not appropriate to consider the exclusion of certain variable charges or fees payable to asset managers as provided for in that Notice in isolation. The exclusion must be considered against all the provisions of Board Notice 91 especially in light of the fact that the provisions in that Notice provide for much more onerous operational capital requirements than the current working capital requirements applicable to FSPs.</p>

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
				refer to the provisions of Board Notice 91 of 2014. We submit that the position presented in Board Notice 91 of 2014 should be applied equally to FSP's.	
29.	6	5(a) [section 47 – definition of “annual expenditure”]		<p>Paragraph (vi) of the definition of annual expenditure allows for the exclusion of depreciation. Depreciation does not have an impact on an FSP's cash flow and doesn't give rise to any obligation. Similar to depreciation the amortisation of intangible assets is also not a cash flow expense and will not create any obligation to the FSP. Because the two expenses are similar in nature it is proposed that amortisation of intangible assets is also excluded from annual expenditure.</p> <p>Further motivation for this proposal is that Intangible assets are excluded for solvency purposes and therefore the related expense, i.e. amortisation, should also be excluded from any other financial soundness calculation.</p>	<p>Disagree.</p> <p>The exclusion of amortisation from the annual expenditure calculation aligns with the rationale for excluding intangible assets for purposes of the solvency calculation.</p>
CLAUSE 6					
30.	5	6 [section 52]		The proposal to include the Regulatory Examination into the transitional arrangement is appreciated. We note that this is included for the sake of completeness as the proposal does not result in an operational change.	Noted.
CLAUSE 7					
31.	5	7 [Annexure Four]		The amendment of the product name to align to the updated definition is noted without objection.	Noted
GENERAL COMMENTS					

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
32.	1	General		<p>The Masthead Financial Advisors Association (“the Association”) is an association of ±5’000 independent financial advisors. What makes the members of Masthead independent is the fact that they work for themselves and they act under their own FSB issued licences. Independent financial advisors (“advisors”) represent or are mandated to act for an authorised Financial Services Provider through which they provide advice and/or intermediary services to customers. A sizable percentage of the FSPs which form part of the Association are smaller in size and in some cases may consist only of an advisor and one or two staff members.</p> <p>Masthead (Pty) Ltd is a registered compliance practice and delivers compliance services to ±1’700 FSPs who are members of the Masthead Financial Advisors Association. As such, our inputs/commentary in relation to the proposed amendments to the Fit and Proper Requirements comes from that of the IFA.</p> <p>In general, we are comfortable with the proposed amendments but have provided comment on those sections where we believe further clarity is required or where we have some concerns.</p> <p>We have also included specific comments relating to sections of BN194 of 2017 where we have raised our concerns or highlighted errors where changes have not been proposed and request that these also be considered.</p>	Noted.
33.	2	General		The FIA would like to thank the Registrar for the opportunity to comment or make representations on the above.	Noted.

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
				<p>We have studied the document and would like to advise that our comments relate merely to possible <i>errata</i> in the document.</p> <p>We would like to confirm the following in support of the functions of the FAIS department:</p> <ol style="list-style-type: none"> 1. The Financial Intermediaries Association of Southern Africa (FIA) is a representative trade association representing the interests of independent brokers at all regulatory levels. Our members range from the sole proprietor to large national corporate brokerages. The majority of our members are small and medium enterprises. 2. We have always assisted our members with understanding and implementing the provisions of FAIS legislation, subordinate legislation, regulations and determinations through our communication structures and by conducting workshops where required. <p>We confirm that we will continue to assist our members to become and remain compliant with the provisions of all related regulatory measures.</p>	
34.	5	General		<p>The Banking Association South Africa (BASA) would like to thank you for the opportunity afforded to us to submit our comments on the proposed amendments to the determination of Fit and Proper Requirements for Financial Services Providers.</p> <p>BASA supports the proposed amendments to the</p>	Noted.

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
				determination of fit and proper requirements for financial services providers which is intended to enhance the regulation of financial advisors and intermediaries. In general, we have no objections against the proposed amendments except where our concerns and suggestions have been noted.	
35.	1	Section 37(2)(b)		The numbering in Section 37(2)(b) goes (i), (ii), (ii), (iii). The number (ii) has been duplicated and we suggest that this is corrected.	 See correction.
36.	1	Section 45(2) of		<p>Section 45(2) requires that a Category I FSP and its juristic representatives as described in section 45(1) ensures that its assets at all times exceed the liabilities. Our reading of this requirement is that the assets and liabilities as they reflect on the balance sheet (without any exclusions or deductions) must be used to establish compliance with this requirement. This means that <i>goodwill, intangible assets, investments in and loans to related parties and investments with or loans to persons to whom the FSP renders financial services</i> can now be included in the calculation of assets for purposes of this section. This provides relief to some FSPs where this is applicable, and we are in support of this. However, this also means that <i>loans subordinated in favour of other creditors</i> may not be excluded from liabilities. Despite this exclusion of subordinated loans (which was previously available), this concession is still made in relation to Category I, II, IIA, III, IV FSPs, as set out in section 46(1)(a) that hold, control or have access to client assets or that do collect, hold or receive premiums or other monies in respect of a financial product. In many instances FSPs (as set out in section 45(1)) that have subordinated loans and have relied on this exclusion</p>	<p>The omission of the exclusion of subordinated loans from the calculation of the liabilities of an FSP was not an oversight but was done so intentionally to align it with the solvency requirements in the Companies Act. FSPs that are negatively affected by the new requirement may apply for an exemption in order to allow them time to become compliant.</p> <p>As regards FSPs referred to in Part 3 of Chapter 6 of the Fit and Proper Requirements, it must be noted that more onerous financial soundness requirements apply to those FSPs. In addition, additional safeguards were built into the Fit and Proper Requirements to address some of the abuses associated with the</p>

Item	Commentator	Clause	WORDING / PROPOSED WORDING	COMMENT	REGISTRAR'S RESPONSE
				to meet the requirements, now find themselves in breach of the new requirements. It was our understanding that the Regulator wished to provide some relief to these FSPs but the consequence for some FSPs is an increased burden. We request that relief from what we believe to be an unintended consequence, be afforded to these FSPs and the fit and proper requirements be amended to allow the exclusion of subordinated loans from the calculation of liabilities. Failing relief from what we believe to be unintended, we request that sufficient time be given to FSPs that now find themselves in breach, to restructure their finances.	exclusion of subordinated loans from the calculation of the FSPs liabilities. The Authority will monitor the effectiveness of the safeguards and, if necessary, will amend to legislation to ensure the desired outcome is achieved.
37.	3	Annexure Four Table 2 of BN 194 of 2017		Please can the numbering on Table 2 Class Of Business/ Short Term Insurance : Personal Lines / sub-classes be corrected as 1.3 is missing between Liability and Miscellaneous.	 See correction.