

July 2013

Dear Adviser

**IMPLICATIONS OF THE FAIS CODE OF CONDUCT FOR ADMINISTRATIVE FINANCIAL SERVICES PROVIDERS ON BUSINESS PROCESSES**

The Financial Advisory and Intermediary Services Act no. 37 of 2002, Code of Conduct for Administrative Financial Services Providers (FSP's"), Chapter 1 Part II Paragraph 4, 5.1 and 5.2(a)(b) refers:

***“General functions***

- 4) *An administrative FSP must, prior to accepting instructions from a person who is providing intermediary services on behalf of another person, ascertain whether that person is an authorised financial services provider and, if not, whether that person is required to be so authorised and, if so, decline to accept instructions from that person until that person is so authorised.*

***Dealing with clients***

- 5.1) *An administrative FSP must obtain a signed mandate from a client, before rendering any intermediary service to that client:  
Provided that the parties may agree to complete an electronic mandate in respect of which appropriate controls and personal identification procedures have been put in place that ensures security of information.*
- 5.2) *The mandate must comply with the following minimum requirements:*
- a) *State whether the client will deal with the administrative FSP through another person or in a personal capacity;*
  - b) *if the client will deal with the administrative FSP through another person-*
    - i) *state the name of the person;*
    - ii) *state whether that person is an authorised FSP;*
    - iii) *state whether that FSP is appointed with full or limited discretion and where the discretion is limited, indicate those limits;*
    - iv) *authorise the administrative FSP to accept from that FSP instructions given on behalf of the client”*

As an authorised administrative FSP and an accountable institution, PSG Asset Management Administration Services (Pty) Ltd (“PSG AMAS”) and PSG Asset Management Life Limited (“PSG AML”) are required to ensure that advisers are duly authorised by clients to transact on their behalf.

PSG AMAS and PSG AML may not process any transactions on clients' investments without obtaining a duly completed instruction from the client or from an authorised adviser on behalf of that client. Authorisation may be granted via a mandate that specifies an adviser is authorised to transact on behalf of his/her client and may refer to full or limited discretion.

Should an adviser be mandated by his/her client to transact on the clients' investment, which include switches, withdrawals, fund selections and any other transactions which could have a financial impact on the investment, then PSG AMAS and PSG AML will require a copy of such mandate.

Should no mandate, or a limited discretion mandate exist between the adviser and client, PSG AMAS and PSG AML will require the client's direct instruction, in the form of a verifiable signature, to continue with any transaction.

This applies to information that has not been completed or is unclear on application and servicing forms. All instructions, regardless of it being submitted by the client or authorised adviser must be completed in full, containing all relevant information in order to be processed by PSG. Any amendments to an instruction have to be initialled by the client or authorised adviser (except for new business, where amendments have to be signed by the client).

The client's signature will always be required in the case of new business, unless a Power of Attorney can be provided which specifically provides for entering into an agreement, as the client is entering into a new contract with PSG AMAS or PSG AML. New business means the application for any new investments.

Should you have any enquiries, please contact your PSG Product Specialist or one of our Client Service Consultants on 0800 117 180 or [clientservice@psg.co.za](mailto:clientservice@psg.co.za).

Kind regards



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