

February 2019

Dear Adviser

**Fit and proper requirements**

This Adviser Notice serves to provide guidance on the additional training required for financial advisers still under supervision on 1 April 2018 or appointed after 1 April 2018.

In December 2017, the FSB (subsequently renamed the FSCA), published Board Notice no. 194 of 2017. The purpose of this Board Notice is to set out the minimum fit and proper requirements for each category of FSP, key individual and representative.

**1. Competency requirements**

In addition to completing the existing relevant regulatory exams (e.g. RE1 and/or RE5), a financial adviser still under supervision on 1 April 2018 or appointed after 1 April 2018 must complete the following additional training:

- Class of Business training (COB), i.e. training on the nine classes of financial products, and
- Product Specific Training (PST), i.e. training on the specific products offered by a specific product provider.

COB is a once-off training and assessment which is provided by an accredited provider or an accredited education institution, and which can also count towards Continuous Professional Development (CPD) hours in some instances.

PST deals with the specific products offered by the product provider/s that the adviser deals with. PST does not count towards CPD hours. This training is also only required once, but additional training will be required if:

- a new product is launched, or
- an existing product is significantly upgraded with new functionality and/or features.

**2. PSG Wealth currently provides PST on the following products:**

- PSG Wealth Voluntary Investment Plan (VIP)
- PSG Wealth Tax Free Investment Plan (TFIP)
- PSG Wealth Equity Linked Living Annuity (ELLA)
- PSG Wealth Endowment
- PSG Wealth Retirement Annuity Fund
- PSG Wealth Preservation Pension Fund
- PSG Wealth Preservation Provident Fund

It is important to note that the responsibility to receive and monitor training (COB and/or PST) is the responsibility of the FSP and its key individual/s, and not the responsibility of the product provider.

**3. Continuous Professional Development (CPD)**

The Board Notice emphasises the importance of ongoing training, or CPD, for all authorised advisers. The first CPD cycle runs from 1 June 2018 to 31 May 2019, and both key individuals and key representatives must submit evidence of their CPD activities to the FSP within 15 days of the expiry of the CPD cycle. Proper records must be kept by the FSP.

The minimum number of hours of CPD activities that an FSP, key individual or representative are required to complete per CPD cycle are given in the table below\*.

Description	Minimum number of hours
Authorised to render, manage or oversee the rendering of financial services in respect of a single sub-class of business within a single COB	6 hours
Authorised to render, manage or oversee the rendering of financial services in respect of more than one sub-class of business within a single COB	12 hours
Authorised to render, manage or oversee the rendering of financial services in respect of more than one COB	18 hours

\* Please refer to table 1 of Annexure 3 to the Board Notice for further detail.

The CPD activity must cover areas relevant to the scope of the advice activities that the adviser engages in, and the CPD activity must be verifiable or accredited by a SAQA professional body (e.g. Masthead, Moonstone, FPI, etc.)

#### Need more information?

If you have any queries, please contact your investment specialist or your dedicated client services team.

Kind regards



**Cindy Tshabalala**  
Head of Client Service