

# FINANCIAL SERVICES BOARD

Riverwalk Office Park Block B 41 Matroosberg Road Ashlea Gardens Extension 6  
Pretoria South Africa 0081 PO Box 35655 Menlo Park Pretoria South Africa 0102  
Tel +27 12 428 8000 Fax +27 12 347 0221 E-mail info@fsb.co.za  
Toll free 0800 110443/0800 202087 website:www.fsb.co.za



ENQUIRIES:	FAIS Registration/Contact Centre	D. DIALLING NO.:	0800110443/0800202087
OUR REF:	Levies 2016/2017	FAX:	0124222973
DATE:	05 July 2016	E-MAIL:	faispfc@fsb.co.za

## ANNUAL FINANCIAL SERVICES BOARD LEVIES IN RESPECT OF FINANCIAL SERVICES PROVIDERS: 2016

This letter is being sent to all Financial Services Providers (FSP's) who were in possession of a Financial Services Providers (FSP) licence on **31 August 2015** (and were invoiced to pay the **2015** levy during **October 2015**) as well as to new FSP's who received their licences during the period 1 September 2015 to **31 August 2016**. **The last-mentioned will be levied for the first time during September 2016.**

The principles behind the payment of levies by all regulated entities are as follows:

1. In terms of section 15 (1) (b) of the Financial Services Board Act, 1990, the operational costs of the Board are funded by levies and fees. Levies form by far, the largest part of this funding. The Board does not receive any funding from the fiscus and in this way, is self-funding. It is also important to note that the Board is a non-profit organisation.
2. Levies are raised against regulated entities in terms of section 15A of the Financial Services Board Act.
3. In accordance with long established FSB policy, cross-subsidisation of expenditure by the different Divisions within the FSB, for obvious reasons, does not take place. In other words, pension funds levies are utilised for the regulation and supervision of pension funds, likewise levies raised from insurers, collective investment schemes or financial markets are utilised for the costs incurred in the on-going regulation and supervision of these sub-sectors. In this way we operate within our own cost centres and each sub-sector e.g. FAIS, is funded by the entities falling within that sub-sector (in the case of FAIS-authorized FSP's).
4.
  - a. When planning for the levies payable by FSP's, it was decided that such levies will be levied once annually and that the levy run would take place at the end of September of each year.
  - b. The **(2016)** levy invoices will be mailed by **30 September 2016** and will be payable by no later than **31 October 2016**. Please note that all authorised FSP's, in other words active FSP's on record at the Registrar's office as at **31 August 2016**, will be legally liable to pay levies.
  - c. Licensees with licenses which are suspended/withdrawn on **31 August 2016** and have their licenses reinstated thereafter, will also be invoiced for the **2016** levy period in full.

5. **It is important for you to do the following before 31 August 2016:**

- Update your representative register on the central register (all enquiries relating to representatives register must be emailed to: [thabang.marokane@fsb.co.za](mailto:thabang.marokane@fsb.co.za) and [thokozile.zikhali@fsb.co.za](mailto:thokozile.zikhali@fsb.co.za);
- Inform this office in writing if you have discontinued your business, merged with another company, work for somebody else and stopped doing business and would like to lapse your licence (all lapse requests must be e-mailed to [genevieve.vandermerwe@fsb.co.za](mailto:genevieve.vandermerwe@fsb.co.za)). **Please note that if you wish to retain your licence and you are not operating, you are still liable to pay the annual levy.**
- It is also important to notify this office in writing if you have a licence as a sole proprietor and hold another FSP licence in the name of a private company [(Pty) Ltd] and/or Close Corporation and you would like the sole proprietor license to be lapsed before 31 August 2016.
- No licence will be automatically lapsed unless you notify the Registrar in writing.
- Ensure that you have submitted the correct total value of investments under management, should you be authorised as a discretionary financial services provider (Category II FSP), hedge funds manager (Category IIA FSP) or Linked Investment Service Provider (Category III FSP).

6. The base levy component, as illustrated below (only with regard to the FSB FAIS levy) has increased by 2%. The percentage increase in other levy components (including that of the Office of the FAIS Ombud) is 6%.

7. The levy invoices to be raised at the end of September 2015, will be calculated as follows:

a. **FSB FAIS Levy**

**Category I and IV FSP's:**

A basic levy of R3459, plus R553 for each key individual, plus R553 for each representative, to a maximum of R1 641 281;

**Category I and IV FSP's (who renders financial services in respect of only the financial products sub-categories: Long-term insurance Category A and/or Friendly Society):**

A basic levy of R3459, plus R250 for each key individual, plus R250 for each representative with a maximum of R1 641 281;

**Category II, II A and III FSP's:**

Basic levy of R6 969, plus R553 for each key individual, plus R553 for each representative, plus 0.0000178575 of total value of investments managed, to a maximum of R1 641 281.

b. **FAIS OMBUD Levy**

A basic levy of R885 plus R337 for each Key Individual, plus R337 for each representative, with a maximum of R239 700

8. Please note that the FSB has been deregistered for VAT purposes and VAT is thus not paid with regard to the levies (VAT exclusive).
9. Section 22 of the FAIS Act determines that the Office of the FAIS Ombud must be funded by the FSB. This is the reason why there are two invoices. The FAIS Ombud levy is ring-fenced for control purposes.
10. The FSB financial accounts are public documents and are presented to the Minister of Finance and to Parliament annually. The audited financial statements are included therein and stakeholders are able to obtain detailed information as to the state of the FSBs accounts, expenditure patterns and accounting practices. These statements are also available on the FSB's website and forms part of its annual report.
11. In the determination of the FAIS levy formula, it was recognised that every FSP receives regulatory attention. The principles of the levy (and this applies to every entity regulated by the FSB) are based on the ability to pay and consistency. In recognition of the fact that a minimum amount of regulatory attention is required for every single FSP, the levy consists of a base amount, which probably works out in the region of R362 per month (FSB and OMBUD). This base amount is required and paid by all authorised FSP's. Larger FSP's, depending on the number of key individuals and representatives in their employ are required to pay a higher levy so that the levy escalates according to size. Large commercial brokers may even be required to pay the maximum of R1 641 281 as a levy. Other institutions such as life officers with large sales staff fall into the same category.
12. Levies payable by Section 45 short-term insurance intermediaries, will be invoiced under the FSP account number. This levy is payable for the on-going regulation of such intermediaries in terms of the provisions of the Short-term Insurance Act, 1998.
13. SARS has informed us that the levy amount paid by you to the FSB is a tax deductible expense.
14. The Executive Committee is well aware of the fact that levy payers fund the FSB and our approach is to keep our expenses down to the minimum. This objective will continue to be pursued.
15. The FSB will further endeavour to keep the base levy amount as low as possible and, if necessary, spread the levy burden towards the representative/key individual component thus compensating to some extent, the single person FSP.
16. The Registrar has observed the continued practice of the removal of representatives by some FSPs from their respective registers before the levy calculation date (31 August) and the update of those registers with the same representatives after the said date. Such conduct, which is aimed at reducing the levies payable to this office, is viewed in a serious light by this Office, and will be monitored closely and can jeopardise the license of an FSP.
17. Your attention is also drawn to the Financial Services Laws General Amendment Act, 2008 (which became effective on 1 November 2008) and gives the Registrar the power (in terms of section 9 of the Financial Advisory and Intermediary Services Act, 37 of 2002) to withdraw any license, if satisfied on the basis of available facts and information, that the license is liable for payment of a levy under section 15 (A) of the Financial Services Board Act, 1990 and has failed to pay the said levy and any interest in respect thereof.
18. Should your contact details differ from that appearing on this letter, please reply to this letter by informing us of your correct information? It is important to have your correct contact details on record

to avoid invoices being mailed to an incorrect address and to avoid unnecessary interest being charged if levies are not paid timeously.

19. Compliance officers, key individuals and sole proprietors may also amend contact details online:

- Go to [www.fsb.co.za](http://www.fsb.co.za).
- Select FAIS from the drop down list of departments.
- Click on Online program button on the right hand side of the screen (below the "events" button), you will come to **screen A** below
- Click on Register and you will go to **screen B** where you will be asked to enter your ID number
- After doing that click on register and the password will be e-mailed to your e-mail address.

## SCREEN A

### Please Logon

Please note that the logon procedure has changed and you should now logon using your ID number (and not your email address)

Should you experience any problems please send an email to [faiscomp1@fsb.co.za](mailto:faiscomp1@fsb.co.za)

## SCREEN B

### FAIS Online Registration

Please Complete Your ID Number!

Register Back

## UPDATING OF CONTACT INFORMATION

- Once you have logged on you will go to the screen below which requires you to update your contact information.
- Please make sure all fields are completed before you click on Save/Confirm.
- NOTE: if all the fields are not completed the program will not save your details.

In order for you to proceed with using the online programme please ensure that ALL fields below have been completed in full prior to clicking on the Save / Confirm button below.

Please make all changes / confirm current details and click on the "Save / Confirm" button

FSP No	
FSP Name	
FSP Trade Name	
FSP Physical Address	

Contact Person Details		Accounting Person Details	
General Postal Address		Accounting Postal Address	
ID Number		Title	
Title		Initials	
Initials		Surname	
Surname		Cell Phone No	
Cell Phone No		Tel Phone No	
Tel Phone No		Fax Phone No	
Fax Phone No		Email Address	
Email Address		ID No	
		Date Of Birth (DD/MM/YYYY)	

Save / Confirm

Back to Selections

Logout

\* Please note that the accounting person details refer to the person in the entity responsible for the levy payment.

Your co-operation is appreciated.



C Da Silva

Deputy Registrar: Financial Services Providers