RE5 MASTER
STUDY GUIDE SERIES

RE5

2026 EDITION · QUESTION PAPERS

RE5 Mock Examinations

Five full question papers for the Regulatory Examination for Representatives (RE5)

5 papers · 250 questions · all 47 FSCA qualifying criteria

RE5 Master
A Culture Creatives (Pty) Ltd publication

Law stated as at 24 October 2026

RE5 Mock Examinations: Question Papers

Regulatory Examination for Representatives (RE5)
2026 Edition · Version 0.1 (draft preview)
Law stated as at 24 October 2026

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Important. This guide is educational material to help candidates prepare for the Regulatory Examination for Representatives (RE5). It is not legal, compliance or financial advice. It is not issued, endorsed or approved by the Financial Sector Conduct Authority (FSCA) or by any examination body. Practice questions are original RE5 Master material, not official examination questions. Passing the examination is not guaranteed.

The law is stated as at 24 October 2026. Financial-sector legislation changes often. Always check the current official text of the FAIS Act, its subordinate legislation and the FIC Act, and the FSCA's current RE5 preparation guide, before relying on any rule, amount or deadline.

All people and businesses in the scenarios (including Ubuntu Financial Advisers and Ubuntu Life) are fictional. Any resemblance to real persons or entities is coincidental.

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Before you start

Five full mock examinations, each built to the same layout as the real RE5: 50 questions, two hours, and a pass mark of 33. The answers, a short explanation of every answer and a table that shows which lessons to revisit are in the separate Memorandum.

How to sit the mock examinations

A mock is only useful if you sit it the way you'll sit the real paper. The RE5 is closed book and written on paper in pencil, with 50 multiple-choice questions in two hours. Treat each mock the same way.

1. **One paper a week in the final month**
   Start about five weeks before your exam date and write one paper a week, so the last one falls in the week before the exam. Finish your first pass through Lessons 1–35 before you write Mock 1.
2. **Exam conditions, every time**
   Two hours on a timer, closed book, phone in another room. Shade your answers in pencil on the answer sheet that follows each paper, as you would on the real bubble sheet.
3. **Mark it straight after**
   Use the answer key in the Memorandum. Don't give yourself half marks: the real paper has one correct option per question and no negative marking.
4. **Score yourself by task**
   Fill in the score table. A task where you dropped more than one mark tells you where to spend the coming week.
5. **Learn from every wrong answer and every guess**
   Read the explanation, then go back to the lesson it points to. Reread the lesson's traps and key points before the next paper.

> ⚠ **EXAM TRAP**
> "I scored 40 on Mock 1, so I've passed." Not yet. Each paper is a different set of questions, and the real paper is drawn at random from a large bank. Aim to clear 33 comfortably on every mock, and treat each one as a check on how well you understand the law, not as a prediction of your mark.

How each paper is built

Every paper follows the FSCA's difficulty layout: 15 Level 1, 20 Level 2, 10 Level 3 and 5 Level 4 questions. Every one of the 8 tasks appears in every paper, at least twice, and the larger tasks get more questions, in proportion to their share of the 47 qualifying criteria. Across the five papers, every criterion is tested at least five times. You'll meet all six question styles from the Exam technique unit, including combination items (i to iv) and "NOT" or "incorrect" questions.

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FSCA task	Criteria	Questions in each paper
1 · FAIS as a regulatory framework	4	4
2 · Maintaining the FSP licence	9	9
3 · The key individual	3	3
4 · Codes of Conduct	14	14
5 · Record keeping	2	3
6 · FIC Act	2	3
7 · The Ombud for FSPs	1	2
8 · Operating as a representative	12	12

These are original RE5 Master practice questions. They are not official examination questions. The law is stated as at the date on the imprint page; each explanation cites the provision and the lesson that teaches it.

The answers, explanations and a score-by-task table for every paper are in the separate **RE5 Mock Examinations: Memorandum**.

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Mock examination 1

50	2 h	33	0
questions, four options each	writing time	correct answers to pass (66%)	negative marking

- ✅ Closed book. Clear the desk except for pencil, eraser, ruler and the answer sheet at the end of this paper.
- ✅ Set a timer for 2 hours before you read Question 1. Stop when it rings.
- ✅ Choose one option per question. Answer every question: a blank earns nothing.
- ❌ Don't look at the answers, the lessons or your notes until the time is up.

QUESTION 1

Which of the following is published by a regulator to explain the law and is not itself binding on FSPs and representatives?

A The General Code of Conduct
B An FSCA guidance notice
C The Determination of Fit and Proper Requirements (BN 194 of 2017)
D The Ombud Council Rules for the FAIS Ombud

QUESTION 2

Thandi tells Mr Naidoo, "I'm not giving you advice, but in your position I would add disability cover to your existing policy." Mr Naidoo says he'll think about it. Which statement BEST describes what happened?

A No advice was given, because Thandi said so expressly
B No advice was given, because Mr Naidoo made no decision
C Advice was given: guidance on varying a financial product, whatever the label and whether or not he acts on it
D Only an intermediary service was rendered, because the policy already exists

---

QUESTION 3

Ubuntu FA's bookkeeper brings the accounting records up to date only once a year, just before the audit. Which statement is correct?

A That is enough, because audited statements are needed only once a year
B It breaches FAIS, which requires accounting records to be kept on a continual basis and brought up to date monthly
C It is enough if the auditor doesn't object
D It breaches FAIS only if Ubuntu FA holds client money

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QUESTION 4

An accountable institution must report a cash transaction to the Financial Intelligence Centre when the cash paid to or received from a client exceeds...

A R49 999.99

B R24 999.99

C R19 999.99

D R5 000.00

QUESTION 5

Mr Pillay joins Ubuntu FA's board as a non-executive director. He takes no part in managing or overseeing its financial services. Which statement is correct?

A He is automatically a key individual, because he is a director

B He needs the FSCA's approval as a key individual before he may attend board meetings

C He isn't a key individual merely because of his title, but as a director he must still meet the honesty and integrity requirements, and the FSCA must be told of his appointment within 15 days

D He must pass the RE1 before his appointment

QUESTION 6

On a Friday afternoon, Thandi receives a client's cheque for a top-up to an investment the client holds through Ubuntu FA. Monday is an ordinary business day. By when must Ubuntu FA pay the funds into its separate client account?

A By the end of Monday, within one business day of receipt

B Within seven days of receipt

C Before Thandi leaves the office on Friday

D It needn't, because only cash has to go into the client account

---

QUESTION 7

At her first meeting with Gogo Nomsa, Thandi explains orally who Ubuntu FA is, which products it is licensed for and how to contact it. Which statement about this disclosure is MOST accurate?

A The information had to be given at the earliest reasonable opportunity and, because it was given orally, must be confirmed in writing within 30 days

B The information may be given at any time within 30 days after the first meeting

C Oral disclosure is enough; written confirmation is needed only if Gogo Nomsa asks for it

D The information had to be given in writing before the meeting, so oral disclosure is a breach

---

QUESTION 8

Which of the following is NOT information that FAIS s13(4) requires an FSP's register of representatives to contain?

A Each representative's name and business address

B Whether the representative is an employee or a mandatary of the FSP

C The categories in which the representative is competent to render financial services

D The representative's monthly commission earnings

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QUESTION 9

Under the guiding principles in FAIS s34(2), a business practice may be declared undesirable where it has, or is likely to have, which effect?

A Reducing the commission income of other FSPs in the same market

B Leaving a client unhappy with the return on an investment

C Unreasonably prejudicing, deceiving or unfairly affecting any client

D Creating competition between FSPs and product suppliers

QUESTION 10

Karoo Cover (Pty) Ltd is a company that Ubuntu FA has appointed to render financial services on its behalf. Karoo Cover is best described as...

A a juristic representative of Ubuntu FA

B a product supplier of Ubuntu FA

C a key individual of Ubuntu FA

D an unlicensed FSP that may not act for Ubuntu FA

QUESTION 11

Mrs Naidoo, the policyholder, phones Thandi and asks her to cancel the family's education savings policy. Thandi thinks this is a mistake: the policy has an early-termination charge, and school fees start in three years. What should Thandi do?

A Refuse to process the request until Mrs Naidoo comes in for a review meeting

B Explain the consequences, keep a record of the conversation, and give immediate effect to the request, subject to the policy's contractual terms

C Process the request only once Mr Naidoo also agrees in writing

D Hold the request for 30 days so that Mrs Naidoo can reconsider

---

QUESTION 12

Which of the following FSPs is NOT obliged by FAIS s17(1)(a) to appoint a compliance officer?

A An FSP with two key individuals and no representatives

B An FSP with one key individual and one representative

C A sole proprietor who is the FSP's only key individual and has no representatives

D An FSP with one key individual whose only representative is a juristic representative

---

QUESTION 13

The General Code treats a financial interest as "immaterial" if its aggregate value received from the same third party in a calendar year does not exceed...

A R100

B R500

C R5 000

D R1 000

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QUESTION 14

Under the Ombud Council Rules for the FAIS Ombud (2024), which condition must normally be met before the Ombud deals with a complaint?

A The complainant must attach the FSP's final response letter and written reasons for disagreeing with it

B The complainant must first have tried to resolve it with the FSP, and the FSP must have failed to resolve it satisfactorily within six weeks of receiving it

C The FSCA must first have investigated the complaint

D The complaint must be lodged in writing on the prescribed form

QUESTION 15

Thandi was first appointed as a representative for a Tier 1 investment product and works under supervision. She hasn't yet written the RE5. By when must she pass it?

A Within two years of her date of first appointment

B Before she renders any financial service on the product

C Within six years of her date of first appointment

D Within 12 months of her date of first appointment

QUESTION 16

Which statement BEST distinguishes a criminal penalty for an offence under FAIS s36 from an administrative penalty under the FSR Act?

A Both are imposed by the FSCA, but only the criminal penalty is published

B A court imposes the criminal penalty after a conviction, up to R10 million or 10 years or both; the FSCA imposes an administrative penalty by order, with no fixed maximum, and it isn't a previous conviction

C The administrative penalty is capped at R10 million, while the criminal penalty has no fixed maximum

D An administrative penalty is paid to the clients who suffered loss, and a criminal fine is paid to the FSCA

QUESTION 17

Thandi plans to hand Lerato the FSP-certified confirmation of her mandate at the end of their first meeting, after she has recommended a policy. Is this correct?

A Yes: the confirmation may be given at any point during the meeting

B Yes: the confirmation may follow in writing within 30 days

C No: it must be given before she renders any financial service

D No: only the FSP may give it, by post, after the policy is issued

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QUESTION 18

A client phones Ubuntu FA after a burglary. Thandi explains how to complete the short-term insurer's claim form, collects the police case number and the client's documents, and submits the claim to the insurer. She makes no recommendation. How is Thandi's conduct classified under FAIS?

A It isn't a financial service, because no recommendation was made

B It is advice, because it relates to a financial product

C It is excluded, because claims are the insurer's responsibility

D It is an intermediary service: receiving, submitting or processing a client's claim against a product supplier

QUESTION 19

A client's business relationship with Ubuntu FA ended in January 2026. In June 2026, Ubuntu FA submitted a suspicious transaction report about payments the client had made. Until at least when must Ubuntu FA keep the records relating to that report?

A January 2031, five years after the relationship ended

B June 2031, five years after the report was submitted

C June 2029, three years after the report was submitted

D Only until the Financial Intelligence Centre acknowledges the report

QUESTION 20

When rendering a financial service on an insurance product, a provider must give the client the product information listed in the General Code, where applicable. Which of the following is NOT required?

A Concise details of any exclusions of liability and limitations of benefits

B Any penalties or charges that apply if the product is terminated early

C A written guarantee from the provider that every claim will be paid

D Whether cooling-off rights are offered and, if so, how to exercise them

QUESTION 21

Which of the following is a "supervised representative" as defined in FSCA FAIS Notice 86 of 2018?

A A representative who meets every competence requirement but whose FSP wants closer oversight of her sales

B A representative appointed only to render services through a juristic representative

C A key individual who has not yet written the RE1

D A representative who doesn't yet meet one or more of the experience, qualification, regulatory examination or class of business training requirements, and renders services under supervision

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QUESTION 22

A civil court finds that Pieter van Wyk acted dishonestly in a private business dispute unrelated to Ubuntu FA's clients. Ubuntu FA doesn't know about the judgment. What does Pieter's fit and proper duty require of him?

A Disclosure to Ubuntu FA promptly, on his own initiative, fully and accurately

B Disclosure to the FSCA within 15 days

C Nothing, because the matter doesn't involve financial services

D Disclosure at his next annual fit and proper review

QUESTION 23

Ubuntu Life will pay Ubuntu FA commission on a business policy that Thandi recommends to Lerato Khumalo. What must Lerato be told about the commission?

A Nothing, because Lerato doesn't pay it herself

B Its nature, extent and frequency, and who pays it; where a law prescribes a maximum, the actual amount or that maximum may be given

C Only the percentage of the premium, without naming the payer

D Only that commission is payable, and only if Lerato asks

QUESTION 24

Ubuntu FA has appointed Sipho Dlamini as its compliance officer. Which statement BEST describes Ayesha Patel's position as key individual?

A She remains responsible for managing and overseeing the financial services activities, including the FSP's response to compliance findings

B Her compliance responsibilities passed to Sipho when he was appointed

C She establishes the compliance function and Sipho maintains it on her behalf

D She must personally report every compliance finding to the FSCA

QUESTION 25

Consider the following statements about undesirable business practices under FAIS s34:

i. A declaration may be made only after a notice of intention, with reasons, has been published inviting written representations within 21 days.

ii. A declaration binds representatives as well as authorised FSPs.

iii. A representative may rely on her FSP's instruction as a defence for carrying on a declared practice.

iv. Any practice that leads a client to complain is an undesirable practice.

Which statements are correct?

A i and ii only

B ii and iii only

C i, iii and iv only

D ii, iii and iv only

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QUESTION 26

Which statement BEST describes the purpose of debarment under FAIS s14?

A To give an FSP a quick way to end a representative's employment contract

B To penalise representatives for poor sales results

C To recover money that a representative owes the FSP

D To ensure that only persons who are fit and proper and comply with the Act render financial services

---

QUESTION 27

Before advising a client, a provider must obtain the information GCOC s8(1)(a) requires. Which of the following is NOT one of those categories of information?

A The client's financial product knowledge and experience

B The client's financial situation and risk profile

C The client's financial needs and objectives

D The level of commission each suitable product would pay the representative

---

QUESTION 28

Mr Naidoo complains that he was never told about a waiting period on a policy Thandi recommended. Thandi finds that her record of advice doesn't mention the waiting period, although she remembers explaining it. What should she do?

A Leave the record as it is and give a separate, dated written statement of what she recalls

B Add the waiting period to the record of advice so that the file is complete

C Replace the record with a corrected version dated the day the advice was given

D Remove the record from the file, because an incomplete record weakens Ubuntu FA's position

---

QUESTION 29

Ubuntu FA's FIC Act compliance function is preparing a suspicious transaction report about a series of unusual cash payments by a client. The client phones Thandi to ask why her investment is "taking so long". What should Thandi do?

A Tell the client that a report is being considered, so that she can explain where the cash came from

B Say nothing that indicates a report is being made, and deal with the call as the RMCP and the compliance function direct

C Ask the client for written consent to the report, because her information is confidential

D Tell the client only that compliance is reviewing her payments, without mentioning the FIC

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QUESTION 30

Under FSCA FAIS Notice 86 of 2018, who must disclose to clients that financial services are being rendered under supervision?

A Only the FSP, in its disclosure document

B Only the supervisor

C The supervised representative

D The compliance officer

QUESTION 31

Which statement about the general duty in GCOC s2 is incorrect?

A It applies at all times, whether advice or only an intermediary service is rendered

B It requires financial services to be rendered honestly and fairly

C It requires due skill, care and diligence, in the interests of clients and the integrity of the industry

D It binds FSPs, but not their representatives, who follow the FSP's instructions

---

QUESTION 32

Ubuntu FA has a head office in Durban, where clients are seen, and a processing centre in Pinetown that clients never visit. Where must it display a certified copy of its licence?

A At the Durban office only, because that is where financial services are rendered to clients

B At both premises, because the duty covers every business premises of the licensee

C At the Durban office, with the original licence kept in the safe at Pinetown

D At neither, provided the licence is shown on its website

QUESTION 33

In which of these situations must Ubuntu FA, after a fair process, debar a representative?

A He has missed his sales targets for six months

B He made one capture error on a client file, which was corrected the same day

C Ubuntu FA is satisfied that he has been falsifying clients' signatures on applications

D He resigns to join another FSP

QUESTION 34

Gogo Nomsa phones Ubuntu FA. She says her funeral policy premium was taken twice this month and nobody has returned her calls. She doesn't use the word "complaint" and won't put anything in writing. How should Ubuntu FA BEST treat the call?

A As a client query only, because she didn't call it a complaint

B As nothing, until she submits a written complaint

C As a complaint only if she phones again within five business days

D As a complaint: an expression of dissatisfaction alleging maladministration, which must be recorded and handled even though it was made orally

---

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QUESTION 35

Lindiwe works in Ubuntu FA's call centre but hasn't been appointed as a representative. A caller asks which of two funeral plans would suit her family better, and Lindiwe's team leader tells her to "just recommend the cheaper one". What should Lindiwe do?

A Not recommend either plan, and refer the caller to an appointed representative

B Recommend the cheaper plan, because her team leader has authorised it

C Recommend a plan, provided she tells the caller she isn't a representative

D Recommend a plan, provided the caller signs a waiver of her rights under the Code

---

QUESTION 36

The FSCA published a notice of intention to declare a sales practice undesirable on 1 March, and the declaration itself on 5 April. Thandi used the practice on 20 March and again on 10 April. Which statement is correct?

A Neither use contravened s34(4), because the FSCA must first direct rectification

B Only the use on 10 April contravened s34(4)

C Both uses contravened s34(4)

D Only the use on 20 March contravened s34(4)

QUESTION 37

A provider must disclose whether, during the preceding 12 months, it received from a particular product supplier more than…

A 30% of its total remuneration, including commission

B 10% of its total commission

C 50% of its total remuneration

D 30% of its commission only, excluding fees

QUESTION 38

Ubuntu FA intends to debar a representative. Arrange these steps in the order in which they must happen: (i) consider the representative's response and decide; (ii) give written notice of the intention to debar, with the grounds, the reasons, a copy of the debarment policy and a reasonable opportunity to respond; (iii) the representative applies to the Financial Services Tribunal for reconsideration; (iv) notify the representative in writing of the decision, of his rights under Chapter 15 of the FSR Act and of the formal requirements for reconsideration.

A (ii), (iv), (i), (iii)

B (i), (ii), (iii), (iv)

C (ii), (i), (iv), (iii)

D (ii), (i), (iii), (iv)

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QUESTION 39

Thandi recommends an investment to Mr Naidoo. The product carries an annual management charge, and Ubuntu FA will charge him an ongoing advice fee. Consider the following statements:

i. Each charge on the investment must be disclosed separately, not merely as one all-inclusive figure.

ii. The advice fee should, wherever feasible, be recorded in a written agreement that states its amount, frequency and payment method, the services in return, and how Mr Naidoo can end it.

iii. Amounts must be in specific monetary terms where they can reasonably be determined; otherwise the basis of calculation must be adequately described.

iv. Past performance of the investment must be given to him even if he doesn't ask for it.

Which statements are correct?

A i and ii only

B ii and iv only

C i, iii and iv only

D i, ii and iii only

QUESTION 40

Ayesha is Ubuntu FA's only approved key individual. After a fair process, the FSCA suspends Ubuntu FA's licence because Ayesha no longer meets the honesty and integrity requirements. What is the position of Thandi and the other representatives during the suspension?

A They may not render financial services for Ubuntu FA, because during a suspension the FSP is regarded as not authorised

B They are automatically debarred

C They may carry on as normal, because they are still on the representative register

D They may continue with intermediary services, but may not give advice

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QUESTION 41

Under FAIS s18, an FSP must keep a record of complaints received from clients for a minimum of five years, together with...

A the FAIS Ombud's approval of each settlement

B an indication of whether or not each complaint has been resolved

C each client's written consent to the record being kept

D the representative's signed admission of fault

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QUESTION 42

Sello was debarred by his FSP and was notified of the decision on 2 March. He didn't ask for reasons. Consider the following statements:

i. He may ask the Financial Services Tribunal to reconsider the debarment.

ii. His application must ordinarily be made within 60 days after he was notified of the decision.

iii. Lodging the application suspends the debarment until the Tribunal decides.

iv. He may instead complain to the FAIS Ombud to have the debarment set aside.

Which statements are correct?

A i and ii only

B i, ii and iii only

C ii and iv only

D i, iii and iv only

QUESTION 43

Which statement BEST describes when an FSP is an accountable institution under item 12 of Schedule 1 to the FIC Act?

A Every FSP licensed under FAIS is an accountable institution

B Only FSPs that hold client funds are accountable institutions

C An FSP is covered if its business needs FAIS authorisation for advice or intermediary services in respect of the investment of financial products; non-life insurance, reinsurance and medical scheme business are excluded

D Only Category II discretionary FSPs are accountable institutions

---

QUESTION 44

Mr and Mrs Naidoo ask Thandi about four arrangements they have. Which one is a financial product as defined in the FAIS Act?

A The home loan on their house

B The instalment-sale agreement for their car

C The unit trust investment they hold for their children

D Their share in the share block company that owns their holiday flat

---

QUESTION 45

Lerato complains that Thandi's advice on her business insurance was poor. Thandi offers to investigate and decide the complaint herself, because she knows the file best. What should Ubuntu FA do?

A Let Thandi decide it, because she can best explain her own advice

B Have it decided by a trained person who has no conflict of interest and is empowered to decide impartially, using Thandi's knowledge as evidence

C Ask Lerato to choose who should decide the complaint

D Refer it straight to the FAIS Ombud without considering it

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QUESTION 46

After investigating, Ubuntu FA concludes that a representative forged a client's signature on an application. Ayesha suggests keeping him on under close supervision for a year instead of debarring him. Which statement is correct?

A That is acceptable, because supervision is designed to correct fit and proper failures

B Ubuntu FA may choose freely between debarment and supervision

C Ubuntu FA must refer the matter to the FSCA, which decides whether to debar him

D If satisfied that he no longer meets the honesty and integrity requirements, Ubuntu FA must debar him, following a lawful, reasonable and procedurally fair process

---

QUESTION 47

Consider the following statements about the FAIS Ombud:

i. A final determination of the Ombud is regarded as a civil judgment.

ii. The Ombud must decline a complaint if the complainant had already started court proceedings on the same matter.

iii. The Ombud may consider a complaint against a person who isn't an authorised FSP or a representative, and order that person to pay compensation.

iv. When dealing with complaints, the Ombud acts on the FSCA's instructions.

Which statements are correct?

A i, ii and iii only

B ii and iv only

C i and ii only

D i, iii and iv only

QUESTION 48

Mr Naidoo's brother phones Thandi. He says Mr Naidoo is in hospital and asks for the value of his investments and the names of the beneficiaries on his life policy. Mr Naidoo hasn't given any written consent. What should Thandi do?

A Decline, unless Mr Naidoo gives prior written consent or disclosure is required in the public interest or under a law

B Give the information, because a close family member is asking during an emergency

C Give the information if the brother can confirm Mr Naidoo's ID number

D Give the information if Mr Naidoo agrees by phone, and get the consent in writing afterwards

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QUESTION 49

A broker holds a licence issued under FAIS s8(7) because it is accredited under the Medical Schemes Act. Which statement about the link between the licence and the accreditation is incorrect?

A If the Council for Medical Schemes withdraws the accreditation, the licence is deemed to be withdrawn

B If the FSCA suspends the licence, the accreditation is deemed to be suspended

C If the accreditation lapses, the licence is deemed to have lapsed

D If the Council for Medical Schemes suspends the accreditation, the licence is deemed to be withdrawn

QUESTION 50

The FSCA published a declaration of an undesirable practice on 3 March. Ubuntu FA carried on the practice afterwards, and on 14 April the FSCA directed it to rectify what the practice had caused. By when must Ubuntu FA rectify?

A Within 60 days after 3 March

B Within 21 days after 14 April

C Within 30 days after 3 March

D Within 60 days after 14 April

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Mock examination 1: answer sheet

Name _____ Date _____

Start time _____ Finish time _____

Shade one bubble per question in pencil, as on the real answer sheet. Mark it with the memorandum only after the full two hours.

1	A	B	C	D	18	A	B	C	D	35	A	B	C	D
2	A	B	C	D	19	A	B	C	D	36	A	B	C	D
3	A	B	C	D	20	A	B	C	D	37	A	B	C	D
4	A	B	C	D	21	A	B	C	D	38	A	B	C	D
5	A	B	C	D	22	A	B	C	D	39	A	B	C	D
6	A	B	C	D	23	A	B	C	D	40	A	B	C	D
7	A	B	C	D	24	A	B	C	D	41	A	B	C	D
8	A	B	C	D	25	A	B	C	D	42	A	B	C	D
9	A	B	C	D	26	A	B	C	D	43	A	B	C	D
10	A	B	C	D	27	A	B	C	D	44	A	B	C	D
11	A	B	C	D	28	A	B	C	D	45	A	B	C	D
12	A	B	C	D	29	A	B	C	D	46	A	B	C	D
13	A	B	C	D	30	A	B	C	D	47	A	B	C	D
14	A	B	C	D	31	A	B	C	D	48	A	B	C	D
15	A	B	C	D	32	A	B	C	D	49	A	B	C	D
16	A	B	C	D	33	A	B	C	D	50	A	B	C	D
17	A	B	C	D	34	A	B	C	D					

Score: _____ / 50 Pass mark: 33 (66%)

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Mock examination 2

50	2 h	33	0
questions, four options each	writing time	correct answers to pass (66%)	negative marking

- ✅ Closed book. Clear the desk except for pencil, eraser, ruler and the answer sheet at the end of this paper.
- ✅ Set a timer for 2 hours before you read Question 1. Stop when it rings.
- ✅ Choose one option per question. Answer every question: a blank earns nothing.
- ❌ Don't look at the answers, the lessons or your notes until the time is up.

QUESTION 1

Thandi is a representative of Ubuntu FA. Most of the policies she arranges are issued by Ubuntu Life Ltd. Which statement BEST describes her position?

A She represents Ubuntu Life, because it issues the products she sells

B She renders financial services for or on behalf of Ubuntu FA, which appointed her; Ubuntu Life is the product supplier

C She represents both Ubuntu FA and Ubuntu Life equally, and each accepts responsibility for her advice

D She represents the client, because she acts in the client's interests

---

QUESTION 2

GCOC s17(4)(a) requires an FSP to categorise its reportable complaints under a minimum list of categories. That list contains...

A five categories

B six categories

C eight categories, with no general category

D nine paragraphs: eight specific categories and a ninth for "other complaints"

QUESTION 3

Ubuntu FA's financial year ends on 28 February 2026. The FSCA hasn't allowed it any extra time. By when must its audited financial statements reach the FSCA?

A By 31 March 2026

B By 28 February 2027

C By 31 August 2026

D By 30 June 2026

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QUESTION 4

A report of a suspicious or unusual transaction under FIC Act s29 is due at the Centre as soon as possible, and at the latest...

A 2 days after becoming aware of the facts

B 3 days after becoming aware of the facts

C 15 days after becoming aware of the facts

D 30 days after the transaction, if the amount exceeds R49 999.99

QUESTION 5

Under the Long-term Insurance Act, the words "long-term" in "long-term policy" refer to...

A the type of policy: an assistance, disability, fund, health, life or sinking fund policy, or a combination of them

B a policy with a term of more than five years

C a policy that can't be cancelled before its maturity date

D a policy issued only by a bank

QUESTION 6

Kabelo is a sole proprietor: he is an FSP who is a natural person. He hasn't passed the RE5 and lacks the required experience. Can he use the supervision exemption in FSCA FAIS Notice 86 of 2018 to cover his own competence?

A Yes, if another FSP agrees to supervise him

B Yes, for two years from the date his licence is granted

C No: the Notice exempts only an FSP for its representatives' competence, and supervised representatives; a sole proprietor must meet the requirements himself to be authorised

D No, but he may operate for 12 months while he completes the RE5

QUESTION 7

Which of the following is NOT an effect that can found a declaration under FAIS s34(2)?

A Harming the relations between FSPs and clients or the general public

B Unreasonably prejudicing any client

C Deceiving any client

D Harming the relations between FSPs and other FSPs

QUESTION 8

Ubuntu FA's call centre sells funeral policies by telephone. Which approach to disclosure meets the General Code?

A No disclosure is needed on the call, because the client will receive the policy schedule

B All the provider and product supplier information in GCOC s4 and s5 must be read out in full before the client may agree to anything

C The disclosures may be skipped if the client says she is busy

D Give the shorter list of particulars in GCOC s15(1) at the earliest reasonable opportunity, record the call, and after the sale send in writing the s4 and s5 information not already given in writing

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QUESTION 9

Siyanda (Pty) Ltd is an FSP with one director, who is also its only shareholder. Under the FAIS definition of key individual, who is its key individual?

A The director, because where a company has only one natural person as a director or shareholder, that person is the key individual

B Nobody, until the FSCA appoints one

C The company's external compliance officer

D The company itself, because it holds the licence

QUESTION 10

A product supplier invites all brokers in the region to a free one-day course on its new retirement products. It also offers to pay for the flights and hotel of any broker who attends. Which statement BEST describes the position under the General Code?

A Both the course and the travel are excluded from "financial interest", because the course isn't limited to a selected group

B Both the course and the travel are financial interests, because they come from a product supplier

C The course itself can fall outside "financial interest", but the travel and accommodation are financial interests

D Neither is a financial interest unless the broker sells the supplier's products afterwards

---

QUESTION 11

The FSCA has published a declaration that a particular way of selling funeral cover is undesirable. Thandi's team leader tells the team to keep using it until the end of the month to meet targets. What should Thandi do?

A Follow the instruction, because the FSP, not the representative, is responsible for its sales methods

B Stop using the practice from the date the declaration was published, and raise the instruction with the key individual or compliance officer

C Keep using it until the FSCA directs Ubuntu FA to rectify

D Keep using it for 21 days while Ubuntu FA makes representations

---

QUESTION 12

For an insurance product that provides for premium increases, the provider must disclose the amount of the increased premium...

A for the first three years only

B as a percentage, with no rand amounts

C up to the client's 65th birthday, whatever the term

D for the first five years, and thereafter on a five-year basis, but not exceeding twenty years

---

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QUESTION 13

The FIC Act requires an accountable institution to keep records of each transaction that are sufficient to enable the transaction to be...

A readily reconstructed, including its amount and currency, date, parties and nature

B reversed by the institution if the Centre asks

C reported to the FSCA once a year

D summarised in the client's annual statement

QUESTION 14

A representative helped a colleague at another FSP to falsify client applications. Which statement about the debarment grounds is correct?

A Aiding another person to contravene a financial sector law is one of the two grounds in FAIS s14, so the FSP must debar on that ground

B Only the FSCA may act, because aiding and abetting removes the FSP's power to debar

C Aiding and abetting is a ground for an FSCA debarment order under FSR Act s153; the FSP may debar under FAIS s14 if the conduct shows he no longer meets the fit and proper requirements, or he has himself materially contravened the Act

D Neither the FSP nor the FSCA may debar, because the applications belonged to another FSP's clients

QUESTION 15

Ubuntu FA offers clients a will-drafting service and a vehicle tracking device alongside its insurance products. Neither is a financial product or financial service. What must Ubuntu FA tell clients about them?

A That they aren't regulated under the FAIS Act and don't carry the same protections as financial products and services

B Nothing, because the General Code applies only to financial products

C That they are covered by Ubuntu FA's FSP licence

D That the FSCA has approved them

QUESTION 16

Sipho Dlamini is Ubuntu FA's external compliance officer. He wants an assistant, who isn't approved as a compliance officer for Ubuntu FA, to carry out the monthly file reviews. Which statement is correct?

A He may delegate the reviews, provided he remains accountable

B He may delegate them if Ubuntu FA's key individual agrees in writing

C He may delegate them, provided the assistant has passed the RE5

D As an external compliance officer he may not delegate compliance services; only an internal compliance officer may delegate, on conditions, and remains accountable

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QUESTION 17

Arrange these steps in the FAIS Ombud's handling of a complaint in the order the Act requires: (i) the Ombud makes a final determination; (ii) the Ombud explores any reasonable prospect of a conciliated settlement acceptable to all parties; (iii) the Ombud makes a recommendation, which has the effect of a final determination only if the parties accept it; (iv) the determination is enforced like a civil judgment.

A (i), (ii), (iii), (iv)

B (iii), (ii), (i), (iv)

C (ii), (iii), (i), (iv)

D (ii), (i), (iii), (iv)

QUESTION 18

A call-centre agent follows an approved script: "Based on your answers, Plan B is the right cover for you. Shall I sign you up?" Which statement BEST describes this?

A It is advice: a script controls how the service is rendered, but a tailored recommendation is still advice, by any means or medium

B It isn't advice, because the agent is only reading words written by someone else

C It isn't advice, because it was given by telephone

D It is only an intermediary service, because the agent offers to sign the client up

---

QUESTION 19

A client asks Thandi which products Ubuntu FA is licensed for. Where will she MOST reliably find the answer?

A On the face of the licence certificate, which lists the products

B In the representative register

C In the conditions and restrictions in the annexure to the licence, which list the services and product categories

D In Ubuntu FA's advertisements

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QUESTION 20

Consider the following statements about applying GCOC s8 and s21:

i. If no product in the provider's range is appropriate for the client, the provider must say so, decline to recommend and suggest another appropriately authorised provider.

ii. A client who is in a hurry may be advised without the usual information-gathering, provided he signs a note that he was in a hurry.

iii. A client's signed waiver of the right to a replacement comparison is valid if he gave it voluntarily.

iv. If a client chooses a different product from the one recommended, the provider must alert him to any clear risk and advise him to take particular care.

Which statements are correct?

A i, ii and iv only

B ii and iii only

C i and iv only

D i, iii and iv only

QUESTION 21

Bophelo Brokers holds a FAIS licence issued under FAIS s8(7), on the strength of its accreditation under the Medical Schemes Act, to render services on health service benefits only. The Council for Medical Schemes withdraws the accreditation. What is the position of Bophelo Brokers' representatives?

A They may carry on, because their own appointments haven't been withdrawn

B The licence is deemed to be withdrawn, so they may no longer render financial services for Bophelo Brokers under it

C They may carry on for 30 days while Bophelo Brokers appeals to the Council

D They must each apply to the FSCA for their own licence before continuing

---

QUESTION 22

During one CPD cycle, Bongani attends four sessions. Which one can not count towards his CPD hours?

A A webinar on the General Code, approved by a professional body as verifiable and given an hour value

B Ubuntu Life's product-specific training on its new funeral policy

C A seminar on FIC Act changes, approved by a professional body as verifiable and given an hour value

D An ethics workshop approved by a professional body as verifiable and given an hour value

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QUESTION 23

Ubuntu FA received Gogo Nomsa's complaint on 2 March. Six weeks later the complaint is still being investigated and hasn't been resolved. What must Ubuntu FA now tell her?

A That she may refer the complaint to the FAIS Ombud, and that she should do so within six months of being told this

B Nothing until its internal review is complete, because the Ombud won't accept a complaint before then

C That she must wait a further six weeks before she may approach the Ombud

D That she has three years from the advice to complain to the Ombud, so there is no hurry

---

QUESTION 24

Ubuntu FA notified Musa of his debarment, but didn't give reasons. Musa wants to challenge it. Consider the following statements:

i. Musa may ask Ubuntu FA for its reasons within 30 days after he was notified of the decision.

ii. Ubuntu FA must then give the reasons within one month.

iii. If he requested reasons, Musa's reconsideration application is due within 30 days after the reasons are given.

iv. While Musa waits for the reasons, he may continue to advise clients.

Which statements are correct?

A i and iv only

B ii and iii only

C i, ii and iv only

D i, ii and iii only

QUESTION 25

Ubuntu FA's disclosure brochure states that some of its representatives work under supervision. Thandi, who is under supervision, wonders whether she still needs to tell her clients herself. Which statement is correct?

A No: the brochure discharges her duty, because supervision disclosure is the FSP's job

B No: clients can check the FSCA's register for themselves

C Yes: FSCA FAIS Notice 86 of 2018 makes disclosure to clients a condition the supervised representative must meet personally

D Yes, but only if the client asks whether she is supervised

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QUESTION 26

A representative keeps using a practice for six months after the FSCA declared it undesirable. Which statement BEST describes the possible consequences for him?

A He has contravened s34(4), which is an offence, and if the contravention is material his FSP must debar him after a fair process

B Only his FSP can be held responsible, because a declaration binds FSPs, not representatives

C The FSCA must first direct him personally to rectify the harm within 60 days, and only then can he be prosecuted

D There are no consequences unless a client complains to the Ombud

QUESTION 27

Mrs Naidoo's elderly father wants to invest in a unit trust, and Mrs Naidoo will sign the documents for him under a power of attorney. What must Ubuntu FA establish and verify under the FIC Act and its RMCP?

A Only Mrs Naidoo's identity, because she is the one signing

B The identities of both her father and Mrs Naidoo, and her authority to act on his behalf

C Only her father's identity, because he is the client

D Nothing, because she is an existing client of Ubuntu FA

QUESTION 28

Sipho's monitoring report shows that several representatives haven't been giving clients the required disclosures. Which response BEST reflects Ayesha's responsibility as key individual?

A Leave the matter to Sipho, because compliance belongs to the compliance officer

B Report the findings to the FAIS Ombud

C Ask Sipho to delete the findings once the representatives promise to improve

D See that the FSP takes corrective action through its governance framework, and that the non-compliance and its reasons are recorded

QUESTION 29

Ubuntu FA's client account attracts a monthly account fee from the bank, and a separate charge for a cash withdrawal made at Gogo Nomsa's request. Who pays these charges under the General Code?

A The clients pay both, shared in proportion to their balances

B Ubuntu FA pays both

C Ubuntu FA pays the monthly account fee; the charge specifically relating to Gogo Nomsa's withdrawal may be for her account

D Gogo Nomsa pays both, because the withdrawal was hers

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QUESTION 30

The FSCA issues a directive to an FSP under FSR Act s149. Which statement about the directive is correct?

A It is guidance only, so the FSP may decide whether to follow it

B It binds only if the FAIS Ombud confirms it

C It can be ignored while the FSP applies to the Tribunal for reconsideration

D The FSP must comply; not complying is an offence and is also a ground on which the FSCA may suspend or withdraw the licence

---

QUESTION 31

Mr Naidoo took out a life policy through Ubuntu FA in 2021, and it is expected to stay in force until 2045. A new administrator suggests destroying the 2021 record of advice in 2026, "because it's five years old". What should happen?

A Keep it: Code records are kept for five years after the policy ends, to the provider's knowledge, so it must be kept until at least five years after the policy terminates

B Destroy it, because the five years run from the date of the advice

C Destroy it, provided a scanned copy is kept for one more year

D Keep it only if Mr Naidoo asks Ubuntu FA to do so

QUESTION 32

Lerato emails Ubuntu FA on a Wednesday to end its monthly risk-review service. Her agreement with Ubuntu FA says either party may end it on one calendar month's notice. What should Ubuntu FA do?

A Wait until the next scheduled review meeting and try to persuade her to stay

B Act on the request at once: record it and confirm in writing that the service ends when the contractual notice month ends, with the final fee and what it covers

C Refuse the request, because the contract requires a month's notice

D End the service immediately and refund the whole of the current month's fee, whatever the contract says

---

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QUESTION 33

Ubuntu FA's only key individual has been convicted of fraud. Consider the following statements:

i. If the FSCA withdraws Ubuntu FA's licence, its representatives may no longer render financial services for it.

ii. Ubuntu FA's representatives are automatically debarred because of the key individual's conviction.

iii. Where the licence carries the condition, a replacement key individual may not take part in managing or overseeing the business until the FSCA has approved him or her.

iv. The FSCA may withdraw the licence without giving Ubuntu FA any opportunity to respond, as long as it publishes the decision.

Which statements are correct?

A i and iii only

B i, ii and iii only

C ii and iv only

D iii and iv only

QUESTION 34

Ubuntu FA holds no shares in Ubuntu Life and receives less than 30% of its total remuneration from it. Which of the following is it NOT required to disclose to a client buying an Ubuntu Life policy, where appropriate?

A Ubuntu Life's name, physical location and contact details

B Ubuntu FA's shareholding in, and share of remuneration from, Ubuntu Life

C The nature of Ubuntu FA's contractual relationship with Ubuntu Life, and whether it has relationships with other product suppliers

D Any restrictions Ubuntu Life places on the financial services Ubuntu FA may render

---

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QUESTION 35

Consider the following statements about the risk management and compliance programme (RMCP) that an accountable institution must have under the FIC Act:

i. It must be approved by the board of directors, senior management or whoever exercises the highest level of authority.

ii. It must enable the institution to identify, assess, monitor, mitigate and manage the risk of money laundering, terrorist financing and proliferation financing.

iii. A standard industry template, with the institution's name added, meets the requirement without reference to its own products and clients.

iv. It must be available to the institution's employees and, on request, to the Centre or its supervisory body.

Which statements are correct?

A i, ii and iv only

B i and iii only

C ii, iii and iv only

D i, ii, iii and iv

QUESTION 36

Arrange these steps in the advice process in the order in which GCOC ss8 and 9 require them: (i) analyse the information obtained; (ii) obtain information on the client's needs and objectives, financial situation, risk profile and product knowledge; (iii) identify the product or products appropriate to the client's risk profile and needs; (iv) where a transaction follows from the advice, keep a record of advice and give the client a copy in writing.

A (i), (ii), (iii), (iv)

B (ii), (i), (iii), (iv)

C (ii), (iii), (i), (iv)

D (iii), (ii), (i), (iv)

QUESTION 37

An FSP's representatives decide which unit trusts to buy and sell for each client, within each client's written mandate, without asking the client before each switch. The FSP doesn't bulk client transactions. In which FSP category must it be licensed for this business?

A Category I

B Category II

C Category III

D Category IV

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QUESTION 38

At their first meeting, Thandi tells Lerato orally that she renders services under supervision and names her supervisor. What else does the General Code require about this disclosure?

A Nothing: oral disclosure of supervision is enough

B It must be repeated at every meeting

C Lerato must sign a waiver accepting that her adviser is supervised

D Because it forms part of the provider's s5 disclosure and was given orally, it must be confirmed in writing within 30 days

QUESTION 39

Consider the following statements about how an FSP keeps the records the General Code requires:

i. Records may be kept in electronic form, provided they are readily reducible to written or printed form.

ii. Records kept by a third party must be available for inspection within seven days of the FSCA's request.

iii. The FSP must also give any client a copy of any record within seven days of the client's request.

iv. Records must be stored and kept safe from destruction.

Which statements are correct?

A i and iii only

B i, ii and iv only

C ii, iii and iv only

D i, ii, iii and iv

QUESTION 40

Lerato took out a business policy on Ubuntu FA's advice in January 2022. In February 2022 she realised that the policy didn't cover the risk she had asked for, but she did nothing about it. She complained to Ubuntu FA in March 2026 and, after six weeks without a resolution, to the FAIS Ombud in May 2026. What must the Ombud do?

A Accept the complaint, because she complained to Ubuntu FA first

B Accept it, because the six-month period after the six weeks hasn't expired

C Decline it, because it was received more than three years after she became aware of the advice and its problem

D Refer it to the FSCA for investigation

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QUESTION 41

Which of the following is an offence under FAIS s36?

A Deliberately making a false or misleading statement in an application under the Act

B Failing the RE5 more than three times

C Charging a fee that the client agreed to in writing

D Declining to recommend a product because none is appropriate

QUESTION 42

Thandi has passed the RE5 and completed her qualification. A neighbour asks her to advise on his investments on Saturdays, in her own name and for a fee paid to her privately. Ubuntu FA knows nothing about it. Which statement is correct?

A She may do so, because she now meets the competence requirements

B She may do so, provided she tells the neighbour that Ubuntu FA isn't involved

C She may not: a representative acts only for the FSP that appointed her and in its name, and advising in her own name would need her own licence

D She may do so, provided she keeps a record of advice

QUESTION 43

Six months after Pieter's appointment as a representative, his estate is sequestrated. Which statement about Ubuntu FA's options is correct?

A Ubuntu FA must debar him immediately, because insolvency shows dishonesty

B Ubuntu FA may allow him to continue only if it puts appropriate measures in place to reduce the risks to clients and to Ubuntu FA

C Nothing changes, because a representative's personal finances are never relevant

D He must stop until he is rehabilitated, and Ubuntu FA has no discretion

QUESTION 44

After an FSP debars a representative, it must notify the FSCA of the debarment within 5 days, and then give the FSCA the grounds and reasons within...

A 15 days

B 30 days

C 60 days

D 6 months

QUESTION 45

Under GCOC s3(1)(f), a provider must execute a client's reasonable requests or instructions as soon as reasonably possible, giving the client's interests...

A absolute priority over every other interest

B equal weight with the interests of the product supplier

C appropriate priority over any interests of the provider

D priority only where the client has paid a fee

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QUESTION 46

A man who says he is a representative of a licensed FSP phones Gogo Nomsa. Where can she check whether he really is one of that FSP's representatives?

A On the FAIS Ombud's list of determinations

B On the product supplier's list of policyholders

C On the Financial Intelligence Centre's register of accountable institutions

D On the FSCA's published central register of representatives, which is built from the information FSPs give it

QUESTION 47

Which statement about the disclosure of rebates and platform fees on an investment is correct?

A Both may be disclosed simply as "up to a stated percentage"

B Neither needs to be disclosed if the client receives a fund fact sheet

C A platform fee may be disclosed as "up to a stated percentage", but a rebate first given as a percentage needs a rand example, and rebates must be disclosed initially and at least annually

D A rebate needs to be disclosed only if the client asks

QUESTION 48

A representative resigns from Ubuntu FA owing it R12 000 under a study loan. A manager suggests telling him that he will be debarred unless he repays the loan. Which statement is correct?

A That would misuse debarment, which is a regulatory tool and not a way to settle contractual disputes; the loan is recovered through the normal channels

B It is acceptable, because unpaid debt is a material contravention of FAIS

C It is acceptable if the FSCA approves the debarment

D It is acceptable within six months of his resignation

QUESTION 49

The General Code defines "direct marketing". Which of the following is NOT direct marketing?

A Rendering a financial service to a client by telephone

B Rendering a financial service through a digital application platform

C Rendering a financial service by electronic mail

D Publishing an advertisement in a newspaper

QUESTION 50

Thandi notices that Ubuntu FA's register of representatives still lists a colleague who resigned two months ago. What is the correct position?

A Nothing needs to be done, because the FSCA updates the central register itself

B The register must be kept regularly updated, and representative changes must be reported to the FSCA within 15 days under the FSP 5 form and licence conditions, so Thandi should raise it with compliance

C Ubuntu FA must report the resignation to the FSCA as a debarment within 5 days

D The former colleague must apply to the FSCA to be removed

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Mock examination 2: answer sheet

Name _____ Date _____

Start time _____ Finish time _____

Shade one bubble per question in pencil, as on the real answer sheet. Mark it with the memorandum only after the full two hours.

1	A	B	C	D	18	A	B	C	D	35	A	B	C	D
2	A	B	C	D	19	A	B	C	D	36	A	B	C	D
3	A	B	C	D	20	A	B	C	D	37	A	B	C	D
4	A	B	C	D	21	A	B	C	D	38	A	B	C	D
5	A	B	C	D	22	A	B	C	D	39	A	B	C	D
6	A	B	C	D	23	A	B	C	D	40	A	B	C	D
7	A	B	C	D	24	A	B	C	D	41	A	B	C	D
8	A	B	C	D	25	A	B	C	D	42	A	B	C	D
9	A	B	C	D	26	A	B	C	D	43	A	B	C	D
10	A	B	C	D	27	A	B	C	D	44	A	B	C	D
11	A	B	C	D	28	A	B	C	D	45	A	B	C	D
12	A	B	C	D	29	A	B	C	D	46	A	B	C	D
13	A	B	C	D	30	A	B	C	D	47	A	B	C	D
14	A	B	C	D	31	A	B	C	D	48	A	B	C	D
15	A	B	C	D	32	A	B	C	D	49	A	B	C	D
16	A	B	C	D	33	A	B	C	D	50	A	B	C	D
17	A	B	C	D	34	A	B	C	D					

Score: _____ / 50 Pass mark: 33 (66%)

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Mock examination 3

50	2 h	33	0
questions, four options each	writing time	correct answers to pass (66%)	negative marking

- ✓ Closed book. Clear the desk except for pencil, eraser, ruler and the answer sheet at the end of this paper.
- ✓ Set a timer for 2 hours before you read Question 1. Stop when it rings.
- ✓ Choose one option per question. Answer every question: a blank earns nothing.
- ✗ Don't look at the answers, the lessons or your notes until the time is up.

QUESTION 1

When a client lodges documents of title with a provider, the provider must give the client written confirmation describing the documents well enough to identify them…

A within one business day
B within seven days
C immediately
D only if the client asks for it

QUESTION 2

Thandi now meets every minimum competence requirement for her products: experience, a recognised qualification, the RE5 and the required training. Which statement BEST describes her competence under BN 194/2017?

A She is competent by definition, and Ubuntu FA needn't consider the matter again
B She is competent until her next CPD cycle starts
C Meeting the minimums doesn't in itself prove competence: Ubuntu FA must be satisfied that she has adequate, appropriate and relevant skills, knowledge and expertise for the services she renders
D She is competent only once the FSCA issues her a certificate

---

QUESTION 3

Arrange these steps under FAIS s34 in the order in which they happen: (i) the FSCA publishes the declaration that the practice is undesirable; (ii) the FSCA publishes a notice of its intention to declare the practice undesirable, with its reasons; (iii) the FSCA directs an FSP that carried on the practice after the declaration to rectify what it caused; (iv) written representations on the proposed declaration reach the FSCA within 21 days.

A (ii), (iv), (i), (iii)
B (ii), (i), (iv), (iii)
C (i), (ii), (iv), (iii)
D (iv), (ii), (i), (iii)

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QUESTION 4

A client pays R80 000 into her investment through Ubuntu FA by electronic funds transfer. Ubuntu FA has no reason to suspect anything. Which FIC Act report does this payment require?

A A cash threshold report, because the amount exceeds R49 999.99

B A suspicious transaction report, because all large payments must be reported

C Both a cash threshold report and a suspicious transaction report

D None: an EFT isn't cash for the FIC Act, and nothing suspicious has arisen

QUESTION 5

Sipho has received Phase I approval as a compliance officer, but his Phase II approval for Ubuntu FA is still being considered. Ubuntu FA wants him to start monitoring its representatives next week. May he?

A Yes, because Phase I approval shows that he is fit and proper

B No: no one may render compliance services to an FSP without both Phase I and Phase II approval

C Yes, provided Ubuntu FA's key individual supervises him

D Yes, for up to twelve months while Phase II is pending

QUESTION 6

Mr Naidoo arrives late for his appointment and says he has only fifteen minutes. He hasn't asked to narrow the advice and hasn't refused any information. Which statement about the advice process is correct?

A Thandi may skip the information-gathering, provided she warns him that a full analysis couldn't be done

B Time pressure is one of the circumstances listed in GCOC s8(4)(a), so less information is needed

C Time pressure on its own doesn't reduce the information required, so Thandi should take the time needed, or arrange another meeting, before advising

D Thandi may advise, provided Mr Naidoo signs a waiver of his rights under the Code

QUESTION 7

Two directors of Kopano Wealth, Ms Mabuza and Mr Fourie, jointly manage its financial services business, each overseeing different classes. Can both be key individuals?

A Yes: a key individual manages or oversees the financial services activities either alone or together with other persons

B No: an FSP may have only one key individual

C Only the director who holds more shares

D Only if one of them is also the compliance officer

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QUESTION 8

During a compliance review, a representative tells Sipho Dlamini, Ubuntu FA's compliance officer, that a missing record of advice was "lost in the move", knowing that it was never made. Which statement is correct?

A Giving false or misleading information to an appointed compliance officer in the course of his duties is an offence under FAIS s36(c)

B It isn't an offence, because the compliance officer isn't a regulator

C It is only a breach of the General Code, which isn't an offence under any circumstances

D It is an offence only if the FSCA later asks for the record

---

QUESTION 9

The FSCA has granted Ubuntu FA a specific exemption from a FAIS requirement. Must Ubuntu FA tell its clients about it?

A No, exemptions are private arrangements between the FSP and the FSCA

B Only if a client asks whether Ubuntu FA holds any exemptions

C Only in its annual financial statements

D Yes: the existence of a specific exemption granted to the provider is part of the information it must disclose to clients

---

QUESTION 10

Johan left Ubuntu FA on 31 January. In March, Ubuntu FA finds that, while he was its representative, he had been forging clients' signatures. Which statement about debarring him is correct?

A Ubuntu FA can't debar him, because he is no longer its representative

B Ubuntu FA may start the debarment at any time within three years of discovering the forgery

C Ubuntu FA may debar him, because the conduct occurred while he was its representative, provided the debarment is commenced within six months of the date he ceased to be a representative

D Only the FSCA may act, because he resigned

QUESTION 11

After Mrs Naidoo has bought a policy, information that Ubuntu FA gave her earlier changes materially. The General Code requires the change to be disclosed…

A at the next annual review

B without delay

C only if she asks

D within 90 days

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QUESTION 12

Before signing, Lerato asks to see proof that Ubuntu FA is licensed. Thandi is meeting her at Lerato's shop and has no copy of the licence with her. What should Thandi do?

A Tell Lerato that quoting Ubuntu FA's FSP number is all the law requires

B Arrange for Ubuntu FA to make its licence available to Lerato within a reasonable time, and in any event give her the certified confirmation of her mandate before rendering any financial service

C Tell Lerato that only the FSCA may show an FSP's licence to a client

D Refuse to continue, because only clients who visit Ubuntu FA's office may see the licence

QUESTION 13

Pieter learns that a large client is about to instruct Ubuntu FA to buy a big block of a listed share. Before placing the client's order, he buys the same share for himself, expecting the price to rise. Which General Code rule does this breach?

A The rule that information must be in plain language

B The rule on immaterial financial interests

C The rule that a provider may not deal for its own benefit on the strength of advance knowledge of a client's transaction

D No rule, because Pieter used his own money

QUESTION 14

Gogo Nomsa can't read or write well and wants to take her unresolved complaint to the FAIS Ombud. How may she lodge it under the Ombud Council Rules (2024)?

A Only on the Ombud's signed written form, completed by her personally

B In any manner that reasonably conveys the complaint in comprehensible form, including orally

C Only through Ubuntu FA, which must forward it

D Only through an attorney

QUESTION 15

Which pairing of an outstanding requirement and the period a supervised representative has to meet it is correct under FSCA FAIS Notice 86 of 2018?

A Regulatory examination: within 12 months of the date of first appointment

B Class of business training: within 2 years of first appointment for the product

C Product-specific training: within 12 months of first appointment for the product

D Recognised qualification: within 6 years of first appointment for the product

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QUESTION 16

Lerato phones Ubuntu FA to complain about how her claim was handled. Consider the following statements about how Ubuntu FA must deal with the complaint:

i. The acknowledgement must give the handler's contact details, the expected timelines, and the internal escalation and ombud routes.

ii. Ubuntu FA may refuse to acknowledge the complaint until Lerato puts it in writing.

iii. The person who decides the complaint must be free of any conflict of interest and empowered to decide impartially.

iv. Ubuntu FA must not mention the ombud until its internal review is complete.

Which statements are correct?

A i and iii only

B i, ii and iii only

C ii and iv only

D iii and iv only

QUESTION 17

Under FAIS s8(8)(b), every business document, advertisement and other promotional material of a licensee must...

A carry a copy of the licence certificate

B be approved by the FSCA before use

C refer to the fact that a licence is held

D name the FSP's compliance officer

QUESTION 18

A new client wants to invest a large sum through Ubuntu FA but refuses to give any information about where the money comes from or what the relationship is for, which Ubuntu FA's RMCP requires for this type of client. What must Ubuntu FA do?

A Not establish the business relationship or conclude the transaction, and consider whether a suspicious transaction report must be made

B Accept the investment and note the refusal on the file

C Accept the investment, but automatically file a suspicious transaction report

D Accept the investment if the client signs an indemnity

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QUESTION 19

Consider the following statements about the FAIS framework:

i. FAIS applies in addition to other laws and doesn't replace them.

ii. Codes of conduct must aim to ensure that clients can make informed decisions and that their reasonable financial needs are appropriately and suitably satisfied.

iii. The Prudential Authority administers the FAIS Act and licenses FSPs.

iv. The FSB's former appeal board has been replaced by the Financial Services Tribunal.

Which statements are correct?

A i and iii only

B ii, iii and iv only

C iii and iv only

D i, ii and iv only

QUESTION 20

Under the FAIS definition, a recommendation of a financial nature to a client about a financial product is still advice even if...

A it was given by a person who is not appointed as a representative, in which case it becomes an intermediary service

B it doesn't result in any transaction being concluded

C it is given in a group setting, in which case it is excluded

D it is given by telephone, in which case it is direct marketing instead

---

QUESTION 21

Kopano Wealth's licence carries the standard condition about key individuals. Its only key individual for short-term insurance resigns. Pieter, the most senior representative in that class, offers to oversee the short-term business until a replacement is approved. What is the correct position?

A Pieter may oversee the business for up to 30 days while an application is prepared

B Pieter may oversee it, because seniority makes him a key individual by default

C Kopano Wealth may continue without a key individual for that class until its next licence review

D A new key individual may not take part in managing or overseeing the business until the FSCA approves him or her, so Kopano Wealth must apply for approval before Pieter acts in that role

---

QUESTION 22

A client asks whether her new insurance policy has a cooling-off period "under the General Code". Which answer is MOST accurate?

A The Code requires the provider to disclose whether cooling-off rights are offered and how to exercise them; it doesn't create a cooling-off period itself

B Yes: every financial product has a 30-day cooling-off period under the Code

C Yes: every product has a 14-day cooling-off period under the Code

D No: cooling-off rights don't exist for any financial product

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QUESTION 23

Under GCOC s9(2), where a record of advice is required, the client must be given a copy of it...

A within 30 days of the advice
B only if the client asks for one
C in writing
D only when the advice was to replace a product

QUESTION 24

The FSCA publishes a notice of its intention to declare undesirable a practice that Ubuntu FA uses when selling funeral cover. Which response is BEST?

A Stop the practice immediately, because publication of the notice prohibits it
B Ignore the notice, because only a client complaint can make a practice undesirable
C Check where the practice is used, consider making written representations within 21 days of publication, and plan to stop it if a declaration follows
D Continue the practice and wait for the FSCA to direct Ubuntu FA to rectify

QUESTION 25

Where a client will pay the provider a fee for a financial service, the provider must disclose the amount, frequency and payment method, the services given in return, and the client's right to end the fee and its consequences, and must, wherever feasible, put this in...

A a written agreement
B an advertisement
C the product supplier's policy schedule
D the record of advice only

QUESTION 26

Ubuntu FA debarred a representative last month. Which statement about his position is incorrect?

A He may not render financial services
B He may not act as a representative of any FSP until the reappointment requirements are met
C He may not act as a key individual of a representative of any FSP until those requirements are met
D He may act at once as a representative of a different FSP, because the debarment binds only Ubuntu FA

QUESTION 27

Ubuntu FA is licensed for long-term insurance and participatory interests in collective investment schemes. Clients start asking for advice on crypto assets. Which statement is correct?

A Crypto assets are their own product subcategory, so Ubuntu FA must apply to have its licence amended to include them before advising on them
B Crypto assets are covered automatically, because they are investments
C Crypto assets aren't financial products, so no licence is needed
D Ubuntu FA may advise on them if its representatives tell clients the products are unregulated

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QUESTION 28

Two clients phone Ubuntu FA. Client X asks, "When will my claim be paid?" Client Y says, "My claim was delayed because your office lost my forms, and I had to take a loan to pay the funeral costs." Which statement BEST classifies the calls?

A Both are complaints, because both concern a claim

B Both are queries, because neither caller used the word "complaint"

C X is a client query; Y is a complaint, because she expresses dissatisfaction and alleges maladministration that caused her harm

D Y is a complaint only if she confirms it in writing

QUESTION 29

Karoo Cover (Pty) Ltd is a juristic representative of Ubuntu FA. Its employee Neo meets clients and advises them on funeral policies. What is Neo's status under FAIS?

A He needs no appointment, because Karoo Cover is already appointed

B He is a key individual of Ubuntu FA

C He must hold his own FSP licence

D He is a representative in his own right, so Ubuntu FA must appoint him and enter him on its register

---

QUESTION 30

To cut costs, Ubuntu FA plans to give up its office and run the business from a post office box and the key individual's cellphone. Which fit and proper requirement would this breach?

A The requirement that an FSP must at all times have a fixed physical business address from where the business is operated or controlled

B None, because the FSP's licence number stays the same

C The requirement that every representative must work from the FSP's office

D The requirement to display the licence at the key individual's home

---

QUESTION 31

Thandi's quote for a life policy says only that "premiums increase by 8% a year". Which statement is correct?

A That is enough, because the escalation rate tells the client everything she needs

B She needs to show the amounts for the next two years only

C She must show the amounts until the client turns 65, whatever the policy term

D She must give the amount of the increased premium for the first five years and then on a five-year basis, up to twenty years

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QUESTION 32

Sello was debarred by his former FSP 14 months ago for dishonesty. A client's complaint about his advice is still unresolved, and he now meets the honesty and competence requirements again. Another FSP wants to reappoint him. Which statement is correct?

A It may reappoint him, because 12 months have passed since the debarment

B It may reappoint him, because the debarment applied only to his former FSP

C It may reappoint him once the FSCA approves the reappointment

D It may not reappoint him yet, because the pending complaint must first be resolved; the 12-month period is only one of the requirements

---

QUESTION 33

Ubuntu FA's marketing team designs a newspaper advert for a unit trust: "Invest R500 a month and retire with R2.4 million!" The R2.4 million depends on assumed future market returns. Which statement is correct?

A The advert is acceptable if it adds "for illustrative purposes only"

B The figure may not appear in the advert, because a projected benefit that depends on future unknown investment performance isn't allowed, except to show the benefits of saving generally

C The advert is acceptable because the marketing team, not Ubuntu FA, wrote it

D The advert is acceptable if a past-performance table is added

---

QUESTION 34

Ubuntu FA uses an outside storage company to keep its FIC Act client records. An audit finds that the company lost several clients' verification records. Who is liable for the failure under the FIC Act?

A Only the storage company, because it agreed to keep the records

B Nobody, because the records were outsourced with the FSCA's knowledge

C Ubuntu FA, the accountable institution, which remains liable for the third party's failure

D The client, who should have kept copies

QUESTION 35

Another FSP wants to recruit Pieter, an experienced representative who advises on Category I products, and offers him a R50 000 sign-on bonus. Which statement BEST describes the position?

A The bonus is allowed if it is disclosed to Pieter's clients

B The bonus is allowed because it is paid by an FSP, not a product supplier

C The bonus is allowed if it is spread over twelve months

D The bonus isn't allowed: no one may offer a sign-on bonus to become a Category I provider authorised or appointed to give advice, except to a new entrant

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QUESTION 36

Ubuntu FA sends a representative a notice of its intention to debar him. The notice gives the grounds, the reasons and a date by which he may respond, but Ubuntu FA doesn't attach its debarment policy. Which statement is correct?

A The notice is sufficient, because the policy is an internal document

B The process is defective: before debarring, the FSP must give the person a copy of its debarment policy and procedure, together with the notice and a reasonable opportunity to respond

C The notice is defective, because the FSP must also hold an oral hearing

D The notice is defective, because the FSCA must approve it first

QUESTION 37

Which statement about the reach of a declaration under FAIS s34 is incorrect?

A A declaration may apply to all FSPs

B A declaration may apply to a category of FSPs

C A declaration may apply to one named FSP

D A declaration binds only the FSPs in its scope, not their representatives

QUESTION 38

Thandi has been assessed as competent and stops working under supervision on 3 June. What must Ubuntu FA do about the registers?

A Update its representative register, the central register and its competence register within 15 days after she ceases to render services under supervision

B Nothing, because supervision status isn't recorded on any register

C Notify the FSCA within 5 days, as for a debarment

D Wait until her next CPD cycle to update the registers

QUESTION 39

Pieter is appointed by Ubuntu FA for health service benefits and long-term insurance. His accreditation as a broker under the Medical Schemes Act lapses because it isn't renewed. What follows for his health service benefits work?

A He may not remain appointed for health service benefits until he is accredited again

B He may continue, because Ubuntu FA's FAIS licence is still valid

C He is automatically debarred from all financial services

D Ubuntu FA's FAIS licence lapses

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QUESTION 40

Neo is employed by Karoo Cover (Pty) Ltd, a juristic representative of Ubuntu FA, and is appointed as a representative. Before advising a new client, in whose name must he act, and who certifies his mandate confirmation?

A In Karoo Cover's name; the FSCA certifies the confirmation

B In his own name; Karoo Cover certifies the confirmation

C In Ubuntu FA's name; Ubuntu FA, the FSP, certifies the confirmation that the mandate exists and that it accepts responsibility for his activities within it

D In Ubuntu Life's name, because it issues the product

QUESTION 41

Consider the following statements about the FSCA's tools when an FSP carries on a declared undesirable practice:

i. The FSCA may direct the FSP to rectify, to its satisfaction, anything caused by or arising out of the practice.

ii. An administrative penalty imposed by the FSCA is paid to the clients who were harmed.

iii. The FSCA may make a debarment order against a natural person who materially contravened a financial sector law, after giving that person a draft order and at least one month to make submissions.

iv. An administrative penalty can be imposed even after a prosecution of the same person on the same facts has started.

Which statements are correct?

A i and ii only

B i and iii only

C ii and iv only

D i, iii and iv only

QUESTION 42

Consider the following statements about reporting under the FIC Act:

i. A suspicious transaction report may be required even if the amount is small.

ii. A cash payment above R49 999.99 that is also suspicious needs both a cash threshold report and a suspicious transaction report, each with its own deadline.

iii. Since November 2022, several smaller cash payments by one client must be added together and reported as one cash threshold aggregation report.

iv. An employee who reports a suspicion internally under the RMCP has a defence to a charge of failing to report.

Which statements are correct?

A i and iii only

B i, ii and iv only

C ii, iii and iv only

D iii and iv only

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QUESTION 43

The FSCA learns that Ubuntu FA's key individual no longer meets the honesty and integrity requirements. Which statement BEST describes what can happen to the licence?

A The licence is cancelled automatically on the day the FSCA learns of it

B Nothing can happen to the licence, because only the key individual is affected

C The FSCA must withdraw the licence without hearing Ubuntu FA

D The FSCA may suspend or withdraw the licence after notice and an opportunity to respond, or impose conditions; an FSP that removes the person and gets a replacement approved may keep operating

---

QUESTION 44

Thandi, a supervised representative, moves to Ubuntu FA's telephone sales team. Does her duty to disclose that she works under supervision still apply on the phone?

A No: direct marketers are excluded from all supervision disclosures

B Yes: the Notice 86 disclosure condition applies to the supervised representative whatever the channel

C Only if the client asks who her supervisor is

D Only in the written documents sent after the sale

QUESTION 45

Thandi is double-booked. She asks her husband, who isn't employed by Ubuntu FA or appointed as a representative, to meet one of her clients and take him through the investment options. What is wrong with this?

A Her husband would be rendering financial services without being appointed by an authorised FSP, and a representative may not sub-delegate the financial services she renders

B Nothing, provided Thandi signs the record of advice herself

C Nothing, provided the client agrees in writing

D It is wrong only because her husband hasn't passed the RE5

QUESTION 46

Which of the following would be advice, rather than factual advice given merely?

A Explaining to a client the procedure for submitting a claim

B Describing in general terms how a retirement annuity works, without any recommendation

C Telling a client on which date her monthly debit order runs

D Telling a client which of two funeral plans better suits her budget

---

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QUESTION 47

Ubuntu FA sells funeral cover by cold-calling. A client later disputes what she was told on a call that did not end in a sale. Which statement is correct?

A Ubuntu FA needs no recording, because the policy schedule confirms what was agreed

B Ubuntu FA had to record only the calls that ended in a sale

C Ubuntu FA had to record the call, because a direct marketer records all telephone conversations with clients in the course of direct marketing, and must make recordings available to the client on request

D Ubuntu FA had to record the call only if the client had consented to recording in writing

---

QUESTION 48

Pieter resigns from Ubuntu FA with several client applications still in progress. Who must deal with his clients and outstanding business, and how?

A Ubuntu FA must immediately take reasonable steps to notify the affected clients and ensure the outstanding business is completed or transferred to Ubuntu FA or another of its representatives

B Pieter must notify his clients and take his outstanding business with him to his new FSP

C The clients must find a new adviser themselves; Ubuntu FA has no duty

D The product suppliers must cancel the applications

QUESTION 49

Mrs Naidoo complains to the FAIS Ombud that her unit trust fell 12% in a market downturn. Thandi had advised her properly, explained the risks, and given no guarantee, and there is no sign of misrepresentation, negligence or maladministration. How is the Ombud likely to treat the complaint?

A It will uphold it, because she lost money

B It falls outside the Ombud's jurisdiction, because complaints purely about investment performance are excluded unless performance was guaranteed or there is an indication of misrepresentation, negligence or maladministration

C It will refer the complaint to the FSCA, because the FSCA compensates investors

D It will order Ubuntu FA to make up the loss if Mrs Naidoo is elderly

---

QUESTION 50

Which statement about dismissal and debarment is correct?

A A dismissal for misconduct automatically debars the representative

B They are separate decisions: a dismissal doesn't by itself debar anyone, and a resignation doesn't end the FSP's power and duty to debar where s14 applies

C An FSP can debar a representative only after first dismissing him

D A representative who resigns before a debarment process starts can never be debarred

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Mock examination 3: answer sheet

Name _____ Date _____

Start time _____ Finish time _____

Shade one bubble per question in pencil, as on the real answer sheet. Mark it with the memorandum only after the full two hours.

1	A	B	C	D	18	A	B	C	D	35	A	B	C	D
2	A	B	C	D	19	A	B	C	D	36	A	B	C	D
3	A	B	C	D	20	A	B	C	D	37	A	B	C	D
4	A	B	C	D	21	A	B	C	D	38	A	B	C	D
5	A	B	C	D	22	A	B	C	D	39	A	B	C	D
6	A	B	C	D	23	A	B	C	D	40	A	B	C	D
7	A	B	C	D	24	A	B	C	D	41	A	B	C	D
8	A	B	C	D	25	A	B	C	D	42	A	B	C	D
9	A	B	C	D	26	A	B	C	D	43	A	B	C	D
10	A	B	C	D	27	A	B	C	D	44	A	B	C	D
11	A	B	C	D	28	A	B	C	D	45	A	B	C	D
12	A	B	C	D	29	A	B	C	D	46	A	B	C	D
13	A	B	C	D	30	A	B	C	D	47	A	B	C	D
14	A	B	C	D	31	A	B	C	D	48	A	B	C	D
15	A	B	C	D	32	A	B	C	D	49	A	B	C	D
16	A	B	C	D	33	A	B	C	D	50	A	B	C	D
17	A	B	C	D	34	A	B	C	D					

Score: _____ / 50 Pass mark: 33 (66%)

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Mock examination 4

50	2 h	33	0
questions, four options each	writing time	correct answers to pass (66%)	negative marking

- ✅ Closed book. Clear the desk except for pencil, eraser, ruler and the answer sheet at the end of this paper.
- ✅ Set a timer for 2 hours before you read Question 1. Stop when it rings.
- ✅ Choose one option per question. Answer every question: a blank earns nothing.
- ❌ Don't look at the answers, the lessons or your notes until the time is up.

QUESTION 1

Thandi will earn a bonus from Ubuntu FA if she places a set number of Ubuntu Life policies this quarter. She tells her manager, "It's fine, I'll just tell clients about it." Which response is BEST?

A She is right: disclosing the bonus to clients deals with the conflict completely

B The bonus is fine, because conflicts of interest arise only once a recommendation is made

C The bonus is fine if each client signs a waiver

D Disclosure doesn't replace the duty to avoid the conflict or, where avoidance isn't possible, to mitigate it; and an incentive for preferring a particular supplier's products isn't allowed at all

---

QUESTION 2

A man who isn't licensed and isn't anyone's representative arranges a funeral policy for Gogo Nomsa with a registered insurer. Which statement BEST describes the policy?

A It is void, because it was arranged by an unauthorised person

B It isn't unenforceable between the insurer and Gogo Nomsa merely because the intermediary wasn't authorised, but the man has contravened FAIS

C It is valid only if the FSCA ratifies it

D It is voidable at the insurer's option, without any refund of premiums

---

QUESTION 3

A representative resigns from Ubuntu FA for family reasons. Nothing suggests misconduct. How should Ubuntu FA treat the change on its register and in what it reports to the FSCA?

A As a debarment, notified to the FSCA within 5 days

B As a debarment, with grounds and reasons within 15 days

C As a termination of the appointment, not a debarment, because a normal resignation isn't debarment

D It needn't record the change, because the FSCA updates the central register itself

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QUESTION 4

An FSP that is an accountable institution under the FIC Act must register with the Financial Intelligence Centre. A new business that falls within Schedule 1 when it opens must register within...

A 90 days of the day the business opened
B 15 days of the day the business opened
C 12 months of the day the business opened
D 30 days after its FAIS licence is granted

QUESTION 5

The key individual for short-term insurance at Tshepo Wealth Services (Pty) Ltd resigns with immediate effect. Consider the following statements:

i. The FSP must have at least one approved key individual for each class of business it carries on.
ii. Having no approved key individual is a ground on which the FSCA may suspend or withdraw the licence.
iii. FAIS gives the FSP 30 days to replace the key individual before any consequence can follow.
iv. If the licence carries the s8(4)(b) condition, the most senior short-term representative may manage the business while the new key individual's approval is pending.

Which statements are correct?

A i, ii and iii only
B i and ii only
C ii and iv only
D iii and iv only

QUESTION 6

When the client is an entity such as an employer or a retirement fund, the advice must also take into account...

A only the needs of the entity's directors or trustees
B the needs of the product supplier
C the needs of the employee who signs the documents
D the reasonably identified collective needs and circumstances of its members or employees

---

QUESTION 7

Which statement about the display and production of an FSP's licence is incorrect?

A Every representative must carry a certified copy of the licence to show clients
B A certified copy must be displayed prominently and durably within every business premises
C The licence must be available to a person entitled to see it, immediately or within a reasonable time
D All business documentation and advertisements must refer to the fact that a licence is held

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QUESTION 8

An investment platform emails Mr Naidoo his quarterly portfolio report. Under a heading "What we suggest", it says, "Given your goals, consider switching your money-market holding into our balanced fund." How is the report treated under FAIS?

A It is excluded from advice, because it is an analysis or report

B It is an intermediary service only, because it was sent electronically

C It is advertising, because it mentions the platform's own fund

D It is advice, because a report is excluded only if it contains no express or implied recommendation that a transaction suits the client

QUESTION 9

An FSP or representative who carries on a practice after the FSCA has published a declaration that it is undesirable...

A commits no offence until the FSCA directs the FSP to rectify

B commits an offence only if a client loses money

C may continue for 60 days after the declaration

D contravenes FAIS s34(4), which is an offence under FAIS s36(a)

QUESTION 10

An independent intermediary collects short-term insurance premiums for an insurer and complies with Short-term Insurance Act s45. Which statement BEST describes how the General Code's custody rules apply to those premiums?

A None of the custody rules in GCOC s10 apply to them

B The separate-account rule in s10(1)(d) doesn't apply, but the rest of s10 still does

C All of s10 applies, including the separate-account rule

D The exception applies only to long-term reinsurance premiums

QUESTION 11

Which persons may an FSP debar under FAIS s14?

A Its representatives, its juristic representatives and its own key individuals

B Its current or former representatives, and the key individuals of its representatives

C Any natural person who has contravened a financial sector law

D Only representatives who are its employees

QUESTION 12

Which of the following is NOT part of the identity and contact information a provider must give a client under GCOC s5(a)?

A Its full business and trade names and registration number

B Its postal and physical addresses

C Its telephone, internet and e-mail details, and contact persons or offices

D The home addresses of all its representatives

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QUESTION 13

During a review, Sipho finds that Ubuntu FA has been backdating records of advice. Ayesha asks him to "keep this between us" and fix it quietly, because Ubuntu FA pays his fees. What must Sipho do?

A Report the material irregularity to the FSCA in writing, as well as reporting to Ubuntu FA, because the reporting duty applies despite any confidentiality obligation

B Agree, because his first duty is to his client, Ubuntu FA

C Resign without saying anything, so that he isn't involved

D Report it only to the FAIS Ombud

QUESTION 14

Ubuntu Life tells Ubuntu FA that its representatives may no longer sell a particular rider benefit. Where appropriate, the General Code requires Ubuntu FA to disclose to clients...

A nothing, because the restriction is a private contractual matter

B only the name of the person at Ubuntu Life who made the decision

C the restriction only if a client asks

D any restrictions the product supplier places on the financial services the provider may render

---

QUESTION 15

Ubuntu Life rejects Gogo Nomsa's funeral claim because it says a waiting period hadn't ended. She has no complaint about Thandi's advice; she disputes only Ubuntu Life's reading of the policy. Where should she take her complaint if Ubuntu Life doesn't resolve it?

A To the FAIS Ombud, because the policy is a financial product

B To the FSCA, which will order Ubuntu Life to pay

C To the National Financial Ombud Scheme, the industry ombud for insurers, after Ubuntu Life's own complaints process

D Straight to the Financial Services Tribunal

QUESTION 16

Sizwe isn't appointed by any FSP. He tells clients that Pieter, a representative of Ubuntu FA, has appointed him to sell funeral cover on Pieter's behalf. Which statement is correct?

A Claiming authority to render financial services on the basis of an appointment by another representative is an offence under FAIS s36(d)

B It is lawful, because Pieter is an appointed representative

C It is an offence only if Pieter receives commission

D It is a breach of the General Code only, with no criminal consequence

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QUESTION 17

Mpho last advised clients on share portfolios in March 2021 and has since worked only on short-term insurance. If he doesn't advise on share portfolios again, when does his experience for that service and product lapse?

A In March 2026, after five consecutive years without rendering that service on that product

B Five years after he first gained that experience, whenever that was

C Never, because experience gained once is permanent

D In March 2031, ten years after he stopped

QUESTION 18

FAIS s18 requires an FSP to keep records of complaints, cancellations and cases of non-compliance "for a minimum of five years". From what event does s18 say the five years run?

A From the date each record was created

B From the end of the FSP's financial year

C The section doesn't state a starting event, so the FSP's documented policy must set one that keeps each record for at least five years

D From the date the client's product terminates

QUESTION 19

Ubuntu FA decides to close its business. Which statement correctly describes its duty to clients under GCOC s20(b)?

A It may simply stop operating, because clients can find their own advisers

B Each representative must personally transfer his own clients to a new FSP

C It must keep servicing every client for a year after closing

D It must immediately notify all affected clients and take reasonable steps to complete outstanding business promptly or transfer it to another provider

QUESTION 20

In an urgent case, the FSCA provisionally suspends the licence of a broker that was licensed under FAIS s8(7) because of its Medical Schemes Act accreditation. Which statement describes the position while the provisional suspension lasts?

A The broker may carry on, because only a final suspension has any effect

B The accreditation is deemed withdrawn, but the broker may carry on under FAIS

C The accreditation is deemed suspended, and the broker is regarded as not authorised to act as an FSP

D Nothing changes until the Council for Medical Schemes holds its own hearing

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QUESTION 21

Ubuntu FA keeps its FIC Act client records only on its document system. Under FIC Act s24(4), records in electronic form are acceptable if...

A they are capable of being reproduced in a legible format

B they are also printed and filed each year

C the FSCA has approved the software used

D they are stored only on the institution's own servers

QUESTION 22

Consider the following services at Ubuntu FA:

i. Recommending that Mrs Naidoo start a retirement annuity is advice.

ii. Processing, on a client's instruction and without comment, a switch between two unit trust funds is an intermediary service.

iii. A bank that only collects funeral premiums by debit order, acting merely as a conduit, renders an intermediary service in doing so.

iv. Sending a client a valuation statement with no recommendation is advice, because it relates to a financial product.

Which statements are correct?

A i, ii and iv only

B ii and iii only

C i and ii only

D i, ii, iii and iv

QUESTION 23

Ubuntu FA's key individual is under investigation, and its licence carries the standard condition about key individuals who no longer comply. The FSCA hasn't suspended or withdrawn the licence. Thandi asks whether she may keep serving her clients. What is the correct answer?

A No: she must stop as soon as any key individual is investigated

B No: she is automatically debarred with the key individual

C Yes: while the licence isn't suspended or withdrawn, she may keep rendering services within her appointment, although the key individual may be barred from managing the business until the FSCA approves him again

D Yes, but only intermediary services, not advice

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QUESTION 24

Nomvula has worked under Pieter's supervision for 18 months and knows the product well, but she hasn't yet passed the RE5. Ubuntu FA wants her to supervise a new recruit for the same product. May she?

A Yes, because 18 months is more than the minimum experience period

B Yes, provided Pieter supervises both of them

C Yes, if the recruit agrees in writing

D No: a supervisor must meet the competency requirements for the relevant services and products, and a supervised representative by definition doesn't

---

QUESTION 25

To settle Gogo Nomsa's complaint, Ubuntu FA (i) pays her funeral claim, which was contractually due, (ii) adds interest for the three weeks it was paid late, and (iii) pays her R500 "as a gesture" without accepting that it caused her any loss. How does the General Code classify these payments?

A (i) is neither a compensation nor a goodwill payment; (ii) is a compensation payment; (iii) is a goodwill payment

B All three are compensation payments

C (i) is a compensation payment; (ii) and (iii) are goodwill payments

D (iii) is a compensation payment, because paying it admits fault

---

QUESTION 26

Thandi wonders whether she needs her own professional indemnity cover before she starts advising clients for Ubuntu FA. What is the correct position?

A Yes: every representative must hold PI cover in her own name

B No: the duty to maintain guarantees or PI or fidelity cover sits with the provider, and representatives are excluded

C Yes, but only if she handles client money

D No, because no FSP needs PI cover

QUESTION 27

Three years ago the FSCA made a debarment order against Zanele under FSR Act s153, for a period of five years. She has since completed a recognised qualification and wants to return to the industry sooner. What may she do?

A Apply to the FSCA to reduce the period of the order or to revoke it

B Ask the FAIS Ombud to set the order aside

C Nothing: an FSCA debarment order can never be changed

D Start working again, because orders automatically end after 12 months

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QUESTION 28

Mr Naidoo hasn't asked about the past performance of a fund Thandi is recommending. Thandi wants to show him a past-performance table anyway. Which statement is correct?

A She must always give past performance, whether he asks or not

B She may not mention past performance at all

C Past performance is given on request, with a warning that it isn't necessarily indicative of future performance; if she chooses to use it, the Code's conditions for using it apply

D She may show it without any warning, because he didn't ask for it

QUESTION 29

Ubuntu FA's back-office clerk captures application forms exactly as completed and checks them against a fixed checklist. She never speaks to clients about products. Which statement is correct?

A She can fall within the subordinate-administration exclusion from the definition of representative, but the processing remains an intermediary service rendered by Ubuntu FA

B She is a representative and must be appointed and on the register

C Her work isn't a financial service at all

D Ubuntu FA doesn't need a licence for the work she does

QUESTION 30

Thandi prepares a personalised illustration for the Naidoos showing what their education plan might be worth in 15 years. Which statement about the illustration is correct?

A Illustrations are banned in all communications with clients

B It must state its assumptions, make clear that it is not guaranteed and is for illustrative purposes only, disclose any dependence on underlying assets or market factors, and warn of the risks

C It needs no warnings, because it is prepared for one client and isn't an advertisement

D It must show a guaranteed amount at maturity

QUESTION 31

Ubuntu FA's licence covers long-term insurance and short-term personal lines, but not short-term commercial lines. Lerato asks Thandi to arrange cover for her company's fleet of delivery trucks, a commercial lines product. What should Thandi do?

A Arrange it, because Ubuntu FA is licensed for short-term insurance

B Arrange it through Ubuntu FA and ask the FSCA to amend the licence afterwards

C Not arrange it through Ubuntu FA, explain why, and suggest that Lerato use an FSP licensed for commercial lines

D Arrange it in her own name, because Ubuntu FA's licence doesn't cover it

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QUESTION 32

The FAIS Ombud makes a final determination ordering Ubuntu FA to pay Lerato R396 000. Ubuntu FA believes the Ombud misread the facts and wants the determination reconsidered. What is the first step?

A Apply to the Financial Services Tribunal within 60 days, with no other step required

B Ask the Ombud for leave to have the determination reconsidered; if leave is refused, ask the Tribunal Chairperson for permission, and then apply within the time limit

C Appeal to the FSB Appeal Board

D Ask the FSCA to set the determination aside

QUESTION 33

Which statement about an FSP's debarment under FAIS s14 is incorrect?

A It is a regulatory decision that the FSP must take if the s14 grounds are met

B The FSCA reviews and approves each FSP debarment before it takes effect

C The FSCA records it on its published register of debarred persons

D It is separate from any decision under employment law

QUESTION 34

A prospective client's husband is a senior official of a foreign government, and the couple want to invest a large sum through Ubuntu FA. Ubuntu FA's screening shows that the prospective client is an immediate family member of a foreign politically exposed person. What does the FIC Act require before Ubuntu FA takes her on?

A Nothing extra, because she isn't the official herself

B Enhanced measures only if her RMCP risk rating is high

C A refusal, because family members of foreign PEPs may not be clients

D Senior management approval, reasonable measures to establish her source of wealth and source of funds, and enhanced ongoing monitoring of the relationship

---

QUESTION 35

Ubuntu FA's new brochure describes its range as "FSCA-approved products". Which statement is correct?

A It is accurate, because Ubuntu FA holds an FSCA licence

B It is accurate if the products are issued by licensed insurers

C It is misleading: a licence authorises Ubuntu FA to render certain services in certain product categories; it isn't an endorsement of products, and a provider may not imply regulation or approval that doesn't exist

D It is acceptable puffery

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QUESTION 36

A practice clearly prejudices clients. What else must the Authority consider under FAIS s34(2) before declaring it undesirable?

A Whether the FAIS Ombud has received at least ten complaints about it

B Whether competing FSPs have objected to it

C Whether, if the practice is allowed to continue, one or more objects of FAIS will, or are likely to, be defeated

D Whether the practice has already caused a client a financial loss

---

QUESTION 37

When Pieter joined Ubuntu FA, he didn't mention that his previous employer had found him guilty of misconduct involving client money. Ubuntu FA has now found out. Which statement is correct?

A It doesn't matter, because the finding was made by a different FSP

B His failure to disclose is itself a listed matter; Ubuntu FA must assess the facts and, if satisfied that he no longer meets the fit and proper requirements, must debar him after a fair process

C Ubuntu FA must dismiss him immediately, and dismissal is the same as debarment

D Ubuntu FA must report him to the FAIS Ombud

QUESTION 38

Which statement correctly describes how GCOC s11 (controls to prevent losses to clients) and GCOC s12 (internal control objectives) apply to a representative?

A Neither section applies to representatives

B Section 11 contains no representative exclusion, but s12 expressly excludes representatives

C Both sections apply to representatives in full

D Section 12 applies to representatives, but s11 doesn't

QUESTION 39

Ubuntu FA is reviewing its record-keeping procedures. Consider the following proposals:

i. Destroy each client file five years after it was opened.

ii. Keep records of advice for at least five years after the product ends, to Ubuntu FA's knowledge.

iii. Correct an error in a record by adding a dated note, not by overwriting the original.

iv. Keep ID copies obtained for customer due diligence for at least five years after the business relationship ends.

Which proposals comply with the law?

A i and ii only

B i, iii and iv only

C ii and iv only

D ii, iii and iv only

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QUESTION 40

Ubuntu FA charges Mrs Naidoo an ongoing advice fee of 0.5% a year, which the investment platform deducts from her investment and pays to Ubuntu FA. How must this be disclosed?

A As a fee the client pays, directly or indirectly, with its amount, frequency and payment method, the services in return and her right to end it, in a written agreement wherever feasible

B As commission from a product supplier only

C It needn't be disclosed, because the platform deducts it

D Only as a percentage, because a rand amount can't be calculated

QUESTION 41

The FSCA intends to make a debarment order against a representative who materially contravened a financial sector law. Arrange these steps in order: (i) the FSCA makes the debarment order; (ii) the FSCA gives the person a draft of the order with its reasons; (iii) FSPs informed of the order remove the person from their registers within 5 days; (iv) the person has at least one month to make submissions on the draft.

A (i), (ii), (iv), (iii)

B (ii), (i), (iv), (iii)

C (ii), (iv), (i), (iii)

D (iv), (ii), (i), (iii)

QUESTION 42

Ubuntu FA wants its sister company, Ubuntu Holdings (Pty) Ltd, to be approved as its key individual. Is this possible?

A Yes, if the company has the right qualifications

B Yes, if the company holds most of Ubuntu FA's shares

C Yes, if the FSCA agrees

D No: a key individual must be a natural person

QUESTION 43

Musa was debarred by Ubuntu FA and has applied to the Financial Services Tribunal for reconsideration. The Tribunal hasn't made any order yet. A former client asks him for advice on her policy. What should Musa do?

A Decline: the debarment remains in force unless the Tribunal orders a suspension, so he may not render financial services

B Advise her, because the debarment is suspended while his application is pending

C Advise her, provided he doesn't charge a fee

D Advise her, provided he tells her about his application

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QUESTION 44

Where the FSCA issues a directive urgently, without first following the full consultation process, the person who receives it may make submissions...

A within 21 days after the directive is published

B within one month after being given the statement of reasons

C only to the FAIS Ombud

D only after complying with the directive for 60 days

QUESTION 45

Mr Naidoo asks Thandi to advise him on an offshore unit trust fund that isn't registered for sale in South Africa but is essentially similar to a local collective investment scheme. Is it a financial product under FAIS?

A No, because the product supplier isn't regulated in South Africa

B No, because only products listed in paragraphs (a) to (g) of the definition count

C Yes, but only if the FSCA has approved the fund

D Yes: a foreign product that is essentially similar to a listed financial product is itself a financial product

---

QUESTION 46

Consider the following FIC Act reporting periods, all counted in days excluding Saturdays, Sundays and public holidays:

i. A terrorist property report under s28A: within 5 days.

ii. A suspicious or unusual transaction report under s29: within 15 days of becoming aware of the facts.

iii. An international funds transfer report under s31: within 3 days.

iv. A cash threshold report under s28: within 15 days.

Which periods are correct?

A i, ii and iii only

B ii and iv only

C i and iv only

D i, ii, iii and iv

QUESTION 47

After investigating, Ubuntu FA decides to reject Lerato's complaint. What must its final response contain?

A Only the decision, because reasons could be used against Ubuntu FA at the Ombud

B The decision and an offer of a goodwill payment

C Clear and adequate reasons for the decision, and details of her escalation routes, including the ombud, how to use them and any time limits

D A form for Lerato to sign accepting the decision

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QUESTION 48

Ubuntu FA's sales team phones elderly clients repeatedly and tells them a "special price" ends today, although it doesn't. The FSCA hasn't declared this practice undesirable. Which statement is MOST accurate?

A The practice is lawful until the FSCA declares it undesirable

B Only the FSCA can stop the practice, so Thandi should say nothing

C The practice is lawful because the clients may still say no

D Even without a declaration, the practice can breach the General Code's duties to act honestly and fairly and not to mislead; Thandi should test it against s34(2), refuse to use it and escalate it

---

QUESTION 49

Ubuntu FA's marketing team drafts a radio advert for its funeral plan. Consider the following proposals:

i. Say "Our funeral plan is R20 a month cheaper than Brand X's" without checking whether the two plans have the same cover and waiting periods.

ii. Say the plan's advice service is "free", although its cost is built into the premium.

iii. Describe the plan in a balanced way that doesn't mislead the average listener it targets.

iv. Make sure that the advert, though written by an outside agency, complies with the Code before it is broadcast.

Which proposals comply with the General Code?

A i and iii only

B iii and iv only

C ii, iii and iv only

D i, ii, iii and iv

QUESTION 50

Thandi was assessed as competent and stopped working under supervision last month. Ubuntu FA has updated its registers. Which statement about her supervision disclosure is correct?

A She no longer has to tell new clients that she renders services under supervision, because that is no longer true

B She must keep telling clients she is supervised for another 12 months

C She must write to all her past clients to withdraw the disclosure

D She must still disclose it until her next CPD cycle starts

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Mock examination 4: answer sheet

Name _____ Date _____

Start time _____ Finish time _____

Shade one bubble per question in pencil, as on the real answer sheet. Mark it with the memorandum only after the full two hours.

1	A	B	C	D	18	A	B	C	D	35	A	B	C	D
2	A	B	C	D	19	A	B	C	D	36	A	B	C	D
3	A	B	C	D	20	A	B	C	D	37	A	B	C	D
4	A	B	C	D	21	A	B	C	D	38	A	B	C	D
5	A	B	C	D	22	A	B	C	D	39	A	B	C	D
6	A	B	C	D	23	A	B	C	D	40	A	B	C	D
7	A	B	C	D	24	A	B	C	D	41	A	B	C	D
8	A	B	C	D	25	A	B	C	D	42	A	B	C	D
9	A	B	C	D	26	A	B	C	D	43	A	B	C	D
10	A	B	C	D	27	A	B	C	D	44	A	B	C	D
11	A	B	C	D	28	A	B	C	D	45	A	B	C	D
12	A	B	C	D	29	A	B	C	D	46	A	B	C	D
13	A	B	C	D	30	A	B	C	D	47	A	B	C	D
14	A	B	C	D	31	A	B	C	D	48	A	B	C	D
15	A	B	C	D	32	A	B	C	D	49	A	B	C	D
16	A	B	C	D	33	A	B	C	D	50	A	B	C	D
17	A	B	C	D	34	A	B	C	D					

Score: _____ / 50 Pass mark: 33 (66%)

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Mock examination 5

50	2 h	33	0
questions, four options each	writing time	correct answers to pass (66%)	negative marking

- ✓ Closed book. Clear the desk except for pencil, eraser, ruler and the answer sheet at the end of this paper.
- ✓ Set a timer for 2 hours before you read Question 1. Stop when it rings.
- ✓ Choose one option per question. Answer every question: a blank earns nothing.
- ✗ Don't look at the answers, the lessons or your notes until the time is up.

QUESTION 1

Lekgotla Financial Services (Pty) Ltd, a juristic FSP, appoints a new director. What must it do?

A Inform the FSCA within 15 days of appointing the director
B Inform the FSCA within 30 days, in its annual compliance report
C Obtain the FSCA's approval before the director may attend a board meeting
D Nothing, because only a change of key individual must be reported

QUESTION 2

Thandi gives Mr Sithole, who reads little English, a 40-page policy document and says the exclusions are "in section 9". Which statement is correct?

A She has complied if he signs the application
B She hasn't complied: she must give concise details of the exclusions in plain language that suits his level of knowledge
C She has complied, because the document contains the exclusions
D Exclusions need only be disclosed if the client asks

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QUESTION 3

Consider the following statements about reporting under the FIC Act:

i. A person who knows, suspects or ought reasonably to have suspected a s29 ground must report it, whatever the amount involved.

ii. An employee who reports internally to the compliance person under the RMCP has a defence to a charge of failing to report.

iii. A duty of confidentiality to the client overrides the duty to report.

iv. No one may disclose to the client or anyone else that a s29 report has been or will be made, except under the narrow statutory exceptions.

Which statements are correct?

A i and iii only

B i, ii and iv only

C ii and iii only

D iii and iv only

QUESTION 4

A client signs a clause in Ubuntu FA's agreement giving up her rights under the General Code of Conduct in return for a lower fee. Which statement is correct?

A The waiver is valid, but only for the disclosure rules

B The waiver is valid if she received a copy of the Code first

C The waiver is valid because she signed voluntarily

D The waiver is null and void, and a provider may not request, induce, recognise or act on one

---

QUESTION 5

Ubuntu FA prints a new brochure that says nothing about its licence. Which statement is correct?

A That is fine, because the licence need only be displayed at the office

B That contravenes the Act: all business documentation, advertisements and other promotional material must refer to the fact that a licence is held

C That is fine, because only internet advertisements must refer to the licence

D That is a breach only if a client complains

QUESTION 6

Thandi first meets a new client on 3 November. When must she give the client the particulars of Ubuntu FA's identity, contact details and licensed services?

A Only if the client asks for them

B Within 30 days of the meeting

C Only after the transaction is concluded

D At the earliest reasonable opportunity, and any oral disclosure is confirmed in writing within 30 days

---

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QUESTION 7

Ubuntu FA's fee agreement for ongoing advice is silent about stopping the fee. What does the General Code require the fee disclosure to cover?

A Nothing, because stopping a fee is governed only by the product contract

B Only that the fee may be stopped after 12 months' written notice

C Only that the fee may be stopped at the end of the first year

D The services given in return for the fee, and the client's right to terminate and the effect of terminating

QUESTION 8

Mrs Radebe, an executive mayor, applies to Ubuntu FA for a funeral policy. She is a domestic politically exposed person, and Ubuntu FA's RMCP rates a plain funeral policy for her as low risk. Which statement is correct?

A Ubuntu FA may not take her on as a client

B Ubuntu FA must obtain senior management approval and establish her source of wealth in every case

C Ubuntu FA applies the enhanced measures only if the relationship entails higher risk, but still applies ordinary due diligence

D Ubuntu FA needn't identify her, because she is a public figure

QUESTION 9

In the last 12 months Ubuntu FA received R200 000 in commission and R110 000 in other fees from Ubuntu Life, out of total remuneration of R1 000 000. It holds no shares in Ubuntu Life. Must it disclose this to a prospective client?

A No, because commission alone is only 20% of its remuneration

B No, because it holds less than 10% of the insurer's shares

C Yes, but only if the client asks

D Yes, because it received more than 30% of its total remuneration, including commission, from the supplier in the preceding 12 months

QUESTION 10

Ubuntu FA wants new recruit Naledi to start seeing clients under supervision next Monday. Which statement is correct?

A She may start once the FSCA has approved her supervisor in writing

B She may start now and a supervisor can be assigned within her first 30 days

C She may start once her supervisor's name appears on her supervision form

D She may start only once a qualifying supervisor is assigned, the written supervision agreement exists, her product training is done and she is shown as supervised on the registers

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QUESTION 11

Zodwa, a natural-person representative of Ubuntu FA, is sequestrated after her appointment. Which statement is correct?

A Ubuntu FA may let her continue only if it puts appropriate measures in place to reduce the risks to clients and the FSP

B Ubuntu FA must ask the FSCA for permission to keep her

C She is disqualified for life and must be removed from the register immediately

D Nothing is required, because financial soundness rules never apply to representatives

QUESTION 12

Under the General Code as amended in 2022, which of the following are outside the guarantees and professional indemnity duty in GCOC s13?

A Category I FSPs that never hold client money

B Juristic FSPs with fewer than five representatives

C Representatives only

D Representatives, insurers and banks

QUESTION 13

A business practice becomes an "undesirable business practice" under FAIS when...

A two or more FSPs agree that it harms their competitiveness

B a client complains about it to the FAIS Ombud

C the FSCA declares it undesirable by notice, after publishing its intention and inviting representations

D a representative reports it to her key individual

QUESTION 14

After the FSCA informs an FSP that it has made a debarment order against one of its representatives, the FSP must remove his name from its register...

A within 5 days after being informed by the FSCA

B at the next audit

C within 15 days

D within 30 days

QUESTION 15

Thandi tells a new client at the meeting that she is rendering the service under supervision, and Ubuntu FA's brochure also says so. What more is needed?

A The disclosure is her own duty, and the oral disclosure must be confirmed in writing within 30 days

B She must tell the FSCA, not the client

C Nothing, because she need only disclose if asked

D Nothing, because the brochure discharges her duty

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QUESTION 16

Which of the following is a financial interest for the purposes of the General Code, because it is not excluded?

A An ownership interest for which fair value was paid

B Flights and hotel accommodation paid for by an insurer so that an adviser can attend its training course

C A qualifying enterprise development contribution

D Non-exclusive training on specified topics offered by a product supplier

---

QUESTION 17

Ubuntu FA is reviewing its FIC Act records policy. Consider the following statements:

i. Client due diligence records are kept for at least five years from the end of the business relationship.

ii. Transaction records are kept for at least five years from the conclusion of the transaction.

iii. Records connected to a suspicious or unusual transaction report are kept for at least five years from its submission.

iv. Where a third party keeps the records, the institution is no longer liable for that party's failures.

Which statements are correct?

A i and ii only

B ii, iii and iv only

C i, ii, iii and iv

D i, ii and iii only

QUESTION 18

Which of the following is an intermediary service?

A Describing in general terms how a funeral policy works

B Handling a client's claim with the insurer on the client's behalf

C Giving a client objective product information from a brochure

D Telling a client what the office hours are

QUESTION 19

A representative may render financial services only in the name of...

A the product supplier whose product she sells

B the FSP she represents

C the FSCA

D her own trading name

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QUESTION 20

The FSCA publishes a declaration that a business practice is undesirable. Which statement is INCORRECT?

A Contravening the prohibition is an offence

B From the date the declaration is published, an authorised FSP or representative may not carry on the practice

C The FSCA may direct an FSP that carries on the practice after publication to rectify what it caused

D The prohibition began on the date the FSCA published its notice of intention to declare the practice undesirable

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QUESTION 21

Before rendering a financial service, which of the following is NOT something Thandi must give the client?

A Particulars of Ubuntu FA's identity, contact details and licensed services

B Whether she is rendering the service under supervision

C FSP-certified confirmation that she has a mandate and that Ubuntu FA accepts responsibility for her activities within it

D A promise that the client cannot lose capital on the recommended product

---

QUESTION 22

A representative at Ubuntu FA says the General Code of Conduct "is only a guideline, so I can follow Ubuntu FA's own procedures when they differ". Which statement is correct?

A Correct, because codes of conduct are guidance that the FSCA publishes for information

B Incorrect: the Code binds authorised FSPs and representatives once published, and a breach of it is a breach of FAIS

C Correct, because the Code binds only the FSP and not its representatives

D Incorrect, but the Code binds only Category I FSPs

QUESTION 23

A client's complaint against an FSP exceeds the FAIS Ombud's R3.5 million limit. Which statement is correct?

A The Ombud may still hear it if the respondent agrees in writing or the complainant abandons the excess

B The Ombud may hear it only if it concerns a funeral policy

C The Ombud can never hear it

D The Ombud may hear it only if both the FSP and the FSCA agree

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QUESTION 24

The FSCA provisionally suspends Ubuntu FA's licence. Thandi, who is still on the register, says she will "only do admin" for existing clients, such as collecting premiums and logging claims. Which statement is correct?

A She may, because administration isn't a financial service

B She may, because her name stays on the register until the FSCA debars her

C She may not, because during the suspension Ubuntu FA is regarded as not authorised, and collecting premiums and handling claims are intermediary services

D She may, if each client agrees in writing

QUESTION 25

Ubuntu FA is considering appointing Sibusiso, who was convicted of fraud seven years ago; the conviction hasn't been expunged. Which statement is correct?

A He may be appointed, because the Notice sets a five-year rehabilitation period

B He is automatically disqualified

C The conviction is prima facie evidence on his honesty, and Ubuntu FA must weigh its seriousness, its relevance to the duties and the passage of time

D Only the FSCA can decide whether he is honest

QUESTION 26

A final determination of the FAIS Ombud is regarded as...

A a debarment order

B advice to the FSCA

C a recommendation that the FSP may ignore

D a civil judgment of a court, which can be enforced

QUESTION 27

Which of the following is a financial product for the purposes of FAIS?

A A deposit as defined in the Banks Act

B A share in a share block company

C A hire-purchase agreement for a motor vehicle

D A personal loan from a bank

QUESTION 28

Kgosi is the approved key individual of Moloi Advisers (Pty) Ltd, an FSP, and he also advises its clients on investments. What else must be true?

A He must be appointed as a juristic representative

B He must resign as key individual

C Nothing, because the FSCA's approval as key individual covers advising

D He must also be appointed as a representative and meet the representative requirements

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QUESTION 29

Consider the following statements about a representative debarred by his FSP:

i. He may apply to the Financial Services Tribunal for reconsideration of the decision.

ii. His application suspends the debarment until the Tribunal decides.

iii. The application is due within 60 days after notification, or within 30 days after requested reasons are given.

iv. The FSP's notice of the decision must tell him of his rights under Chapter 15 of the FSR Act.

Which statements are correct?

A i and ii only

B i, iii and iv only

C ii and iii only

D ii and iv only

QUESTION 30

The FSCA suspends the licence of Mthembu Wealth (Pty) Ltd because its only key individual no longer meets the honesty requirement. What is the effect on its representatives?

A They may continue until the FSCA debars them

B They may continue under supervision

C They may not render financial services for the FSP during the suspension, because it is regarded as not authorised

D Only the representatives who advise new clients are affected

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QUESTION 31

Ubuntu FA is licensed as a Category I FSP. A client signs a mandate allowing Thandi to choose and switch the client's investments without asking him each time. Which statement is correct?

A It is allowed if Ubuntu FA tells the client in writing that it is a Category I FSP

B It isn't allowed: discretionary intermediary services are Category II business, and a licence is limited by the FSP's category

C It is allowed, because the client's signed mandate authorises the discretion

D It is allowed if Thandi has passed the RE5

QUESTION 32

Nandi resigned from Ubuntu FA four months ago. Ubuntu FA now wants to debar her for misconduct that occurred, and became known to Ubuntu FA, nine months ago while she was its representative. Which statement is correct?

A Ubuntu FA may not, because the six months ran from when the misconduct became known

B Ubuntu FA may not, because a person who has resigned can't be debarred

C Only the FSCA can now act

D Ubuntu FA may still commence debarment, because the six months run from the date she ceased to be a representative

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QUESTION 33

Consider the following statements about Ubuntu FA's complaints handling:

i. The FSP, not the representative, must establish the complaints management framework.

ii. A representative complained about may decide the complaint, because he knows the file best.

iii. The acknowledgement must give the handler's contact details, the timelines and the internal and ombud escalation routes.

iv. The FSP may require a complainant to finish its internal review before approaching the Ombud.

Which statements are correct?

A i, ii and iv only

B ii and iii only

C i and iii only

D iii and iv only

QUESTION 34

A client of Ubuntu FA explicitly refuses to disclose her household income when Thandi does the needs analysis. Which course is correct?

A Thandi must refuse to give any advice

B Thandi may continue without any further step, because the refusal is the client's risk

C Thandi may take the refusal into account in deciding how much information is necessary, and must alert the client that the advice may be limited

D Thandi may assume the average income for the client's age group

---

QUESTION 35

A representative is convicted of carrying on a practice after the FSCA declared it undesirable (FAIS s34(4)). The most the court may impose is…

A a fine of R10 million or imprisonment for 10 years, or both

B a fine of R100 million or imprisonment for 15 years, or both

C a fine of R1 million or imprisonment for 5 years, or both

D a fine of R15 million or imprisonment for 10 years, or both

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QUESTION 36

Under FAIS section 18, for a minimum of five years an FSP must keep records of which of the following?

A Known premature cancellations of products by clients

B The qualifications of every product supplier's staff

C Each client's tax return

D A recording of every telephone call with every client

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QUESTION 37

Thandi shows a client a projected maturity value of R1.2 million for a retirement annuity. What must she make clear?

A That the projection isn't guaranteed and is illustrative only, with its assumptions, its dependence on markets and a risk warning

B That the FSCA has approved the projection

C Nothing, if the projection appears in the quote

D That the value is guaranteed if the premiums are paid on time

---

QUESTION 38

A client tells Thandi on the phone, "You may share my details with my accountant." The accountant then emails Thandi asking for the client's policy information. What should Thandi do?

A Send only the premium amounts

B Obtain the client's prior written consent first, unless a law or the public interest requires disclosure

C Send it, if Ubuntu FA's key individual agrees

D Send it, because the client gave consent

QUESTION 39

The FSCA publishes a declaration, and Ubuntu FA carries on the declared practice afterwards. Consider the following statements:

i. The FSCA may direct Ubuntu FA to rectify, to the FSCA's satisfaction, anything caused by or arising from the practice.

ii. Ubuntu FA must rectify within 60 days after the date of the declaration.

iii. Failing to comply with the prohibition or the rectification period is an offence under FAIS.

iv. The maximum criminal fine for that offence is R1 million.

Which statements are correct?

A i and iii only

B i, ii and iii only

C ii and iv only

D iii and iv only

QUESTION 40

Interest earned on the separate bank account in which an FSP holds client funds is payable to...

A the FSCA

B the FSP, as payment for administering the account

C the client or the owner of the funds

D the product supplier

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QUESTION 41

Ubuntu FA moves its client records to an outside cloud-storage provider. The FSCA then asks to inspect them. Which statement is correct?

A They may be inspected only if each client consents

B They must be produced within seven working days

C Ubuntu FA must ensure they are available for inspection within seven days of the request, and readily reducible to written or printed form

D The storage company alone is responsible, so Ubuntu FA has no duty

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QUESTION 42

Which statement about a compliance officer is NOT correct?

A The FSCA must approve the compliance officer

B The compliance officer is the person responsible for the FSP's compliance function under the FIC Act

C The compliance officer takes responsibility for liaising with the FSCA

D The compliance officer must report material irregularities to the FSCA in writing

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QUESTION 43

Thandi advises Mr Zulu to cancel an old policy, and he agrees. What further step must she take?

A None, because the decision is his

B Wait 30 days before acting on the request

C Take reasonable steps to ensure that he fully understands all the implications of terminating it

D Notify the FSCA of the termination

QUESTION 44

Ubuntu FA's compliance officer reports that a representative has repeatedly breached the Code. The key individual replies, "The report is on file, so correcting it is now the compliance officer's job." Which statement is correct?

A Correct, because only the FSCA can require corrective action

B Incorrect: the key individual must refer the matter to the FSCA, which must decide the corrective action

C Incorrect: the key individual must still manage and oversee, corrective action forms part of the FSP's governance framework, and the non-compliance and its reasons must be recorded

D Correct, because the compliance officer is responsible for corrective action

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QUESTION 45

Before an FSP decides to debar a representative, which of the following is NOT required?

A A copy of its debarment policy

B A reasonable opportunity for the representative to respond

C The FSCA's prior approval of the proposed debarment

D Adequate written notice of its intention to debar, with the grounds and reasons

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QUESTION 46

An accountable institution must develop, document, maintain and implement a programme to manage its money laundering, terrorist financing and proliferation financing risk. It is called a...

A representative competence register

B risk management and compliance programme

C licence compliance register

D client acquisition plan

QUESTION 47

Ubuntu FA's HR manager proposes to debar a representative so that a salary dispute with him can be settled on Ubuntu FA's terms. Which statement is correct?

A That is improper, but only because the representative has not yet resigned

B That is proper, because an FSP may debar any representative it dismisses

C That is improper: debarment is a regulatory tool for people who no longer meet the fit and proper requirements or who materially contravened the Act, not a way to settle a contractual grievance

D That is proper, if the FSCA approves it

QUESTION 48

Mrs Dube phones Ubuntu FA's front desk and says Thandi's advice put her in a policy that doesn't cover her mother. The receptionist says, "Please put it in writing, then it counts as a complaint." Which statement is correct?

A Correct, because only a written expression is a complaint

B Incorrect: it is a query until the managing director agrees it is a complaint

C Correct, but only if a large amount is involved

D Incorrect: a complaint is an expression of dissatisfaction alleging a breach, harm or unfair treatment, in whatever form, and the process may not impose unreasonable barriers

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QUESTION 49

Before using a new sales script, Thandi wants to check that it isn't an undesirable practice. Which approach is BEST?

A Test it against the s34(2) principles, namely whether it harms relations between FSPs and clients or the public, or unreasonably prejudices, deceives or unfairly affects a client, and escalate any concern

B Check only that Ubuntu FA's key individual has approved it

C Check only whether the FSCA has already published a declaration naming it

D Check whether competing FSPs use similar scripts

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QUESTION 50

Ubuntu FA appoints Nkosi Brokers (Pty) Ltd as a juristic representative. Zinhle, an Nkosi consultant, advises clients on funeral policies. Which statement is correct?

A Zinhle is a key individual because she advises

B Only Nkosi's directors can be representatives

C Zinhle needn't be appointed, because Nkosi was

D Zinhle is a representative in her own right, and Ubuntu FA must appoint her and list her on its register before she acts

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Mock examination 5: answer sheet

Name _____ Date _____

Start time _____ Finish time _____

Shade one bubble per question in pencil, as on the real answer sheet. Mark it with the memorandum only after the full two hours.

1	A	B	C	D	18	A	B	C	D	35	A	B	C	D
2	A	B	C	D	19	A	B	C	D	36	A	B	C	D
3	A	B	C	D	20	A	B	C	D	37	A	B	C	D
4	A	B	C	D	21	A	B	C	D	38	A	B	C	D
5	A	B	C	D	22	A	B	C	D	39	A	B	C	D
6	A	B	C	D	23	A	B	C	D	40	A	B	C	D
7	A	B	C	D	24	A	B	C	D	41	A	B	C	D
8	A	B	C	D	25	A	B	C	D	42	A	B	C	D
9	A	B	C	D	26	A	B	C	D	43	A	B	C	D
10	A	B	C	D	27	A	B	C	D	44	A	B	C	D
11	A	B	C	D	28	A	B	C	D	45	A	B	C	D
12	A	B	C	D	29	A	B	C	D	46	A	B	C	D
13	A	B	C	D	30	A	B	C	D	47	A	B	C	D
14	A	B	C	D	31	A	B	C	D	48	A	B	C	D
15	A	B	C	D	32	A	B	C	D	49	A	B	C	D
16	A	B	C	D	33	A	B	C	D	50	A	B	C	D
17	A	B	C	D	34	A	B	C	D					

Score: _____ / 50 Pass mark: 33 (66%)

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Five full RE5 papers built to the FSCA's blueprint: 50 questions, 2 hours, the official level mix and every exam task. Sit them under exam conditions, then mark them with the Memorandum.

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