

GUIDANCE NOTE GN000(b)

on

CODE SERIES FS000, STATEMENT 000 - GENERAL PRINCIPLES AND THE SCORECARD

COMPETENT PERSON'S REPORT

1. Introduction

This guidance note is issued in terms of paragraph 14.1 of Statement 000 of the FSC that states that the Financial Sector Charter Council shall, from time to time issue Interpretive Guides / Guidance Notes / Practice Directives and Standards documents.

This document is intended to provide a definition of a competent person and a guide for the Competent Person's report on the Financial Sector Code.

2. Definition of a Competent Person

The Dti Codes of Good Practice define a Competent Person "a person who has acquired through training, qualification and experience the knowledge and skills necessary for undertaking any task assigned to them under the codes".

Whenever the Financial Sector Code is applied, the definition of a competent person shall embrace the above definition and further to that be limited to the following persons:

- A chartered accountant registered with the South African Institute of Chartered Accountants (SAICA);
- An auditor registered in terms of the provisions of the Auditing Profession Act, 2005(IRBA);

- An actuary who is a Fellow Member (FASSA) or an Associate Member (AMASSA) of the Actuarial Society of South Africa;
- A verification agent accredited to audit the Financial Sector Code;
- A legal practitioner registered as such with the Law Society of South Africa; and
- BEE Consultants with a minimum of five years' experience work on the Financial Sector Charter/Code.

3. Application for an Exemption

All exemption applications must be supported by an independent competent person's report.

The following key factors are to be considered by the competent person's report in support of an application for an Exemption:

- The measured entity's product offerings,
- The measured entity's target market, and
- The materiality of the affected business to the total business of the measured entity

4. Application to deem a product an Access Qualifying Product

All applications to deem a product an Access Qualifying Product must be supported by an independent competent person's report.

The following key factors are to be considered by the competent person's report in support of an application to deem a product an Access Qualifying Product:

- Confirmation of the Access Standards met by the product,
- Analysis of deviation(s) from the Access Standards, and
- Justification for the exemption

5. Expression of Opinion

All competent person's reports should contain an expression of opinion on the justification of the application.