

## **JURISTIC REPRESENTATIVES**

### **2 April 2014**

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The Financial Services Laws General Amendment Act, 45 of 2013, brought about a significant change to section 13(1) of the FAIS Act.

**From 30 May 2014 a person may not render financial services or contract in respect of financial services other than in the name of the financial services provider of which such person is a representative.**

This amendment impacts juristic representatives that may have entered into contracts with product providers in their own names whilst operating under the license of another authorized financial services provider. This must now change unless the juristic representative elects to apply for a license in its own name. Such application may take up to two months to finalise.

If the juristic representative is to remain a representative of the license holder, the following arrangements will have to be made by the license holder and juristic representative:

- All contracts in the name of the juristic representative will have to be changed to that of the license holder;
- The juristic representative may only render services to clients in the name of the license holder;
- All representatives of the juristic representative will remain registered representatives of the license holder;
- All representatives of the juristic representative must be provided with written mandates or contracts in terms of section 13, confirming that they operate under the license of the license holder and that the license holder accepts responsibility for services rendered within the scope of the mandate or contract;
- Mandates, contracts and disclosure documents must be updated and must contain reference to the fit and proper status of the representative;
- Disclosure documents of the juristic representative must be amended to refer only to the license holder as the authorized services provider;
- Communications, documents and advertisements must have reference to the license holder as the authorized entity;