

## EDUCATION

October 2010

**REGULATORY EXAMS Update: (as informed by Peter Veal of Pretium)**

**We seem to be repeating the same sentence every month - 'the silence is deafening'.**

**Rumour has it that in excess of 90% of participants failed the pilots but as the FSB has not released the actual results to any individual we do not know if this is true. If it is true, what happens from here?**

**There are a number of possibilities, including the reducing of the pass mark or simplifying the questions. Whatever is decided, we cannot see how the FSB can retain the December 2011 deadline. There are approximately 140,000 representatives and key individuals that have to sit the first level examination and assuming that 50% fail and have to rewrite, there will be more than 200,000 papers to mark before the end of November next year if the deadline of 31 December is to be met (the papers have to be moderated and verified before results can be published). With no start date on the horizon, is it possible to accomplish this? We think not, but time will tell.**

**While we wait, we have to assume that there will be no change in the level of difficulty or the deadline. A few weeks ago, Joe Kotze, head of compliance at the Financial Intermediaries Association of Southern Africa published an article from which we quote –**

**"If there is one warning that must be heeded in the meantime, it is to believe that it will not be necessary to study the FAIS Act, its regulations, determinations and codes of conduct. People who will rely only on study material and training being offered may be unpleasantly surprised when they do not pass the exams first time. We have no doubt that such offerings can be of great value in preparing for the exams, but recommend that a thorough study of the applicable legislation itself be done beforehand."**