



SUPERVISION POLICY AND PROCEDURE



Visio Fund Management (Pty) Ltd.

Email info@visiofund.co.za
Tel +27 11 245 8900
www.visiofund.co.za

5th Floor, 92 Rivonia Road, Sandton, 2196, Johannesburg

Directors: A Modiselle, P Moyal, P Sundelson, A de Swardt

Visio Fund Management is an authorised FSP (license no. 49566)



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1. PURPOSE

The objective of the Supervision Policy is to:

- ❖ Ensure that Visio Fund Management (Pty) Ltd (“Visio”) complies with the requirements of FSCA FAIS Notice 86 of 2018 (Exemption Notice);
- ❖ Ensure that the Supervised Representatives appointed by Visio are provided with relevant and appropriate training so that they can act with the required competence, due skill, care, and diligence to perform the tasks and functions for which the Supervised Representative has been appointed.
- ❖ Ensure that the clients of Visio can be confident that Visio has a culture of client centricity and that any financial service provided to a client is done so with the necessary oversight to ensure that client outcomes are aligned with the principles of Treating Customers Fairly.

The policy outlines Visio’s approach to giving effect to the requirements of the Exemption Notice.

The exemption prescribes that a person who does not yet meet all the relevant Fit and Proper requirements as set out in Board Notice 194 of 2017 (“BN194 of 2017”), subject to certain minimum requirements, is able to render financial services under supervision until such time as all the requirements are met within the prescribed deadlines.

The objective of this policy is to detail and describe the supervision methodology and procedures for Supervised Representatives.

2. SCOPE

The Supervision Policy applies to all Key Individuals, Supervisors, Supervised Representatives, internal Compliance Officer, and any administrative staff who have been tasked with maintaining and updating the supervision records of Visio.

3. THE OVERALL PROCESS

Section 2 (e)(ii) of Condition 3 of the Exemption Notice requires that the supervision methodology, tools, processes, and procedures are included in the Supervision Agreement.

It is the responsibility of Visio to decide upon the most appropriate methodology, tools, processes, and procedures for the specific circumstances of the FSP and the Supervised Representative (s).

Visio will follow the steps set out below:

3.1 Pre-Appointment Due Diligence

To establish whether the prospective Supervised Representative meets Visio's requirements (i.e.: tasks, functions, and job description) as well as the entry level requirements set out in the Exemption Notice.

When considering a candidate for appointment as a Supervised Representative, Visio's HR processes must be followed together with the steps as set out below:

- ❖ Identify and document all the tasks and functions (i.e., job description) that the candidate is to be appointed for. This must include everything which the candidate will be expected to master (i.e., client relationship management systems, portfolio modelling).

The specific tasks and functions required for the specific candidate being considered must be identified and be included in the Supervision Agreement upon final appointment.

- ❖ Set the required standards (including the quality and behaviour requirements) for each task and function which the candidate is to be appointed for, which will be the standard against which **he/she** will be assessed, both initially and throughout the supervision period.

The standards for the specific tasks and functions must be included in the Supervision Agreement.

- ❖ Obtain the candidate's consent to obtain his/her date of first appointment (DOFA) from the FSCA and email the FSCA with such a request. Insert the DOFA on the Supervision Agreement once obtained.
- ❖ Conduct a search of the FSCA's website using the candidate's Identity Number to establish whether the candidate has been debarred.
- ❖ If applicable, verify the candidate's qualification against SAQA's National Learner Record Database
- ❖ Request the candidate to complete and sign a Fit and Proper Declaration.
- ❖ Once all information has been obtained, assess whether the candidate meets the minimum entry level requirements to be appointed as a Supervised Representative for the categories and subcategories for which he/she is to be appointed.
- ❖ If the candidate meets all minimum requirements of Visio and the applicable legislation, and a decision is made to offer the candidate a position as a Supervised Representative, then the standard HR procedures of Visio must be followed.

3.2 Onboarding

Once a Supervised Representative has been appointed to act for Visio, the following procedures must be followed:

- ❖ Follow the standard HR Process and conclude an employment/service contract.

- ❖ Determine the licence categories which the Supervised Representative needs to be appointed for in order to perform the tasks and functions which **he/she** has been appointed for.
- ❖ Assess the Supervised Representative's competence requirements and various deadline dates in terms of the Fit and Proper Requirements. The outcome of this assessment must be annexed to the Supervision Agreement.
- ❖ Arrange for the Supervision Agreement between Visio, Supervisor, and the Supervised Representative to be concluded.
- ❖ The Compliance Officer is responsible to inform the FSCA of the appointment wither by updating the Representative Register via the FAIS e-Portal or by submitting the necessary forms to faispfc@fsc.co.za
- ❖ The Compliance Officer must update the internal Representative Register saved in the shared folder.
- ❖ Provide the Supervised Representative with a Letter of Appointment as prescribed by Section 13 (1) of the FAIS Act. This must be on a letterhead and signed by an authorised person.
- ❖ The Compliance Officer must prepare and regularly update a Disclosure Notice for the Supervised Representative which must include the fact that the Supervised Representative is under supervision and that Visio accepts responsibility for **his/her** activities performed within the scope of the contract or mandate.

3.3 Supervision

Condition 7, Section (a) of the Exemption Notice requires that Visio determine the level of intensity of supervision that must apply to the Supervised Representative, considering the nature, scale and complexity of the financial services and financial products to be rendered by the Supervised Representative, the Supervised Representative's assessed level of competency and the risk to clients.

Supervision of the Supervised Representative will involve:

3.3.1 Training Programme

Section 2 (d) of Condition 3 of Exemption Notice specifically requires that training needs of the Supervised Representative and the training programme that will be implemented to address those needs are set out in the Supervision Agreement.

Visio/the Supervisor must, therefore, evaluate the Supervised Representative's knowledge, skill and experience against the various tasks and functions which the Supervised Representative is required to perform in relation to the categories of financial services and financial products for which **he/she** is appointed and establish the training needs of the Supervised Representative.

The Training Programme must be attached as an annexure to the Supervision Agreement.

3.3.2 Phases of Supervision

The Exemption Notice does not describe any phases of supervision. It only refers to varying levels of intensity of supervision and requires Visio to determine the supervision methodology, tools, processes and procedures, oversight, monitoring and assessment appropriate for less intensive supervision applied.

- ❖ Every phase of supervision will include a continuous cycle of:
 - Training and coaching which will be provided in accordance with the Training Programme.
 - Monitoring and observing the activities of the Supervised Representative.
 - Ongoing assessments of the Supervised Representative's progress towards full competence which will include assessing whether a reduced level of intensity of supervision is appropriate and updating the Training Programme as may be required.

3.3.3 Supervision Cycle

Section (b) of Condition 5 of Exemption Notice requires the Supervisor to mentor and coach the Supervised Representative in respect of the financial services and financial products for which he/she is appointed in order for the Supervised Representative to acquire the required skills, knowledge, and competencies to perform its tasks and functions.

Throughout the period of supervision, the Supervisor must, on an ongoing basis:

- ❖ Ensure compliance with the Supervision Agreement.
- ❖ Ensure that **he/she** can at all times supervise the proper execution of the Supervised Representative's tasks and functions performed under supervision.
- ❖ Ensure that the Supervised Representative has a good understanding of and exposure to the categories and subcategories for which **he/she** has been appointed to render financial services under supervision.
- ❖ Observe selected meetings, by the Supervised Representative in the rendering of financial services under supervision, the frequency of which may vary according to the complexity of the financial products offered and/or the experience and/or qualifications and/or knowledge and/or skill of the Supervised Representative.
- ❖ Ensure the Supervised Representative makes the necessary disclosures to clients and product suppliers that **he/she** is rendering financial services under supervision.
- ❖ Record and document the method, frequency, and level of intensity of supervision as well as any changes.
- ❖ Keep properly documented evidence of the monitoring of the activities of the Supervised Representative in order to provide evidence to the Compliance Officer and the Regulatory Authorities if called upon to do so.
- ❖ Maintain all records relating to the supervision which must include documentation relating to development and training, supervision activities, assessments, and decisions to implement a reduced level of supervision.

The Supervisor will document the supervision conducted in accordance with the Record Keeping requirements as set out in the Supervision Agreement.

3.4 Record Keeping

3.4.1 Records of Supervision Activities

The Supervisor is responsible, in terms of Section (c) of Condition 5, to assess the learning activities of the Supervised Representative which must include recording observations and aspects of further development.

Section (f) (ii) of Conditions 5 also requires the Supervisor to keep a record relating to all supervision activities.

The Supervisor at Visio will complete a report for each activity observed or monitored. This report will include an assessment of the level of competence of the Supervised Representative in performing the monitored activity and include guidance to assist the Supervised Representative to improve **his/her** level of competence.

The Supervised Representative completes a monthly report detailing activities, meetings attended and other training that he/she would have received. This report will be signed by the Supervised Representative and handed to the Supervisor on a monthly basis for review and sign-off.

3.4.2 Ongoing Assessment

Section (c) of Condition 5 requires that the Supervisor regularly review and assess the learning activities and progress of the Supervised Representative. Section (f) (iii) further requires that the Supervisor maintain all records of such assessments.

The Supervisor must conduct an Ongoing Assessment of the Supervised Representative every quarter. The assessment must include details of the various activities performed by the Supervised Representative, the monitoring conducted by the Supervisor, the phase of the Supervised Representative's supervision process and **his/her** level of competence.

3.5 Final Sign-Off

Upon completion of all the competence requirements and following a final assessment of the Supervised Representative against all the standards relevant to the tasks and functions which the Supervised Representative has been appointed for in respect of the categories and subcategories set out in Annexure A, the Supervisor must record the final assessment following the process set out in the FSP's Supervision Policy, including a declaration to confirm that he/she is satisfied that the Supervised Representative meets all the Fit and Proper Requirements relevant to the categories and subcategories for which **he/she** is appointed.

A Letter of Completion of Supervision must be signed by the Supervisor and the FSP and a copy provided to the Supervised Representative.

4. PROCESS TO ADDRESS NON-COMPLIANCE OR INAPPROPRIATE PROVISION OF FINANCIAL SERVICES

If the Supervisor discovers any incorrect or inappropriate advice, non-compliance with legislation or a breach of Visio's policies, procedures, ethics, or values, it is the responsibility of the Supervisor to ensure that:

- ❖ The Compliance Officer and the Key Individual (s) are immediately informed, and the appropriate course of action determined in accordance with Visio's Disciplinary and Debarment Policy and any other relevant Policy or Procedure.
- ❖ Where a client is affected, the Key Individual will contact the client and ensure he/she is not prejudiced by the Supervised Representative's actions.
- ❖ Additional training is arranged for the Supervised Representative.

5. TERMINATION PROCESS

Once a Supervised Representative meets all the relevant Fit and Proper Requirements and the sign-off process has been completed, then the following steps must be followed:

- ❖ Provide the Supervised Representative and the Supervisor with written confirmation that the Supervision Agreement has been terminated.
- ❖ Update the FSCA's central Representative Register within 15 days of the supervision period coming to an end.
- ❖ Update Visio's internal Representative Register.
- ❖ Update the Representative's letter of appointment.
- ❖ Update the Representative's Disclosure Notice.