

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 1439 [NW1690E]**

**DATE OF PUBLICATION: 14 MAY 2010**

**Dr D T George (DA) to ask the Minister of Finance:**

Whether any action was taken by the Financial Services Board (FSB) against the individual (a) brokers and (b) companies in each case following the (i) 2007 and (ii) 2008 report to the FSB by the education and training quality assurance body of the Insurance Sector Education and Training Authority (Inseta ETQA) regarding alleged fraud, plagiarism and copying by senior brokers from various companies in their assessments to become compliant with the Financial Advisory and Intermediary Services Act, Act 37 of 2002; if not, why not; if so, what (aa) action and (bb) are the names of the (aaa) brokers and (bbb) companies in each case?

NW1690E

**REPLY:**

The Financial Services Board (FSB) has indicated to the National Treasury that:

(a) No action has been taken against any brokers following a complaint by the Insurance Sector Education and Training Authority (Inseta); and

(b) No action has been taken against any company following a complaint by Inseta.

(i) and (ii) The FSB did not receive any report directly from the Insurance Sector Education and Training Authority (Inseta) in 2007 or 2008 on alleged fraud, plagiarism or copying by representatives of financial services providers. After becoming aware of allegations in late 2008, the FSB contacted Inseta to provide more information on allegations that candidates from certain authorised financial services providers committed examination fraud whilst taking the “fit-and-proper” qualification assessments as prescribed by the Financial Advisory and Intermediary Services Act, 2002. After receiving a written response from Inseta on 20 November 2008, and after a meeting with Inseta on 3 December 2008, the FSB proceeded to investigate four financial service providers accused by the Inseta official (and named) in the media.

Following the investigation, the FSB decided not to proceed with any regulatory action against three of the four financial service providers. Two of these three service providers against whom no further action was taken, have taken steps against their employees involved.

The FSB is still investigating the fourth provider.

Where persons were suspected of plagiarism, they were not granted any qualification based on the assessment in question, and had to undergo the assessments again.

(aa) Refer to the response above, stating that certain matters against one provider are still being investigated.

(bb) and (aaa) It is not appropriate for the FSB to name individuals or companies against whom no grounds for taking action have been found.

(bbb) In the case of the investigation against the one remaining authorised Financial Services Provider, it would not be appropriate to release names whilst the investigation is still in progress.