

Profusion Administrators

# Debarment Policy

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## Introduction

This policy hereby sets out Profusion Administrators debarment policy. It establishes the following:

- Grounds for debarment
- The debarment process

This document is binding on all representatives and key Individuals of Profusion Administrators.

## Grounds for Debarment

Section 13 of the Financial Advisory and Intermediary Services (FAIS) Act, 2002 provides that Profusion Administrators as an Authorised Financial Service Provider (FSP) must ensure that if any of our representatives no longer comply with the fit and proper requirements or have contravened or failed to comply with any provision of the FAIS Act in a material manner, must be prohibited by Profusion Administrators from rendering any new financial services by withdrawing any authority granted to the representative to act on Profusions behalf, and that the representatives name, and/or the Key Individual of that the representative be removed from the representative register.

Therefore, a debarment of a Representative(s) and/ or Key Individual must relate to:

- The non-compliance by a representative or a key individual of such representative with the fit and proper requirements of the FAIS Act, 2002, or
- A contravention or failure to comply by a representative or a key individual of such representative with a provision of the FAIS Act, 2002 in a material manner.

Fit and proper requirements of a representative and/ or key individual include:

1. Personal character qualities of honesty and integrity.
2. Competency and operational ability to fulfil the responsibilities imposed by the FAIS Act, 2002
3. Financial soundness requirements.

A breach of the fit and proper requirements can be evidenced by:

- a. Adverse findings of disciplinary procedures due to actions such as fraud, dishonesty and/ or non-disclosure.
- b. Insolvency, sequestration, inability to pay debts and/or mismanagement of finances.
- c. Conviction of criminal offence.
- d. Violation of a statutory requirement i.e., requirements by SARS and the Companies Act.
- e. Removal from a professional or industry body due to gross misconduct.

Therefore, if a representative and/or a key individual is expected to be in breach or has been found to be in breach of the fit and proper requirements or has contravened the provisions of the FAIS Act or any other governing legislation in a material right, Profusion will institute the debarment process.

## The debarment Process:

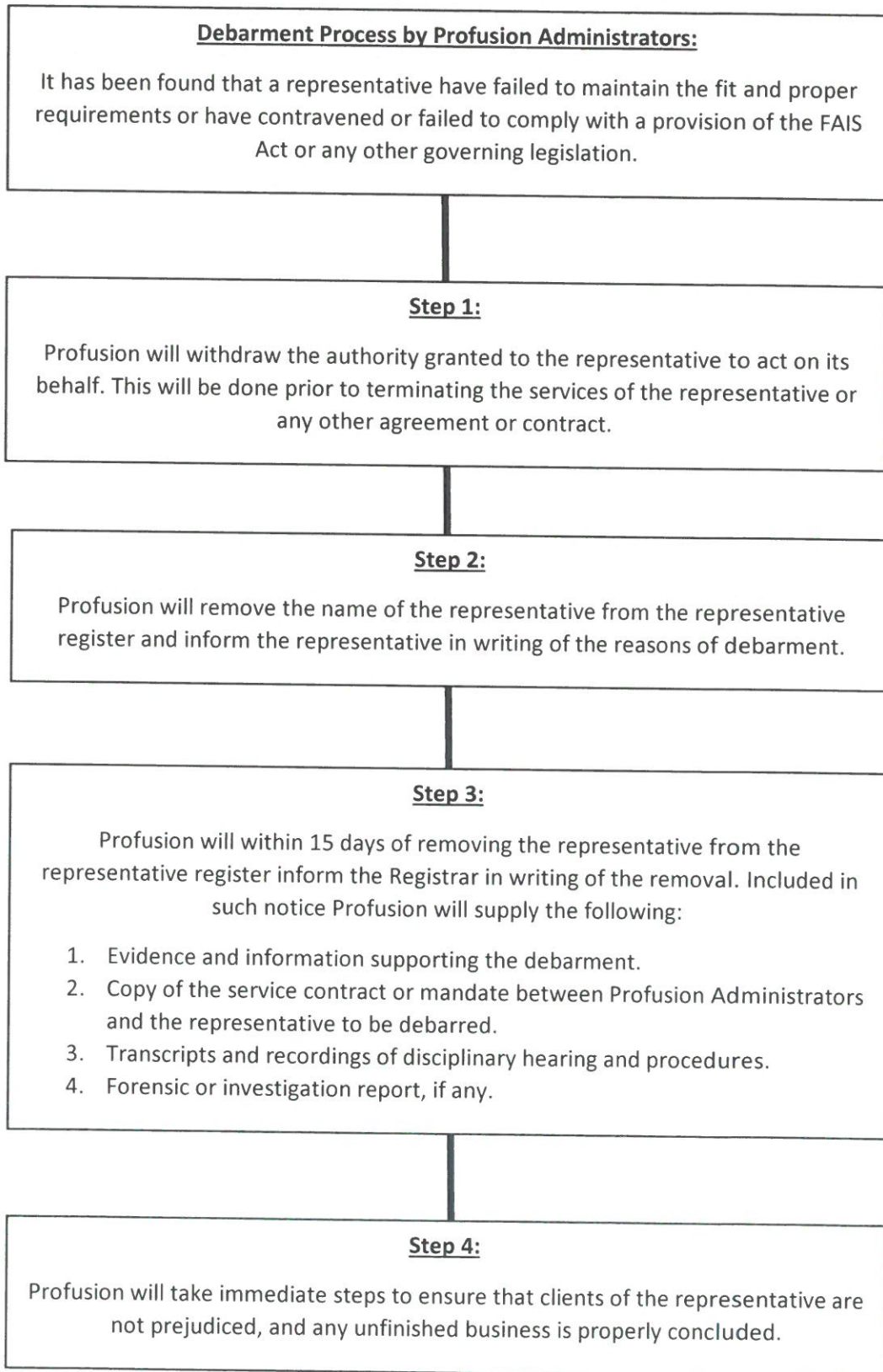
This section hereby sets out the debarment processes to be followed should grounds to debar a representative and/ or a key individual of a representative be found.

It is worth noting that debarment proceedings can be instituted by:

1. Debarment by Profusion Administrators (FSP)
2. Debarment by the FAIS Regulator



Debarment by Profusion Administrators:



Debarment by the Registrar

