

RE5 Exam - Task 3 Notes

Task 3: Define the role of the Key Individual in terms of the FAIS Act.

QC 1: Describe the roles and responsibilities of key individuals as defined in the FAIS Act.

sbs study guide Topic number	Topic
1.2	Definitions and role players “key individual”, in relation to an authorised financial services provider, or a representative, carrying on business as: (a) a corporate or unincorporated body, a trust or a partnership, means any natural person responsible for managing or overseeing, either alone or together with other so responsible persons, the activities of the body, trust or partnership relating to the rendering of any financial service; or (b) a corporate body or trust consisting of only one natural person as member, director, shareholder or trustee, means any such natural person; Note: see Annexure G: (Guidance note on definition of Key Individual) Annexure G: Guidance Note on definition of Key Individual The Financial Advisory and Intermediary Services Act defines a Key Individual as follows: "key individual", in relation to an authorised financial services provider, or a representative, carrying on business as: a) a corporate or unincorporated body, a trust or a partnership, means any natural person responsible for managing or overseeing, either alone or together with other so responsible persons, the activities of the body, trust or partnership relating to the rendering of any financial service; or b) a corporate body or trust consisting of only one natural person as member, director, shareholder or trustee, means any such natural person. Sub-paragraph (b) of the definition requires little or no explanation, in that it deals with entities (persons) which are managed, owned or governed by one natural person only. In this scenario it is clear that this natural person is the key individual as defined. Sub-paragraph (a) of the definition provides interpretation problems and breaking it down, let's define the two functions mentioned in this sub-paragraph, that is; • the function of managing, and • the function of overseeing. The Interpretation Act has no reference to these functions and reference is made to the Concise Oxford Dictionary for definition of the terminology.

	- Managing is defined as “having executive control or authority (Managing Director).”. - Overseeing or oversee is defined as “officially supervise (workers, work, etc.)”. It is therefore clear from these definitions that a key individual mentioned in sub-paragraph (a) would include persons in executive control such as directors and other persons performing a managerial function over activities relating to the rendering of a financial service. In a life insurance company, for example, key individuals would therefore include, directors, provincial managers, and depending on the structure of a particular entity, any other individual whom in the opinion of the controlling body is also engaged in overseeing the activities of a representative, in rendering a financial service regulated by the Act. However, it is not the intention to include every person in a supervisory capacity. “advice” means; any recommendation, guidance or proposal of a financial nature furnished by any means or medium, to any client or group of clients: (a) in respect of the purchase of any financial product; or (b) in respect of the investment in any financial product: or (c) on the conclusion of any other transaction, including a loan or cession, aimed at the incurring of any liability or the acquisition of any right or benefit in respect of any financial product; or (d) on the variation of any term or condition applying to a financial product, on the replacement of any such product, or on the termination of any purchase of or investment in any such product, (e) and irrespective of whether or not such advice: (i) is furnished in the course of or incidental to financial planning in connection with the affairs of the client; or (ii) results in any such purchase, investment, transaction, variation, replacement or termination, as the case may be, being effected;
5.1.1	Compliance officers and compliance arrangements
	Submission of Reports
	(a) A compliance officer or, in the absence of such officer, the authorised financial services provider concerned, must submit reports to the registrar in the manner and regarding the matters, as from time to time determined by the registrar by notice on the official web site for different categories of compliance officers. (b) An authorised financial services provider must ensure that the reports are submitted in accordance with paragraph (a) above.
5.3	Accounting and audit requirements
	Audited Financial Statements
	(a) An authorised financial services provider must cause the financial statements to be audited and reported on by an external auditor approved by the registrar. (b) The financial statements must: (i) fairly represent the state of affairs of the provider’s business; (ii) refer to any material matter which has affected or is likely to affect the financial affairs of the provider; and

	(iii) be submitted by the authorised financial services provider to the registrar not later than four months after the end of the provider's financial year or such longer period as may be allowed by the registrar.
2.3.5	Operational Ability
2.3.5.1	Governance requirements
	Governance framework must be appropriate
	The governance framework of an FSP must: be proportionate to the nature, scale, risks and complexity of the business of the FSP;
	Adequate systems of corporate governance
	The governance framework of an FSP must: include, but not limited to, effective and adequate systems of corporate governance, risk management (including conduct risk management) and internal controls that includes: (a) risk management policies, procedures and systems, including: (i) effective procedures for risk assessment, which identify the risks relating to the FSP's activities, processes and systems, and where appropriate, set the level of risk tolerated by the FSP; (ii) effective procedures and systems: (aa) to ensure compliance by the FSP, its officers, employees, key individuals and representatives with the Act and other applicable laws, including the Financial Intelligence Centre Act, 2001 and other applicable anti-money laundering or terrorist financing legislation; (bb) to ensure compliance with decisions and decision-making procedures at all levels of the FSP; (cc) to detect any risk of failure by the FSP to comply with applicable legislation, and put in place measures and procedures to minimise such risk; and (dd) that provide for corrective actions to be taken in respect of non-compliance, weak oversight, failure of controls or lack of sufficient management; (iii) systems and procedures that are adequate to safeguard the security, integrity and confidentiality of information, including: (aa) electronic data security and internal and external cybersecurity; (bb) physical security of assets and records; (cc) system application testing; (dd) back-up and disaster recovery plans and procedures for systems and electronic data; and (iv) systems and processes to ensure accurate, complete and timeous processing of data, reporting of information and the assurance of data integrity;
5.2	Maintenance of records
	An authorised financial services provider must, except to the extent exempted by the registrar, maintain records for a minimum period of five years regarding:

	(a) known premature cancellations of transactions or financial products by clients of the provider; (b) complaints received together with an indication whether or not any such complaint has been resolved; (c) the continued compliance with the FAIS fit-and-proper requirements (d) cases of non-compliance with the FAIS Act, and the reasons for such non-compliance;
4.8	Risk Management
4.8.1	Control measures
	A provider must at all times have and effectively employ the resources, procedures and appropriate technological systems that can reasonably be expected to eliminate as far as reasonably possible, the risk that clients, product suppliers and other providers or representatives will suffer financial loss through theft, fraud, other dishonest acts, poor administration, negligence, professional misconduct or culpable omissions.

QC 2: Describe the regulated management and oversight responsibilities of a key individual.

Topic number	Topic
1.2	Definitions and Role Players “key individual”, in relation to an authorised financial services provider, or a representative, carrying on business as: (a) a corporate or unincorporated body, a trust or a partnership, means any natural person responsible for managing or overseeing, either alone or together with other so responsible persons, the activities of the body, trust or partnership relating to the rendering of any financial service; or a corporate body or trust consisting of only one natural person as member, director, shareholder or trustee, means any such natural person;
2.1	Authorisation of Financial Services Providers FSP Licence An authorised financial services provider or representative may only conduct financial services related business with a person rendering financial services if that person has, where lawfully required, been issued with a licence for the rendering of such financial services and the conditions and restrictions of that licence authorises the rendering of those financial services, or is a representative as contemplated in the FAIS Act
5.2	Maintenance of records (Main topic – Operational Ability) An authorised financial services provider must, except to the extent exempted by the registrar, maintain records for a minimum period of five years regarding: (a) known premature cancellations of transactions or financial products by clients of the provider; (b) complaints received together with an indication whether or not any such complaint has been resolved; (c) the continued compliance with the FAIS fit-and-proper requirements (d) cases of non-compliance with this Act, and the reasons for such non-compliance; and (e) the continued compliance by representatives with the requirements relating to: - rendering financial services on behalf of an authorized financial services provider - a service contract or other mandate to represent the provider - the requirements required for the reappointment of debarred representative.
2.3.2	Honesty, Integrity and Good Standing The fit and proper requirements relating to honesty, integrity and good standing apply to all FSPs, key individuals and representatives. A person who is a FSP, a representative of Key Individual must be a person who is:

	(a) honest and has integrity; and (b) of good standing. In determining whether a person complies with the requirements of honesty, integrity and good standing, the Registrar may refer to any information in possession of the Registrar or brought to the Registrar's attention.
2.3.3.	COMPETENCE REQUIREMENTS The fit and proper requirements relating to competence apply to all FSPs, key individuals and representatives. 2.3.3.1 General competence requirements An FSP, key individual and representative must: (a) have adequate, appropriate and relevant skills, knowledge and expertise in respect of the financial services, financial products and functions that it performs; (b) comply with the minimum requirements stated below; and (i) minimum experience, (ii) minimum qualifications, (iii) regulatory examinations, and (iv) Class of Business Training and Product Specific Training (c) maintain their competence.
2.3.4	Continuous Professional Development General requirements An FSP, key individual and representative must: (a) maintain the required competence to render or manage or oversee the financial services for which the FSP, key individual and representative are authorised, approved or appointed; (b) comply with the minimum CPD requirements; (c) ensure that the type and combination of CPD activities undertaken: (i) are relevant to the functions and role of the FSP, key individual and representative; (ii) contributes to the skill, knowledge, expertise and professional and ethical standards of the FSP, key individual and representative; (iii) addresses any identified needs or gaps in: (aa) the technical knowledge of the FSP, key individual and representative; (bb) the generic knowledge and understanding of the environment in which the financial service is rendered or managed or overseen; and (cc) the knowledge and understanding of applicable laws; and (iv) adequately takes into account changing internal and external conditions relevant to the classes and subclasses of business, the category of financial services and the financial products for which the FSP, key individual or representative is authorised, approved or appointed. Policies and procedures on CPD An FSP must establish and maintain policies and procedures on CPD that include:

	(a) how the FSP, key individual and representative will: (i) maintain knowledge and skills that are appropriate for their activities and responsibilities; (ii) update their knowledge and skills; and (iii) develop new knowledge and skills to assist with their current functions and responsibilities or functions contemplated in the future; (b) training plans for each CPD cycle to ensure that CPD: (i) is relevant and appropriate for the authorisation, approval and appointment of the FSP, key individual and representative; (ii) addresses any identified needs, knowledge and skills gaps; and (iii) continually improves the professional standards and practices of the FSP, its key individuals and representatives.
	Record of CPD Activities An FSP must: (a) within 30 days after the expiry of each CPD cycle, record in the competence register the: (i) CPD activities of the FSP, its key individuals and representatives; and (ii) reduction of CPD hours of a representative as applicable (b) calculate the total number of CPD hours by each person referred to in (a) as at the end of each CPD cycle; (c) obtain and retain relevant supporting evidence of the CPD activities recorded in the competence register; (d) record the dates of, reasons for and retain supporting evidence for, any decision of the FSP to reduce CPD requirements; and (e) retain the evidence referred to in (c) and (d) for a period not less than five years from the end of the CPD cycle concerned.
Annexure F	FSCA FAIS Notice 86 of 2018- Exemption of Services under Supervision Condition 4: Duties of the FSP An FSP that appoints a supervised representative to work under supervision must: • ensure that the supervised representative actively pursue the completion of the class of business training, regulatory examination and recognised qualification within the prescribed time limits.

QC 3: Explain the implications for a Representative should a key individual no longer meet the honesty, integrity and good standing requirements.

Topic number	Topic
2.2	Application for Authorisation
	Licence Conditions and Restrictions
	Where an application is granted, the registrar may impose such conditions and restrictions on the exercise of the authority granted by the licence, and to be included in the licence, as are necessary, having regard to: a) all facts and information available to the registrar pertaining to the applicant and any key individual of the applicant; b) the category of financial services which the applicant could appropriately render or wishes to render; c) the category of financial services providers in which the applicant is classified for the purposes of this Act; and d) the category or subcategory of financial products in respect of which the applicant could appropriately render or wishes to render financial services. Conditions and restrictions may include a condition that where after the date of granting of the licence: a) any key individual in respect of the licensee's business is replaced by a new key individual; or b) any new key individual is appointed or assumes office; or c) any change occurs in the personal circumstances of a key individual which renders or may render such person to be no longer compliant with the fit and proper requirements for key individuals, No person may be permitted to take part in the conduct, management or oversight of the licensee's business in relation to the rendering of financial services, unless; • such person has on application been approved by the registrar as compliant with the fit and proper requirements for key individuals, in the manner and in accordance with a procedure determined by the registrar by notice on the official website.
	Annexure D: Licence Conditions
	Licensing conditions regarding products and services
	When a license is issued, there is an attachment which contains the conditions and restrictions that are relate to that particular license. Although these conditions could vary from license to license, there is a standard format, which is as follows: Condition 1: This indicates whether the FSP is licensed to provide advice or intermediary services or both. It also lists the financial products and financial services that the FSP is entitled to render. Condition 2: Condition 2 provides all the further conditions and restrictions.

Usually, the first part includes a demand that should any of the business information that was included in the application change, such information should be provided to the registrar within 15 days of it occurring.

The second part refers to key individuals and requires the FSP to retain the key individuals or if not possible to replace them in accordance with the requirements in Section 8 of the Act. Notification of such changes must also be notified to the **FSB (now FSCA)** in accordance with condition 1 above.

The third part deals with the representative's register (see lesson 3) and requests the FSP to provide the regulator with a complete register of representatives within 1 month of the issue of the license, and thereafter make appropriate changes to the register within 15 days of the change.

The fourth condition states that the FSP cannot change its name or operate in another name without first obtaining permission from the registrar. Before providing permission, the registrar will want to check that the new name is lawful and complies with any other law dealing with registration of companies. The FSP cannot trade in any new name, even if accepted by the registrar, until an appropriately amended license is issued.

The fifth condition states that the FSP must at all times ensure that any financial product in respect of which the FSP intends to render a financial service qualifies as a financial product in terms of the Act, and that the product supplier is authorised to deliver such a product.

The remainder of the conditions relate to specific conditions or restrictions imposed on that particular FSP.

Condition 3: This provides a list of any exemptions that apply to the FSP.

In the event of any of these licensing conditions not being met, the registrar can suspend or withdraw the license until such time as the conditions have been met or any other time determined by the registrar.

The requirements of the Act around the display of licenses

A FSP must:

- display a certified copy of the license in a prominent and durable manner within every business premises of the licensee;
- ensure that a reference to the fact that such a license is held is contained in all business documentation, advertisements and other promotional material;
- ensure that the license is at all times immediately or within a reasonable time available for production to any person requesting proof of licensed status under authority of a law or for the purpose of entering into a business relationship with the licensee.

A person may not in any manner make use of any license or copy thereof for business purposes where the license has lapsed or has been withdrawn or during any time when the licensee is under provisional or final suspension.

Change in personal circumstances of a Key Individual

	Conditions and restrictions may include a condition that where after the date of granting of the licence: • any change occurs in the personal circumstances of a key individual which renders or may render such person to be no longer compliant with the fit and proper requirements for key individuals,
2.4	Suspension and withdrawal of authorisation Reasons for suspension or withdrawal of a FAIS Licence The registrar may, and irrespective of whether the registrar has taken or followed, or is taking or following any step or procedure, at any time suspend or withdraw any licence (including the licence of a licensee under provisional or final suspension) if satisfied, on the basis of available facts and information, that the licensee: (a) does not meet or no longer meets the fit and proper requirements applicable to the licensee, or if the licensee is a partnership, trust or corporate or unincorporated body, that the licensee or any key individual of the licensee does not meet or no longer meets the fit and proper requirements applicable to the licensee or the key individual; (b) did not, when applying for the licence, make a full disclosure of all relevant information to the registrar, or furnished false or misleading information; (c) has failed to comply with any other provision of this Act or any requirement under the Financial Sector Regulation Act, including a conduct standard, a prudential standard or a joint standard; (d) has failed to pay a levy, an administrative penalty, or any interest in respect thereof; (e) does not have an approved key individual; (f) has failed to comply with a regulator's directive; or (g) has failed to comply with any condition or restriction imposed under the FAIS Act. Provisional suspension or withdrawal The registrar may, and irrespective of whether the registrar has taken or followed, or is taking or following any step or procedure, at any time suspend or withdraw any licence (including the licence of a licensee under provisional or final suspension) if satisfied, on the basis of available facts and information, that the licensee: (a) does not meet or no longer meets the fit and proper requirements applicable to the licensee, or if the licensee is a partnership, trust or corporate or unincorporated body, that the licensee or any key individual of the licensee does not meet or no longer meets the fit and proper requirements applicable to the licensee or the key individual;
3.1	Qualification of representatives (status) Qualifying Criteria for being a representative A person may not: (a) carry on business by rendering financial services to clients for or on behalf of any person who: (i) is not authorised as a financial services provider; and (ii) is not exempted from the application of this Act relating to the rendering of a financial service; (b) act as a representative of an authorised financial services provider, unless such person:

	(i) prior to rendering a financial service, provides confirmation, certified by the provider, to clients: (aa) that a service contract or other mandate, to represent the provider, exists; and (bb) that the provider accepts responsibility for those activities of the representative performed within the scope of, or in the course of implementing, any such contract or mandate; (iA) meets the fit and proper requirements; and (ii) if debarred, complies with the requirements determined by the registrar by notice in the Gazette, for the reappointment of a debarred person as a representative; or (c) 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.
3.2	Debarment of representatives
	Reasons for debarring a representative or a key individual
	a) An authorised financial services provider must debar a person from rendering financial services who is or was, as the case may be: (i) a representative of the financial services provider; or (ii) a key individual of such representative, if the financial services provider is satisfied on the basis of available facts and information that the person: (iii) does not meet, or no longer complies with the fit and proper requirements referred; or (iv) has contravened or failed to comply with any provision of this Act in a material manner; b) The reasons for a debarment must have occurred and become known to the financial services provider while the person was a representative of the provider.
	Actions before debarment
	(a) Before effecting a debarment, the provider must ensure that the debarment process is lawful, reasonable and procedurally fair. (b) If a provider is unable to locate a person in order to deliver a document or information, after taking all reasonable steps to do so, including dissemination through electronic means where possible, delivering the document or information to the person's last known e-mail or physical business or residential address will be sufficient.
	Further Actions by the FSP before and during debarment
	A financial services provider must: (a) before debarring a person: (i) give adequate notice in writing to the person stating its intention to debar the person, the grounds and reasons for the debarment, and any terms attached to the debarment, including, in relation to unconcluded business, any measures stipulated for the protection of the interests of clients; (ii) provide the person with a copy of the financial services provider's written policy and procedure governing the debarment process; and (iii) give the person a reasonable opportunity to make a submission in response; (b) consider any response provided, and then take a decision; and

	(c) immediately notify the person in writing of: (i) the financial services provider's decision; (ii) the persons' rights in terms of Chapter 15 of the Financial Sector Regulation Act; and (iii) any formal requirements in respect of proceedings for the reconsideration of the decision by the Tribunal.	
	When the debarment process is finalised	FAIS Act Sec. 14(4)
	Where the debarment has been effected, the financial services provider must: (a) immediately withdraw any authority which may still exist for the person to act on behalf of the financial services provider; (b) where applicable, remove the name of the debarred person from the register; (c) immediately take steps to ensure that the debarment does not prejudice the interest of clients of the debarred person, and that any unconcluded business of the debarred person is properly attended to; (d) in the form and manner determined by the Authority, notify the Authority within five days of the debarment; and (e) provide the Authority with the grounds and reasons for the debarment in the format that the Authority may require within 15 days of the debarment.	
	Debarment of a person who no longer is a representative of the FSP	
	A debarment that is undertaken in respect of a person who no longer is a representative of the financial services provider must be commenced not longer than six months from the date that the person ceased to be a representative of the financial services provider.	
	Information provided by the Authority, the Ombud or other interested person	
	For the purposes of debarring a person, the financial services provider must have regard to information regarding the conduct of the person that is furnished by the Authority, the Ombud or any other interested person.	
	Record keeping in relation to debarment	
	The Authority may, for the purposes of record keeping, require any information to enable the Authority to maintain and continuously update a central register of all persons debarred, and that register must be published on the website of the Authority, or by means of any other appropriate public media.	
	Consequences of debarment	
	A debarred person may not render financial services or act as a representative or key individual of a representative of any financial services provider, unless the person has complied with the requirements for the reappointment of a debarred person as a representative or key individual of a representative.	
	Debarment by the Authority	
	The debarment was done under section 14A of the FAIS Act if the FSCA conducted the investigation and debarment but that section is now removed by the Financial Sector Regulation	

	Act 9 of 2017. This means that the responsibility rests with the FSP to debar any Key Individual or Representative that: (a) Does not meet the fit and proper requirements; and (b) has contravened or failed to comply with the provisions of the FAIS Act in a material manner.
2.3.2.	Honesty, Integrity and Good Standing The fit and proper requirements relating to honesty, integrity and good standing apply to all FSPs, key individuals and representatives. A person who is a FSP, a representative or Key Individual must be a person who is: (c) honest and has integrity; and (d) of good standing. In determining whether a person complies with the requirements of honesty, integrity and good standing, the Registrar may refer to any information in possession of the Registrar or brought to the Registrar's attention. 2.3.2.1 Incidents indicating when persons are not honest. Any of the following constitutes <i>prima facie (clear-cut)</i> evidence that a person does not qualify in terms of honesty, integrity and good standing: The person: b) has been found guilty (and that conviction has not been expunged) in any criminal proceedings or liable in any civil proceedings by a court under any law in any jurisdiction of- (iv) an offence under a law relating to the regulation or supervision of a financial institution as defined in the Financial Institutions (Protection of Funds) Act, 2001 (Act No. 28 of 2001) or a corresponding offence under the law of a foreign country; (v) theft, fraud, forgery, uttering a forged document, perjury or an offence involving dishonesty, breach of fiduciary duty, dishonourable or unprofessional conduct; or (vi) an offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992) or Parts 1 to 4, or section 17, 20 or 21, of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), or a corresponding offence under the law of a foreign country; c) has been convicted (and that conviction has not been expunged) of any other offence committed after the Constitution of the Republic of South Africa, 1996, took effect, where the penalty imposed for the offence was or may be imprisonment without the option of a fine, or a significant fine; d) has accepted civil liability for, or has been the subject of a civil judgment in respect of, theft, fraud, forgery, uttering a forged document, perjury or an any conduct involving dishonesty, breach of fiduciary duty, misrepresentation, or negligent, dishonourable and unprofessional conduct; e) has been the subject of frequent or material preventative, remedial or enforcement actions by the Registrar or a regulatory authority;

- f) has been removed from an office of trust for theft, fraud, forgery, uttering a forged document, misrepresentation, dishonesty, breach of fiduciary duty or business conduct;
- g) has breached a fiduciary duty;
- h) has been suspended, dismissed or disqualified from acting as a director, managing executive, public officer, auditor or statutory actuary (or his or her alternate) under any law or any action to achieve one of the aforementioned outcomes has been instituted against the person;
- i) has been refused a registration, approval, authorisation or licence to carry out a trade, business or profession, or has had that registration, approval, authorisation or licence suspended, revoked, withdrawn or terminated by a regulatory authority;
- j) has been denied registration or membership of any professional body or has had that registration or membership revoked, withdrawn or terminated by a professional body because of matters relating to honesty, integrity, or business conduct;
- k) has been disciplined, reprimanded, disqualified, or removed in relation to matters relating to honesty, integrity, incompetence or business conduct by a:
 - (i) professional body; or
 - (ii) regulatory authority,
 or any action to achieve one of the aforementioned outcomes has been instituted against the person;
- l) has knowingly been untruthful or provided false or misleading information to, or been uncooperative in any dealings with, the Registrar or a regulatory authority;
- m) has demonstrated a lack of readiness and willingness to comply with legal, regulatory or professional requirements and standards;
- n) has been found to be not fit and proper by the Registrar or a regulatory authority in any previous assessments of fitness and propriety and the reasons for being found not fit and proper have not been remedied;
- o) has been involved or is involved as a director, trustee, member, partner, controlling shareholder or managing executive, or is concerned in the management, of a business that has been:
 - (i) the subject of any matter referred to in subparagraphs (a), (b), (c), (d), (f), (h), (j)(ii), (k), (l), (m), or (o); or
 - (ii) placed in liquidation or business rescue;
 while that person has been connected with that organisation or within one year of that connection; or
- p) has failed to disclose information required to be disclosed in terms of the Act, including a failure to disclose information.

Compliance by a person that is not a natural person

Compliance with the requirements of honesty, integrity and good standing **by a person that is not a natural person** (e.g. FSP) must be demonstrated through its **corporate behaviour or conduct** and through **the personal behaviour or conduct of the persons who control or govern the FSP** or who is a member of a body or group of persons which control the FSP, including directors, members, trustees, partners or key individuals of the FSP.

Assessing whether a person meets the Honesty, integrity and good standing requirements.

The Registrar must, in assessing whether a person meets the requirements of honesty, integrity and good standing have due regard to:

	(a) the seriousness of a person's conduct, whether by commission or omission, or behaviour, and surrounding circumstances to that conduct or behaviour that has or could potentially have a negative impact on a person's compliance with the requirements of honesty, integrity and good standing; (b) the relevance of such conduct or behaviour that has or could potentially have a negative impact on the persons' compliance with the requirements of honesty, integrity and good standing, to the duties that are or are to be performed and the responsibilities that are or are to be assumed by that person; and (c) the passage of time since the occurrence of the conduct or behaviour that had a negative impact on the person's compliance with the requirements of honesty, integrity and good standing.