



Corporate and Product Disclosure Statement

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1. Important Information

The nature of a Foreign Exchange (FX) transaction

An FX Transaction is an agreement between two parties to exchange one currency (Sold Currency) for another currency (Bought Currency) at an agreed Exchange Rate on a date (Contract Date) for delivery at a pre-determined date (Value Date), where the date may range from either the same day or the agreed forward date, depending on the type of FX Transaction you have chosen.

Currency Assist

Currency Assist SA (Pty) Ltd is incorporated in South Africa, company registration number 2012/193613/07.

Currency Assist SA (Pty) is an authorised Financial Service Provider authorised by the Financial Services Board under FSP number 46057.

Holder of a Category I FSP License, Currency Assist is authorised to render intermediary services in respect of foreign exchange products residing under the financial product subcategory 1.13 (Securities & Instruments: Derivative Instruments).

We are also regulated by FAIS (Financial Advisory and Intermediary Services Act, No 37 of 2002) and subject to Foreign Exchange Regulations imposed by SARB (South African Reserve Bank).

Currency Assist is also authorised by the South African Reserve Bank and is Foreign Exchange Broker (as per Section 5(C) of the Exchange Control Rulings)



2. Industry Overview

No advice

This Product Disclosure Statement does not constitute a recommendation or opinion that products offered by Currency Assist are appropriate for you.

The information provided is general only and does not take into account your personal objectives, financial situation and needs. Currency Assist SA does not perform a needs analysis on our potential clients, it is therefore the discretion of client to assess whether this service is appropriate to you or not.

This documents does not constitute advice to you on whether FX Transactions are appropriate for you.

In fact, at no times does Currency Assist offer investment or taxation advice to any of our clients. We simply provide intermediary services between the client and our Authorised Provider.

Our service

Currency Assist specialises in providing foreign currency conversion services to both corporate and individual clients. This can include commercial purposes, travel foreign exchange or the requirement to take physical delivery of the currency purchased i.e. as part of their day-to-day business activities, thereby needing to settle foreign invoices (payments) and convert foreign currency receipts.

The service will involve you asking us to perform a foreign currency transaction and transfer the proceeds of that transaction to your or a nominated bank account.

We do not offer investment or speculative foreign currency services.

We always act as your agent and will never trade foreign currency as principal on your behalf.



Foreign exchange in South Africa

The South African Reserve Bank (“**SARB**”) via Exchange Control regulations in South Africa controls the flow of money both in and out of South Africa. These regulations affect every transaction, no matter what amount is transferred or who the sender / recipient of the money is.

For individuals exchange control regulation dictates how much and under what circumstances you may transfer money out of South Africa.

Permissible reasons for transfers by individuals include:

- Monetary gifts and loans
- Donations to missionaries
- Maintenance transfers
- Travel allowance
- Study allowance
- R1 Million foreign discretionary allowance
- R10 Million individual investment capital allowance

Exchange control regulations cover all payments and investments abroad made by a company, as well as loans made by overseas investors to a South African resident.

Currency Assist through our back office handles all cross border/exchange control reporting to SARB.



Compliance and Regulation

South Africa is an extremely regulated jurisdiction to conduct business in.

Currency Assist is regulated by the following governmental agencies and legislation:

- The South African Reserve Bank (“SARB”);
- The Financial Surveillance Department;
- The Financial Services Board (“FSB”);
- Financial Advisory and Intermediary Services Act, No 37 of 2002 (“FAIS”); and
- The Financial Intelligence Centre Act (“FICA”).

The above will now be discussed in turn:

SARB and The Financial Surveillance Department

Currency Assist is authorised by SARB to render foreign currency services.

Exchange Control regulations in South Africa control the flow of money both in and out of South Africa. They affect every transaction, no matter what amount gets transferred or who the sender / recipient of the money is.

SARB controls and oversees all capital flowing in and flowing out. SARB designates power to so called authorised dealers (banks) who oversee and regulate the market on their behalf.

The Financial Surveillance Department is responsible for the administration of exchange control in terms of the authority delegated by the Minister of Finance.

Policy decisions on exchange controls rest with the Minister of Finance. The responsibility of the Financial Surveillance Department entails:

- Implementing exchange control policy and administering the Exchange Control Regulations;
- Gathering, analysing and disseminating information on cross-border flows;

- Appointing Authorised Dealers in foreign exchange with limited authority; and
- Ensuring compliance by Authorised Dealers in foreign exchange with limited authority with anti-money laundering control measures in terms of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001).

FSB and FAIS

Currency Assist is authorised to render foreign currency services by the FSB under licence no. FSP 46057, Category 1.13.

The Financial Advisory and Intermediary Services Act, No. 37 of 2002 ('FAIS Act') came into effect on 1 October 2004 and demands, inter alia, that financial advisors meet certain minimum levels of experience and education in order to be licensed to give advice. The purpose of the Act and its subordinate measures is to protect consumers and to enhance the integrity of the financial services industry.

One of the direct results of the Act, is that consumers may now seek appropriate redress if they have been unprofessionally or recklessly treated by a financial advisor or service provider. The aggrieved client may lay a complaint with the Ombud of the Financial Services Board.

Before the introduction of the Act, clients who felt that they received inappropriate/poor advice, had to seek recourse through the formal court system. Prior to the Act, players in the financial services industry were governed and regulated by different Acts.

The Act defines a Representative as any person who renders a financial service to a client for or on behalf of a financial service provider, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal accounting or other service in a subsidiary or subordinate capacity, which service does not require judgment or does not lead a client to any specific transaction in respect of a financial product.



The Representative may be a consultant, outsourced person or a temporary employee.

A representative therefore either renders an intermediary service and/or gives advice to clients on behalf of an authorised (licensed) Financial Service Provider (“FSP”).

In order to act as a Representative, the FSP must ensure that the individual meets certain qualifications as well as experience levels.

The FAIS Code of Conduct lays down the responsibilities towards clients that Representatives and FSP’s must adhere to during their day-to-day conduct of business.

It prescribes that they must at all times act honestly and fairly, with due skill and diligence, in the interest of clients and the integrity of the financial services industry.

Resources, procedures and appropriate technological systems for the proper performance of professional activities, should at all times be employed and all available information regarding their financial situation, needs and objectives must be sought from clients in order to properly advise them of possible solutions, services and available products at the time.

The Code also contains particular responsibilities relating to the making of adequate disclosures of material information, including disclosures of actual or potential own interest in relation to dealings with clients.

Proper record and safe keeping, separation and protection of funds, avoidance of fraudulent and misleading advertising and any other matter that is necessary or expedient to be regulated, are also covered.

FICA

In 2001, the South African government introduced the Financial Intelligence Centre Act (“**FICA**”) and other applicable Anti Money Laundering and Countering of the Financing of Terrorism legislation to combat money laundering and the financing of terrorism.

FICA contains a number of control measures aimed at facilitating the detection and investigation of money laundering and terrorist financing and imposes specific responsibilities on financial institutions that relate to commencing a business relationship with a client as well as during the lifecycle of the business relationship.

This includes, inter alia, the requirement to “Know Your Client” (KYC) by establishing and verifying the identity of all clients prior to establishing a business relationship or concluding a transaction.

Other Compliance Considerations

Key Individual and Compliance Officer

In terms of FAIS a FSP should at all times employ a Key Individual and a Compliance Officer.

This person is defined as any natural person responsible for managing and overseeing, either alone or together with other so responsible persons, the activities of the body, trust or partnership of any financial service or a corporate body or trust consisting of only one natural person as member, director, shareholder or trustee.

The Key Individual must have the required experience in management before the Registrar will approve his/her appointment. Such experience must include practical management and oversight of the core business of the FSP.



The Key Individual is the person who the Registrar holds responsible for compliance and non-adherence to the Act and subordinate legislation, except if otherwise stated in the Act.

The Key Individual and a list of Currency Assist SA authorised representatives can be found on the FSB website.

Currency Assist S43 (FICA) Compliance Officer is:
Paul Kruger
paul@currencyassist.com
Tel: 0861 111 306

Currency Assist AML Officer is:
Paul Kruger
paul@currencyassist.com
Tel: 0861 111 306

External Compliance Audits

Currency Assist SA utilises an external compliance agency to independently ensure (via regular) audits that we comply with all applicable regulation and business practices.

Moonstone Compliance (Pty) Ltd is an approved independent compliance agency which monitors Currency Assist via regular audits.

Their contact details are as follows:

André Knobel
BA (Law)
Compliance Officer

Moonstone Compliance (Pty) Ltd
Practice Number 188

T: 011 782 7749
M: 082 445 9486

www.moonstoneinfo.com
aknobel@moonstonecompliance.co.za

P.O. Box 12662, Die Boord, Stellenbosch, 7613
Republic of South Africa

Professional Indemnity Policy

Currency Assist SA is insured for Professional Indemnity Cover.

Insurer : New National Assurance Co Ltd

Broker : Wealth Solutions Capital Insurance Brokers (Pty) Ltd

Policy No : ACE44942PL

File No : PPI16/JH12461 Contact details:

7th Floor Office Tower, Bedford Centre, Smith Street, Bedfordview

P O Box 752189, Gardenview, 2047, Republic of South Africa

Tel: 011 615 7529 Fax: 011 615 9360



3. Products offered by Currency Assist

Currency Assist offers the following types of FX Transaction products:

Same Day FX Transaction – This is an FX Transaction where settlement will take place by the end of the Business Day on which the transaction was entered into.

Spot FX Transaction – This is an FX Transaction where the Value Date is two Business Days after the date on which the transaction was entered into.

Forward FX Transaction - This is an FX Transaction where the Value Date is more than two Business Days after the date on which the transaction was entered into.

The above three products can also be requested by placing a Market Order (Limit, Stop Loss Orders and One Cancels the Other Orders) which are designed either to optimise your exposure to the market or to limit your loss by instructing that an FX Transaction be executed at a pre-determined price (Exchange Rate). Please contact us for a more detailed explanation of how Market Orders that we offer operate.

Authorised Provider

Currency Assist SA has a relationship with Mercantile Bank Ltd, who act as their main Authorised Provider. We do not hold any interest in Mercantile Bank but derive the majority of our income from them.

Mercantile Bank

Steve Panos
Head of Treasury

T: 087 354 3357 / 78152

F: 011 883 7756

C: 083 659 3682

E: SPanos@mercantile.co.za

142 West Street | Sandown | 2196

P O Box 782699 | Sandton | Johannesburg | 2146

www.mercantile.co.za



4. Process - How does it work?

Corporate Foreign Currency Transaction

Below is the process flow of a **corporate foreign currency transaction** with Currency Assist.

A new client will be emailed an account opening profile form to fill in and return. This account opening profile form captures the client's essential information which assists our dealing room to pre-populate the necessary bank account opening forms for the client to sign. It's important to note that with a company or Close Corporation that each director and/or member must sign the appropriate resolution in accordance with the banks requirements.

These bank forms and all FICA/KYC documents must be completed and returned to our dealing in original format.

We then begin the process of opening a call account in the client's company name with our banking partner, Mercantile Bank. The bank will run the usual checks on all directors and the company before opening an account. If the client has any issues with their credit file/history eg. ITC it would be prudent for us to know at the outset, in order to work around any issues.

The security of a client's funds is our primary concern. We never have access to or touch client's funds at any time, and those funds never leave the banking system. We will never trade for or on behalf of a client in our own name.

Once the client is ready to trade he can call our dealing room and ask for a rate. At this stage it is vital for the client to ensure that they have funded their call account to enable Mercantile bank to debit their account for the funds required for the trade agreed upon.

The client is then given the choice of accepting the rate over the phone. All conversations with the dealing room are recorded, both between the client and the dealing room and the dealing room and the bank.

Once agreed upon, our dealing room will then confirm the rate to the client along with the specified beneficiary and date of the trade, by fax or email.

The foreign currency conversion/trade is then executed and the client's beneficiary is paid.

Our fees are calculated on a percentage of the spread we place on client trades. For more information on this please refer to our Treasury Mandate Agreement.

Our standard operating procedures, policies and internal rules can be inspected at our premises or requested in writing.



Private Foreign Currency Transaction

Below is the process flow of a **outgoing allowance currency transaction** with Currency Assist.

Conducting a trade for a private individual is less complex than that of a corporate transaction.

A profile form is sent to the individual to complete and return to the dealing room.

Once we ascertain which of the Exchange Control categories/allowances the individual would like to utilise we can send the necessary forms to the client for completion.

In the case of the 'offshore investment' allowance of R10M we will require the document in original form to be completed and couriered to the dealing room by the client.

In the case of a private individual trade no physical 'named client account' is opened by the bank. Instead, we utilise the banks own treasury account to deposit the client's funds into together with an allocated bank reference number.

Only once the funds are on account with the bank the trade can be completed.

Again, once the client is ready to trade he can call our dealing room and ask for a rate. The client is then given the choice to accept the rate over the phone.

All conversations with the dealing room are recorded, both between the client and the dealing room and the dealing room and the bank.

Once agreed on, our dealing room will then confirm the rate to the client along with the specified beneficiary and date of the trade, by fax or email.

The foreign currency conversion is then executed and the client's beneficiary is paid



Offshore Salary Run Client

Below is the process flow of a **private salary payment currency transaction** with Currency Assist.

A profile form is sent to the individual to complete and return to the dealing room.

In the case of a private salary payment no physical 'named client account' is opened by the bank. Instead, we utilise the banks own treasury account to deposit the client's funds into together with an allocated bank reference number.

The client can specify on our Treasury Mandate Agreement whether he prefers the funds to be traded on receipt or whether he should be notified by email or phone.

The foreign currency conversion is then executed and the client's beneficiary is paid



5. General information

Making a Complaint

1. Introduction

FAIS is aimed at protecting consumers by ensuring that the rendering of intermediary services and/or the giving of advice in relation to a financial product is done in a competent and transparent manner. Consumers of financial products have the right to complain about any inappropriate advice or services rendered. Currency Assist is committed to maintaining these standards of competency and transparency when dealing with prospective and existing clients.

We will not sell your personal contact details.

2. Our Complaints Procedure

Who may lodge the complaint? You may lodge the complaint as a client, a nominated beneficiary or a lawful successor.

What constitutes a complaint?

A complaint may be lodged by you against Currency Assist SA (Pty) Ltd or any of its representatives if you have:

- Been treated unfairly, suffered prejudice or damages as a result of Currency Assist SA (Pty) Ltd or its representative failing to comply with the provisions of FAIS.
- Suffered prejudice or damages as a result of the willful or negligent financial service rendered by Currency Assist SA (Pty) Ltd or its representative.

How to complain – the first step:

1. It is advisable to complain to Currency Assist SA (Pty) Ltd or its representative
2. Phone our client relations team on:
+27 44 533 0988 or
email: info@currencyassist.com
3. Ask us to look at the complaint. You will need to fill in our complaint form with the details. Our client relations team can help you complete the form. Alternatively, our client relations team can send the form to you.
4. Our complaint form: You have to complete and sign the complaint form and return to us together with supporting documentation.
5. Complaint forms will be directed to the relevant departmental Manager.

6. Complaints regarding unusual or suspicious transactions and fraud will be forwarded to Currency Assist SA (Pty) Ltd's Compliance Officer.

Receipt of the complaint:

Once you have lodged your complaint we will:

- Acknowledge receipt of the complaint in writing
- Investigate the complaint in a timely and fair manner
- Your complaint will be dealt with confidence.
- Respond to you with the outcome of our investigation

Other Ombudsman and Regulatory Contact Details

If you are not satisfied with the level of service from us, you are then entitled to approach the FAIS Ombudsman, within 30 days on:

FAIS Ombudsman
PO Box 74571
Lynwood Ridge
Pretoria 0040
Tel: 0860 3234 766
www.faisombud.co.za

Compliance

Their contact details are as follows:

André Knobel
BA (Law)
Compliance Officer

Moonstone Compliance (Pty) Ltd
Practice Number 188

T: 011 782 7749
M: 082 445 9486

www.moonstoneinfo.com
aknobel@moonstonecompliance.co.za

P.O. Box 12662, Die Boord, Stellenbosch, 7613
Republic of South Africa



Anti Money Laundering

Currency Assist is subject to anti-money laundering and counter-terrorism financing laws (AML laws) that can affect your FX Transactions. If your Account is established, Currency Assist may disclose your personal information or stop transactions on your Account for the purposes of the AML laws or under Currency Assist's AML laws procedures, without liability to you for any loss that arises due to that occurring.

Taxation Implications

Foreign currency transactions may have taxation implications for you, depending on the current tax laws and administration, the nature of the Client for tax laws, the terms of the transactions and other circumstances. These are invariably complex and specific to each Client. You should consult your tax adviser before transacting in these financial products only.

Notices and Domicilium

Any notice given shall be given in writing and shall be deemed valid unless the contrary is proved, if

- Delivered by hand, to have been received on the date of delivery;
- Sent by post to have been received ten days after the date of posting; and
- Transmitted by facsimile or email to have been received on the date of transmission.

The parties choose as their respective *domicilium citandi et executandi* for the purpose of the service of all notices and process pursuant to this mandate their respective physical address as recorded on this document.

Other Matters Requiring Clarification

At all times, we operate in the best interests of our clients, operating without conflicts of interest and with objectivity. The nature of our business has been fully described above and you as client are therefore aware of the options available to you, when appointing us as your foreign currency provider.

We hereby certify that in the preceding five (5) years, neither our company nor any of our management or staff have been:

- a. The subject of a claim (for dishonesty, negligence or misrepresentation)
- b. Convicted of an offence of dishonesty or any relevant offence under any Act or law
- c. Prohibited by law from taking part in the management of a company.



6. Glossary of Terms

Account means your account with Currency Assist established under the Terms, including all Accounts and all Transactions recorded in them.

Bought Currency is the currency received by the Client from Currency Assist in return for the Sold Currency.

Client refers to the person who has the Account with Currency Assist.

Business Day means any day except a bank or public holiday or a Saturday or Sunday.

Client Moneys Trust Account means an account (however named or styled) maintained by Currency Assist for the purposes of the Corporations Act 2001 (Commonwealth) to hold client moneys.

Closing Value means the value of the FX Transaction as determined by Currency Assist.

Contract Date means the date the FX Transaction was agreed to by Currency Assist.

Currency Assist Representative means the representative of Currency Assist.

Exchange Rate expresses the value of the Bought Currency in terms of the Sold Currency and visa versa.

Forward FX Transaction means a FX Transaction whose Value Date is later than two Business Days after the Transaction is entered into.

FX Transaction means a foreign exchange contract between the Client and Currency Assist to purchase and deliver currency (including Forward FX Transactions, Spot and Same Day FX Transactions).

Initial Margin means the amount which you are required to pay to Currency Assist as the Initial Margin cover for a Forward FX Transaction.

Limit Order means a Market Order where you can target a better Exchange Rate than the one currently being offered by Currency Assist.

Margin means the amount credited to the Account and is part payment for the Bought Currency.

Margin Call means a request from Currency Assist from you to post more funds into your Account.

Nominated Account means the Currency Assist bank account nominated by Currency Assist from time to time which the Sold Currency or Margin is to be paid into by the Client.

Order means any Order placed by you to enter into a FX Transaction.

Sold Currency is the currency sold by the Client in return for receiving from Currency Assist the Bought Currency.

Stop Loss Order means a Market Order to buy or sell one currency against another when a pre-determined target Exchange Rate is reached. The market order remains good until cancelled unless stipulated otherwise.

Terms means the terms of your Account with Currency Assist for all of your Accounts by which you deal in Transactions (as amended from time to time). Variations or additional terms may be notified to you from time to time in accordance with your current Terms.

Transaction means any of the kind of FX Transactions which are traded under the Terms.

Value Date means the date agreed between the Client and Currency Assist for delivery and settlement of the currencies under a FX Transaction.

