PassPath RE5 mock exam: questions and answers 2026

Prepared by The PassPath Team, October 2026. Free to print and share.

20 multiple-choice questions across all 8 RE5 tasks, one correct answer each. Circle your answer, and mark the ones you were not sure about: a sure answer that turns out wrong is a blind spot. The answer key, with the source behind every answer, is on the last pages.

> The real RE5 is 50 questions in 2 hours and needs 33 correct, which is 66%. On these 20 questions the same line is 14. This is a sample, not a prediction. The online version at https://passpath.co.za/re5-mock-exam marks it for you and builds your topic map.

PassPath is an independent study tool. These are practice questions written to the published RE5 syllabus. They are not questions from the Moonstone examination paper, and PassPath is not affiliated with Moonstone or the FSCA.

Task 1: The FAIS Act as a regulatory framework

1. What is the primary objective of the FAIS Act?

A. Combating money laundering.

B. Client (consumer) protection.

C. Promoting South African economic growth.

D. Setting the prices of financial products.

2. The periodic compliance report submitted to the FSCA must be signed by whom?

A. The compliance officer who completed the report, signing it alone.

B. Both the Compliance Officer (who completed it) and the Key Individual.

C. The compliance officer and the FSP's appointed external auditor.

D. The key individual alone, on behalf of the FSP and its representatives.

Task 2: Maintaining an FSP licence

3. Which FSP correctly complies with the requirements for the display of the licence under section 8(8) of the FAIS Act?

A. FSP B displays a certified copy of the licence in a frame at every business premises.

B. FSP D gives a certified copy of the licence to every client on conclusion of a transaction.

C. FSP A keeps the original licence in a safe and produces it only on request.

D. FSP C displays the original licence in a frame at the head office only.

4. Once the FSCA publishes a final notice declaring a practice undesirable, from when may the FSP and its representatives no longer carry on that practice?

A. From 21 days after the date of publication.

B. From the start of the FSP's next financial year.

C. Only after the FSCA issues a separate suspension of the FSP's licence.

D. From the date of publication of the declaration. It must stop at once.

5. What is the maximum criminal penalty for a person convicted of an offence under section 36 of the FAIS Act?

A. A fine of up to R1 000 000 and imprisonment of up to 10 years.

B. A fine of up to R10 000 000 and imprisonment of up to 5 years.

C. A fine of up to R5 000 000 and imprisonment of up to 5 years.

D. A fine of up to R10 000 000, imprisonment of up to 10 years, or both.

6. A representative is considering a high-pressure sales tactic to close more deals quickly. To check whether the conduct could constitute an undesirable practice, which test reflects the section 34(2) grounds the representative should apply?

A. Would the conduct harm FSP/client/public relations, or unreasonably prejudice, deceive or unfairly affect clients, or defeat an objective of the FAIS Act?

B. Would the conduct increase the FSP's sales volumes and commission income measurably over the current and the following reporting quarter?

C. Has the FSCA already published a notice in the Gazette fining another authorised provider for conduct of exactly the same kind?

D. Does the conduct comply with the FSP's internal sales-incentive policy and with the production targets the FSP agreed with the representative for the year?

Task 3: The role of the key individual

7. In terms of section 1 of the FAIS Act, a key individual of an FSP is a person who:

A. is a natural person responsible for managing or overseeing the rendering of financial services by the FSP.

B. renders financial services directly to clients on behalf of the FSP under a mandate or service contract.

C. may be either a natural person or a juristic person appointed to manage or oversee the financial services of the FSP.

D. is appointed by the FSCA to supervise the representatives and key individuals of the FSP it licenses.

Task 4: The Codes of Conduct

8. An FSP receives R750 in cash from a client. By when must it deposit the funds into the separate client bank account?

A. Within seven days

B. Within one calendar month

C. Within one business day

D. Immediately, by close of the same hour

9. What should an FSP disclose to a client regarding the financial product?

A. The product supplier's credit rating and the date on which the product was launched

B. The nature and extent of benefits, as well as any exclusions of liability

C. The profit margin the FSP earns on each product it recommends to clients

D. A comparison with the competing products that the FSP chose not to recommend

10. Under the General Code of Conduct, what must a provider do regarding conflicts of interest?

A. Ignore a conflict where the provider believes the client's outcome is not affected by it

B. Avoid them where possible and, where not possible, mitigate and disclose them to the client

C. Accept a conflict without mitigating it, provided the benefit to the FSP is disclosed

D. Record conflicts in an internal register and review them annually, without telling the client

11. What is the primary purpose of the Codes of Conduct established under the FAIS Act?

A. To give FSPs a standard framework for marketing and advertising their financial products

B. To help FSPs improve profitability by standardising how financial products are sold

C. To safeguard the interests of clients and ensure they can make well-informed decisions

D. To set out the customer-service training that every representative must complete

12. After the FSP's internal process, within what period must the FSP inform the complainant that the matter may be referred to the Ombud if it has not been resolved?

A. If not resolved within three weeks of receipt

B. If not resolved within three months of receipt

C. If not resolved within six months of receipt

D. If not resolved within six weeks of receipt

Task 5: Record keeping

13. Dlamini Brokers holds client funds in the separate bank account the General Code of Conduct requires. To make sure the account is never short when the bank levies its monthly fees, the firm leaves R5 000 of its own money in it as a buffer. Which statement about the money in that account is correct?

A. The firm may hold its own money in the account to meet the bank's charges, because those charges are levied on the account itself rather than on any one client, and the buffer is there to protect the clients' funds.

B. The account may hold clients' funds only and not the firm's own money, and all the bank charges on the account, including those on a client's own deposit or withdrawal, are for the account of the clients whose funds are held in it.

C. The account may hold clients' funds only and not the firm's own money, and the bank charges on the account are for the firm's account in any event, apart from charges on a client's own deposit or withdrawal.

D. The firm may hold its own money in the account so long as any interest that money earns is paid over to the clients whose funds are in the account, since the Code requires interest on the account to go to the owner of the funds.

Task 6: The FIC Act and anti-money laundering controls

14. Which cash transaction amount triggers a cash threshold report to the FIC?

A. Every cash transaction concluded with a client, whatever the amount

B. Large cash transactions exceeding R49 999.99 (i.e. R50 000 and above)

C. Every purchase of immovable property concluded by a client

D. Every electronic funds transfer made for a client, whatever the amount

Task 7: Complaints and the FAIS Ombud

15. Thandi telephones Khanya Advisory, an authorised FSP, and says that the representative who sold her a policy pressured and belittled her throughout the sale. She puts nothing in writing, and she accepts that she has lost no money. Does what she alleges fall within the definition of a 'complaint' in section 1 of the FAIS Act?

A. Yes. One limb of the definition is an allegation that the provider or representative treated the complainant unfairly, and that limb carries no prejudice requirement.

B. No. A complaint under the Act must be submitted in writing, so Thandi must first set out her allegation in a letter or an e-mail addressed to the FSP.

C. No. Each limb of the definition requires that the complainant has suffered, or is likely to suffer, financial prejudice or damage as a result of the conduct.

D. No. The definition reaches only an allegation that the provider contravened or failed to comply with a provision of the Act and caused loss by doing so.

Task 8: Operating as a representative

16. Over what period does the continuous professional development (CPD) cycle for a representative run?

A. 1 June to 31 May.

B. 1 January to 31 December.

C. 1 March to 28 February.

D. 1 April to 31 March.

17. Lady Jane was debarred 6 months ago solely because she did not pass her RE5 within the prescribed time. BigTime Advisors now wishes to bring her on, and she has since passed the RE5. What is the position on reappointment?

A. Reappointment is not possible until at least 12 months have elapsed since the date on which she was debarred.

B. She must apply to the FAIS Ombud to have the debarment lifted before any FSP is permitted to reappoint her as a representative.

C. She may be reappointed as soon as the competency requirement is met; no 12-month wait applies to a competency-based debarment.

D. A debarment under the FAIS Act runs for five years, so she must wait another four and a half years to return.

18. Jane Seno was appointed under supervision at Big Bank on 1 February 2012. In March 2014 she moved to City Bank, still under supervision. By when must Jane complete her recognised qualification?

A. 31 January 2016.

B. 1 March 2019.

C. 31 January 2018.

D. 31 January 2020.

19. On which form is the appointment of a representative notified, per the current FSCA requirement?

A. Part I of the debarment notification form.

B. The licence application form (FSCA FAIS Notice 1 of 2018).

C. The annual compliance report.

D. Form 5 (FSCA FAIS Notice 29 of 2023).

20. On 1 March, Lucky Brokers discovers that their representative Sonja defrauded a client while authorised by them. Sonja resigned on 1 February and is now a representative of Ace Brokers. The misconduct only became known to Lucky Brokers after she left. What must Lucky Brokers do?

A. Refer the matter to the FSCA, because the misconduct only became known after Sonja ceased to be their representative.

B. Start debarment proceedings against Sonja immediately, as the conduct happened while she was their representative.

C. Inform Ace Brokers so that Ace Brokers can debar Sonja.

D. Do nothing, as Sonja is no longer their representative.

Answer key, with sources

1. B. Client (consumer) protection.

The FAIS Act is primarily consumer-protection legislation; its preamble directs it to regulate the rendering of financial advisory and intermediary services to clients, with the overarching aims of maintaining trust in the industry and systemic stability.

Source: FAIS Act Preamble

2. B. Both the Compliance Officer (who completed it) and the Key Individual.

Section 17(4)(a) requires the compliance officer to submit reports to the Authority 'in the manner and regarding the matters, as from time to time determined by the registrar by notice on the official web site'. That manner is set by the compliance report notices, FSCA FAIS Notices 32, 33 and 34 of 2018, whose signature pages carry two separate blocks: 'COMPLIANCE REPORT COMPLETED AND SIGNED BY FSP', naming and signed by a key individual, and 'COMPLIANCE REPORT COMPLETED AND SIGNED BY COMPLIANCE OFFICER', signed by the compliance officer, who also makes the declaration. Both signatures are required, and the notices state that 'all unsigned reports will be regarded as "Not Submitted"'.

Source: FAIS Act s 17(4)(a), read with the compliance report notices FSCA FAIS Notice 32 of 2018 (Cat I), 33 of 2018 (Cat II and IIA) and 34 of 2018 (Cat III)

3. A. FSP B displays a certified copy of the licence in a frame at every business premises.

Section 8(8) requires a certified copy of the licence (certified by the FSCA) to be displayed prominently and durably at every business premises where financial services are rendered.

Source: FAIS Act s8(8)

4. D. From the date of publication of the declaration. It must stop at once.

Section 34(4): from the date of publication of the declaration, the FSP/representative may no longer carry on the declared practice. It must stop immediately.

Source: FAIS Act s34, s34(4)

5. D. A fine of up to R10 000 000, imprisonment of up to 10 years, or both.

A person convicted of a s36 offence is liable to a fine of up to R10 000 000, imprisonment of up to 10 years, or both.

Source: FAIS Act s36

6. A. Would the conduct harm FSP/client/public relations, or unreasonably prejudice, deceive or unfairly affect clients, or defeat an objective of the FAIS Act?

Section 34(2) sets out the grounds that guide a declaration of an undesirable practice: whether the practice has or is likely to have the effect of harming the relations between providers and clients or the general public, unreasonably prejudicing any client, deceiving any client or unfairly affecting any client, and whether allowing it to continue will or is likely to defeat one or more objects of the Act. High-pressure selling is exactly the conduct that test is aimed at.

Source: FAIS Act s 34(2)

7. A. is a natural person responsible for managing or overseeing the rendering of financial services by the FSP.

Section 1 of the FAIS Act defines a key individual as a natural person responsible for managing or overseeing the rendering of financial services by the FSP, alone or with others in a similar position of authority.

Source: FAIS Act s1 (definition of key individual), paras (a) and (b)

8. C. Within one business day

Cash received without bank intermediation must be deposited into the separate client account within one business day.

Source: GCOC s10(1)

9. B. The nature and extent of benefits, as well as any exclusions of liability

Section 7(1)(c) requires full and appropriate information at the earliest reasonable opportunity, including under (ii) the 'nature and extent of benefits to be provided, including details of the manner in which such benefits are derived or calculated and the manner in which they will accrue or be paid', and under (vii) 'concise details of any special terms or conditions, exclusions of liability, waiting periods, loadings, penalties, excesses, restrictions or circumstances in which benefits will not be provided'.

Source: GCOC s 7(1)(c)(ii) and s 7(1)(c)(vii)

10. B. Avoid them where possible and, where not possible, mitigate and disclose them to the client

Section 3(1)(b) requires that 'a provider and a representative must avoid and where this is not possible mitigate, any conflict of interest between the provider and a client or the representative and a client'. Section 3(1)(c) then requires the provider or representative, 'in writing, at the earliest reasonable opportunity', to disclose the conflict to the client, including the measures taken to avoid or mitigate it. Avoid, mitigate, disclose - in that order.

Source: GCOC s 3(1)(b) and s 3(1)(c); s 3A(2)(b)(i) (conflict of interest management policy)

11. C. To safeguard the interests of clients and ensure they can make well-informed decisions

Section 16(1) requires a code of conduct to be drafted so that clients 'will be able to make informed decisions' and so that 'their reasonable financial needs regarding financial products will be appropriately and suitably satisfied'. Once published under s 15(1)(b) the code becomes binding on all authorised financial services providers and the representatives referred to in it.

Source: FAIS Act s 15 and s 16(1)

12. D. If not resolved within six weeks of receipt

If the FSP has not resolved the complaint within six weeks of receipt, it must inform the complainant that the matter may be referred to the Ombud; the complainant then has six months from the final response to refer it.

Source: FAIS Act s27(3); Ombud Council Rules 2024

13. C. The account may hold clients' funds only and not the firm's own money, and the bank charges on the account are for the firm's account in any event, apart from charges on a client's own deposit or withdrawal.

Section 10(1)(d) of the General Code requires a provider who receives or holds client funds to 'open and maintain a separate account, designated for client funds, at a bank and - ... (ii) ensure that the separate account only contains funds of clients and not those of the provider; (iii) pay all bank charges in respect of the separate account except that bank charges specifically relating to a deposit or withdrawal of the funds of the client are for the client's own account'. A buffer of the firm's own money breaches subparagraph (ii), and subparagraph (iii) shows why the buffer is not needed: the charges on the account are the provider's own cost.

Source: General Code of Conduct BN 80 of 2003 s10(1)(d)(ii), (iii) and (iv), read with s10(1)(d) and s10(1)

14. B. Large cash transactions exceeding R49 999.99 (i.e. R50 000 and above)

A cash threshold report is required for cash paid to or received from a client of more than R49 999.99 (R50 000 and above), including multiple smaller transactions that cumulatively exceed the threshold.

Source: FIC Act s28 read with MLTFC Regulations reg 22B (prescribed amount R49 999,99, effective 14 November 2022)

15. A. Yes. One limb of the definition is an allegation that the provider or representative treated the complainant unfairly, and that limb carries no prejudice requirement.

The section 1 definition has three limbs. A complaint is one in which it is alleged that the provider or representative '(a) has contravened or failed to comply with a provision of this Act and that as a result thereof the complainant has suffered or is likely to suffer financial prejudice or damage; (b) has wilfully or negligently rendered a financial service to the complainant which has caused prejudice or damage to the complainant or which is likely to result in such prejudice or damage; or (c) has treated the complainant unfairly'. The prejudice element sits in limbs (a) and (b) only. Limb (c) has none, and nothing in the definition requires writing.

Source: FAIS Act s1 (definition of 'complaint', limbs (a), (b) and (c)); Ombud Council Rules for the Ombud for Financial Services Providers, 2024, Rule 5(1)

16. A. 1 June to 31 May.

The CPD cycle runs from 1 June to 31 May. CPD begins once a representative has met all competency requirements, or six years from DOFA, whichever is earlier.

Source: BN 194 of 2017 s 1 (definition of CPD cycle)

17. C. She may be reappointed as soon as the competency requirement is met; no 12-month wait applies to a competency-based debarment.

Section 14(9) bars a debarred person from rendering financial services 'unless the person has complied with the requirements referred to in section 13(1)(b)(ii) for the reappointment of a debarred person'. Those requirements are in Board Notice 82 of 2003, which requires at least 12 months to have elapsed since the debarment date, 'unless the debarment was consequent upon the applicant not having qualified as contemplated in section 13(2)(a) of the Act, and the applicant has within that period qualified as so contemplated'. Lady Jane's debarment was purely for not passing the RE5 in time and she has since passed, so the 12-month bar does not apply. The Notice's other standing conditions - unconcluded business properly concluded, complaints and proceedings resolved, fit and proper met - still have to be satisfied.

Source: Board Notice 82 of 2003, determined under FAIS Act s 13(1)(b)(ii); FAIS Act s 14(9)

18. C. 31 January 2018.

The recognised qualification must be obtained within 6 years of the date of first appointment (DOFA). Jane's DOFA is 1 February 2012, so the 6-year period runs to 31 January 2018; moving FSP does not reset DOFA.

Source: BN 194 of 2017 (recognised qualification, 6 years from DOFA)

19. D. Form 5 (FSCA FAIS Notice 29 of 2023).

The appointment of a representative is notified on Form 5 per FSCA FAIS Notice 29 of 2023.

Source: FSCA FAIS Notice 29 of 2023 (Form 5)

20. A. Refer the matter to the FSCA, because the misconduct only became known after Sonja ceased to be their representative.

The reason for debarment must have occurred and become known to the FSP while the person was still a representative. Because the misconduct only became known after Sonja left, Lucky Brokers cannot debar and must refer the matter to the FSCA.

Source: FAIS Act s 14

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