Financial Intelligence Centre Act No. 38 of 2001 (‘FICA’)

Internal Policy and procedures

1. INTRODUCTION

The Financial Intelligence Centre Act, promulgated in 2001 in South Africa, sets up anti-money laundering procedures to prevent criminal groups and individuals from converting illegal profits into ‘clean money’. FICA required all individuals and institutions to report specified as well as unusual or suspicious transactions to the Financial Intelligence Centre.

The purpose of this Internal Policy and Procedures is to ensure compliance with FICA and to ensure that each employee knows its role in complying with the requirements as imposed by FICA.

2. TRAINING AND AWARENESS

Each employee is obliged to read through the FICA training material and receive FICA training. Each employee must ensure that he/she fully understands the contents, duties and obligations in terms of FICA. After reading the FICA training manual and receiving FICA training each employee must sign the necessary documents.

3. IDENTIFYING THE CLIENT AND VERIFYING THE INFORMATION

All client information required as set out in the FICA act and in the training manual must be obtained from the client with each and every transaction concluded with the company in a diligent and accurate manner. The said information is obtained to ensure that the provider ‘knows his client’ and to ensure the provider knows who it is dealing with.

Each employee must report transactions concluded by him/her to the reporting officers where the necessary information was not obtainable from the client or where the client refused to disclose or submit the information required.

4. CASH TRANSACTIONS

In the event where cash (notes, coins and travellers cheques) is involved in any transaction, the same information as with any other transaction must be obtained, but in addition the Cash Transaction Form must be completed and the transaction must be reported to the reporting officer. This must be done within 2 working days from the date that the transaction was done – use the FIC Website for electronic submissions.

5. UNUSUAL OR SUSPICIOUS TRANSACTIONS

Each employee is obliged to report any unusual or suspicious transaction to the reporting officer. Unusual or suspicious transactions are transactions as set out in the training manual or any other transaction concluded by the employee and a client and the employee is not sure whether he knows his client or is unsure of the source of any of the received documents or monies. Each transaction concluded by an employee that seems unusual or suspicious, taking into consideration the experience and qualifications of each employee, must be reported to the reporting officer. This must be done within 15 days from the date that the staff member became suspicious of the transaction.

6. RECORD KEEPING

All documents and records relating to each client ('client information'), with whom a transaction was concluded must be maintained and kept in safe custody (protected against destruction) for a period of 5 years from dates of conclusion of the transaction or date the relationship with the client was terminated, whichever occurs the latest in time. In this regard all client information must be handed to the business manager, who can thereafter be contacted to ensure access to client information by employees.

Each employee who removes client information from safekeeping, must sign for such client information and insert the date such client information is removed from safekeeping. On return of such client information the same person who removed such information must sign and date that all the client information was returned.

7. NON COMPLIANCE

Each member will be liable to disciplinary action in the event of non-compliance with FICA, the training manual, these Internal Policy and Procedures and all other policies issued from time to time by the company.

8. REPORTING IN TERMS OF FICA

Each employee must immediately report a transaction to the reporting officer in terms of the following events:

(a) Any cash transaction over R25 000.00 (vat excl) (Notes, coins and travelers cheques);
(b) Any unusual or suspicious transactions; or
(c) When it was impossible for the employee to comply with the requirements in terms of FICA for whatever reason; or
(d) Whenever in doubt as to whether to report to the reporting officer or not.

The responsibility to report a transaction in terms of FICA to the Financial Intelligence Centre will transfer from the employee to the reporting officer after a transaction was reported to the reporting officer. The reporting officer will determine and decide as to whether a transaction must be reported.

9. REPORTING OFFICER

The reporting officer for the company is _________________or any other person nominated from time to time by the company.

If the employee has any questions or any queries or is uncertain of any aspect relating to FICA, the employee must report to the reporting officer immediately before any transaction is finalised between the company and a client in order to ensure compliance with FICA

The reporting officer has to determine within 15 days after the conclusion of the transaction whether or not the transaction is reportable to the Financial Intelligence Centre.