



Prudential Authority imposes administrative sanctions on Bidvest Bank Limited

The Prudential Authority (PA) has imposed administrative sanctions on Bidvest Bank Limited (Bidvest Bank) for non-compliance with the provisions of the Financial Intelligence Centre Act 38 of 2001, as amended (FIC Act).

The FIC Act mandates the PA, in terms of section 45, to supervise and enforce compliance with the provisions of the FIC Act insofar as accountable institutions (AI) regulated or supervised by it are concerned. Flowing from these responsibilities, the PA, inter alia, inspects AIs to assess whether they have appropriate and adequate measures and controls in place which would enable them to effectively comply with the FIC Act.

The administrative sanctions were imposed because certain weaknesses were identified in Bidvest Bank's processes to comply with the provisions of the FIC Act. It should be noted that the administrative sanctions were not imposed because Bidvest Bank was found to have facilitated transactions involving money laundering or the financing of terrorism.

The administrative sanctions imposed on Bidvest Bank are a financial penalty of R5.25 million in the following areas:

1. failure to comply with cash threshold reporting requirements in terms of section 28 of the FIC Act; and
2. failure to maintain adequate records that it had trained employees in terms of section 43(a) of the FIC Act read with guidance provided by the Financial Intelligence Centre in Public Compliance Communication 18¹.

Bidvest Bank is cooperating with the PA and has taken the necessary measures to address the identified compliance deficiencies and control weaknesses.

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¹ The inspection at Bidvest Bank was conducted prior to the implementation of Financial Intelligence Centre Amendment Act 1 of 2017.