



Financial
Intelligence Centre

NOTICE

DRAFT GUIDANCE ON THE IMPLEMENTATION OF NEW MEASURES TO BE INTRODUCED BY THE FINANCIAL INTELLIGENCE CENTRE AMENDMENT ACT, 2017 (ACT NO. 1 OF 2017)

Thursday, 15 June 2017: The Minister of Finance has announced the coming into operation of a number of provisions of the Financial Intelligence Centre Amendment Act, 2017 (the FIC Amendment Act). According to this announcement the implementation of the provisions of the FIC Amendment Act that provide for the following, will start on 2 October 2017:

- Customer due diligence measures
- Recordkeeping requirements
- Risk Management and Compliance programme
- Governance and training

Together with this announcement the Minister also made available a Roadmap for the Short-term implementation of the Financial Intelligence Centre Amendment Act (which can be found on the Centre's website at www.fic.gov.za). The Roadmap provides details on the process that will be followed to prepare for the commencement of these provisions.

One of the objectives of the Financial Intelligence Centre Act, 2001, (the FIC Act) is to bring about transparency in the financial system. Transparency in the financial system implies that it can be easily established who is doing business with financial and non-financial institutions and what the nature of that business is. This is made possible if compliance with the requirements of the FIC Act results in adequate information being captured in the records of accountable institutions and information that may support further investigation of money laundering and terrorist financing being shared in a timely manner. Simply put, this means that institutions in the financial system are dealing with known customers who are conducting legitimate business and that institutions can spot when customers are conducting business that may be of an illicit nature and report that to the correct authorities. Transparency of this nature is a key safeguard to the integrity of the financial system as it ensures that attempts at exploitation of financial institutions are exposed and addressed appropriately.

The Financial Intelligence Centre (the Centre) in cooperation with the National Treasury, South African Reserve Bank and Financial Services Board has developed draft guidance to initiate a discussion with accountable institutions on the guidance that will be required to implement the new provisions that will become part of the FIC Act when the abovementioned sections of the FIC Amendment Act come into operation on 2 October 2017. Click **here** to access the draft guidance note.

Commentators are encouraged to share their views on any of the issues raised in this draft document. This draft guidance will also be used in the course of the consultation process as the basis for discussions with industry representative bodies in the different sectors of accountable institutions. At the conclusion of the consultation process, the Centre, together with the National Treasury, South African Reserve Bank and Financial Services Board, will prepare a final document, taking the comments and contributions received into account.

Further consultation documents, in addition to the draft guidance, have also been developed and published for public comment. These are draft amendments to the Money Laundering and Terrorist Financing Control Regulations made under the FIC Act, a draft notice to withdraw the Exemptions made under the FIC Act and an overview document on Measures to combat Money Laundering and Terrorist Financing. These documents can be accessed **here**. Commentators are advised to familiarise themselves with these documents as well when considering and formulating their views on the draft guidance.

Commentators are requested to submit written comments, representations or requests only by using the online response form which can be accessed by clicking **here**. Submissions will be received till, 12 July 2017, by close of business.

Institutions forming part of a group (i.e. comprising more than one institution) are requested to coordinate their responses within the group and preferably submit one response on behalf of the whole group.

The Centre can be contacted for further information at the following telephone number: Ms Poovindree Naidoo / Ms Adri Potgieter (012) 641 6000.

Issued by:

The Financial Intelligence Centre

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