

2004-10-29

**TO ALL CHIEF EXECUTIVE OFFICERS OF BANKS, BRANCHES OF FOREIGN
BANKS AND MUTUAL BANKS**

BANKS ACT CIRCULAR 17/2004

**ENFORCEMENT OF THE 31 OCTOBER 2004 DEADLINE FOR CLIENT
IDENTIFICATION AND VERIFICATION IN TERMS OF THE FINANCIAL INTELLIGENCE
CENTRE ACT, 2001 ("FICA").**

Reference is made to Banks Act Circular 10/2004 dated 22 June 2004 regarding certain exemptions in respect of the implementation of FICA.

Attached to this Circular is a media release of today's date by the Financial Intelligence Centre ("FIC"). This Office concurs with the views of the FIC that banks have made a concerted effort to discharge their duties and responsibilities in terms of FICA. Accordingly, banks are requested to take cognisance of the contents of the attached media release and to act appropriately.

Banks should take note that the deadline of 31 October 2004 referred to in the attached media release of the FIC only applies to a particular category of clients namely persons associated with trusts and partnerships, and the top 20% of individuals and legal persons identified as high risk clients. As a consequence, should a bank be unable to meet the conditions to the exemption in respect of this category of clients, the exemption announced by the Minister of Finance in Government Notice No. R.749 published in *Government Gazette* Number 26487 of 21 June 2004 will cease to apply to such a bank in respect of this category of clients only.

The exemption, the remaining deadlines and all the conditions pertaining to those deadlines concerning the other categories of bank clients remain in effect.

Banks are thus advised to give notice immediately to non-cooperating clients that they will be enforcing the deadline in order to make it possible for banks to give practical effect to their legal obligations under FICA. To this end, it is expected that banks will not be transacting with non-cooperating clients after Monday, 15 November 2004 at the latest.

Banks are requested to forward to this Office by 18 November 2004 a report detailing the extent to which they are implementing the freezing of non-cooperative clients' bank accounts.

Two additional copies of this circular are enclosed for the use of your institution's independent auditors. The attached acknowledgement of receipt, duly completed and signed by both the chief executive officer of the institution and the said auditors, should be returned to this Office, at the earliest convenience of the aforementioned signatories.

E M Kruger
Registrar of Banks

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The previous circular issued was Banks Act Circular 16/2004 dated 26 October 2004.