

2005-07-22

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

BANKS ACT CIRCULAR 4/2005

ISSUE OF A GUIDANCE NOTE BY THE FINANCIAL INTELLIGENCE CENTRE ("THE FIC") IN TERMS OF SECTION 4(C) OF THE FINANCIAL INTELLIGENCE CENTRE ACT, 2001 ("THE FIC ACT")

Attached to this Circular is a copy of *Government Gazette* Number 27803 of 18 July 2005 containing Guidance Note 3 issued on 14 July 2005 by the FIC. The purpose of the Guidance Note is to assist banks with the practical application of certain sections of the FIC Act, in particular client-identification and verification requirements, as detailed in section 21 the FIC Act.

In the event of banks encountering any further difficulties in exercising their duty in terms of the FIC Act, each bank is advised to clearly formulate such queries and to forward the same to this Office on a monthly basis by the fifth calendar day of each month, for the attention of Mr Wilfred Lautenberg. This Office will consolidate all queries and refer them to the FIC. Thereafter, this Office will respond directly to the bank concerned or, where necessary, the FIC could issue further guidance notes.

Finally, this Office again wishes to bring to the attention of all banks the national importance of the FIC Act, as well as the commitment required at the most senior level within all banks, in order to ensure full compliance by banks with their responsibilities in terms of the FIC Act.

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

ENCL. 1

The previous circular issued was Banks Act Circular 3/2005 dated 6 June 2005.