



South African Reserve Bank
FROM THE OFFICE OF
THE REGISTRAR OF BANKS

CONFIDENTIAL

2005-09-08

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

BANKS ACT CIRCULAR 6/2005

ENFORCEMENT OF THE 30 SEPTEMBER 2005 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 from the implementation of FICA.

In terms of exemptions from FICA granted by the Minister of Finance under Government Notice No. 749, in *Government Gazette* No. 26487 of 21 June 2004, key dates for the implementation of "Identification of clients and other persons" as stipulated in section 21 of FICA, were stated as follows:

High risk

31 October 2004

- Every partnership;
- every trust;
- 20 per cent of individual clients characterised as high risk; and
- 20 per cent of clients that are legal entities.

31 December 2004

- All clients characterised as high risk.

Medium risk

31 May 2005

- 50 per cent of all clients characterised as medium risk.

30 September 2005

- All clients characterised as medium risk.

Banks are reminded of the importance of the completion of their characterised medium-risk client identification by 30 September 2005.

The exemption, the remaining deadline (all clients characterised as low risk to be identified by 30 September 2006) and all conditions pertaining to those deadlines with regard to the other categories of bank client remain in effect.

Banks are thus advised to give notice immediately to non-cooperating clients that the deadline will be enforced 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 transact with non-cooperating clients after **9 October 2005 at the latest**.

Banks are requested to forward a report, detailing the extent to which they are implementing the freezing of non-cooperative clients' bank accounts, to this Office, by **16 October 2005**.

Acknowledgement of receipt

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

The previous circular issued was Banks Act Circular **5/2005** dated **7 September 2005**.