REPORTING OF TRANSACTIONS BY DIRECT REPORTING ENTITIES, AUTHORISED DEALERS AND ADLA's IN TERMS OF THE FINSURV REPORTING SYSTEM.

(A)   **Direct Reporting Entities.**

    (i)   **General.**

        From a validation point of view, there are only minor differences between a Direct Reporting entity and an Authorised Dealer. SANLAM, Momentum and Eskom are regarded as Direct Reporting entities and these entities will report their transactions under the BOPDIR module of the FinSurv Reporting System.

    (ii)   **Reporting of transactions by SANLAM, Momentum and Eskom.**

        SANLAM, Momentum and Eskom must use the normal categories and sub-categories as per the agreement with the SARB. In addition, SANLAM and MOMENTUM must supply the transaction reference number of the Authorised Dealer who effected the bulk payment as well as the Authorised Dealer code of that Authorised Dealer.

        With the payment instruction (Integrated form) between SANLAM, Momentum and Eskom and the Authorised Dealer, the category instruction to the Authorised Dealer is that category 833 must be used.   Any other payment, which falls outside the Service Level agreement between the SARB and SANLAM, Momentum and Eskom, a normal BOP category and sub category is applicable and must be provided to the Authorised Dealer.

    (iii)   **Reporting of the bulk payment by the Authorised Dealer in respect of a Direct Reporting entity.**

        The Authorised Dealer must use the category supplied by the Direct Reporting entity. It is the responsibility of the Direct Reporting entity to supply the correct information on the payment instruction.

        The following reporting rules are highlighted:
Since the account of the Direct Reporting entity will be involved in the bulk transaction, the resident legal entity name must be completed. This will be the name of SANLAM, Momentum or Eskom.

        The money transfer agent indicator must either be SANLAM or Momentum or Eskom. It is suggested to default the bank account of SANLAM or

Momentum or Eskom held in the books of an Authorised Dealer to the money transfer agent indicator if category 833 is used. If any other category is applicable, the money transfer agent indicator can only be AD. The validation will not allow category 833 to be used with AD in the money transfer agent indicator field.

(B)   Reporting of net settlement transactions by Authorised Dealers in terms of the FinSurv Reporting System.

Category 833 was created with the specific purpose to report net settlement of Card transactions as well that of money remitters. Since the individual transactions are reported via BOPCARD RESIDENT and BOPCUS by the Authorised Dealers and ADLA's in respect of the various money remitter products, the net settlement payment will inflate our statistical data if these net settlement payments are included in our statistical data. In our database category 833 will not be taken into consideration except to balance with the actual transactions reported via the BOPCARD RESIDENT, BOPCARD NON RESIDENT and BOPDIR modules.

(i)   **CARD net settlements by an Authorised Dealer:**

The following rules are highlighted:

(a)   The legal entity name field under the resident customer account holder element must be completed. This will be the name of the local card entity i.e. VISA etc.

(b)   The money transfer agent indicator must be CARD.

(c)   The category is 833

(ii)   **Money Remitter net settlements by Authorised Dealers**:

MONEYGRAM or WESTERNUNION or PAYPAL or EXCHANGE4FREE or MUKURU or EXPRESSMONEY or ZMT or MONEYTRANS or DAYTONA or SHOPRITE or ECO NET are currently used as either a money remitter product or system to effect a payment via Authorised Dealers and ADLA's.

The following rules are highlighted:

(a)   The Money Transfer Agent Indicator must be the one applicable to the money remitter product/system.

(b)   The category is 833.

(iii)   **Settlements of travellers cheques and travel card products:**

Foreign currency travellers cheques and various travel card products are issued by AD's and ADLA's to resident travellers. The individual transactions are reported by the respective AD or ADLA when the

travellers cheque or travel card are issued, however the settlement of the travellers cheques or travel cards takes place via an AD in bulk or per transaction. When the AD settles the travellers cheques or travel cards, those transactions must be reported by the AD with category 833 together with the Money Transfer Agent Indicator TRAVELLERS CHEQUE or TRAVEL CARD respectively.

(C)   **Reporting of individual transactions by Authorised Dealers and ADLA's where a transaction via a money remitter product or system is involved.**

The Authorised Dealer or ADLA must report these transactions with the correct money transfer agent indicator.

Example: If ADLA ABC is authorised to report transactions effected via MoneyGram product/system, the BOPCUS message must reflect the money transfer agent code MONEYGRAM. The SARB will be able to identify all the transactions effected via a money remitter product/system. If the same ADLA reports a transaction not related to the MoneyGram product/system, then the money transfer agent indicator should be ADLA.

The money transfer agent indicator must be linked with the money remitter product/system and no human intervention to type data in this field will be allowed since your system must automatically select the correct money transfer agent indicator.

(D)   **Reporting of individual transactions by Authorised Dealers and ADLA's where a transaction via a pay-out partner is involved.**

If the pay-out partner is only facilitating the receipt and disbursement of funds on behalf of the Authorised Dealer or ADLA without allowing the Authorised Dealer or ADLA to use the system of the pay-out partner, and the Authorised Dealer settles a bulk payment in respect of transactions concluded with a pay-out partner, the category is 833 and the Money Transfer Agent Indicator must be PAYMENT PARTNER to be reported by the Authorised Dealer who effected the payment.

(E)   **ADLA reporting of transactions**

ADLA's are grouped into 3 categories. Category 1 and 2 ADLA's can use specific BoP categories as per the authority granted by the Financial Surveillance Department, which are systematically limited per ADLA. Transactions where a SWIFT message is required to effect a payment via an Authorised Dealer on behalf of a customer of an ADLA must be reported to the SARB with a normal BoP category together with the transaction reference number of the Authorised Dealer's transaction where the funds were effected. The ADLA must instruct the

Authorised Dealer to use category 833 in respect of all transactions where a SWIFT message will be created by the Authorised Dealer. The Authorised Dealer must supply their transaction reference number to the ADLA and must report the transaction related to the SWIFT message to the SARB with category 833 and the name of the ADLA as per the technical specifications must be reflected as the money transfer agent indicator.

In cases where the transfer was effected via a money transfer product/system i.e. MoneyGram, the approved name the product/system must be reflected as the Money Transfer Agent Indicator i.e. MONEYGRAM. The use of the Money Transfer Agent Indicator is to identify transactions which took place through a money transfer product/system. The normal category is applicable and category 833 may not be used.

Where the transfer was effected via a money transfer product/system i.e. MoneyGram, a travel card or travellers cheques, it is not required to supply the transaction reference number of the Authorised Dealer who effected the bulk payment on behalf of the money remitter product/system i.e. MoneyGram, Travel Card or travellers cheque.

In cases where an Authorised Dealer or ADLA uses a pay-out partner and not a system of the pay-out partner, the Money Transfer Agent Indicator must be PAYMENT PARTNER. In these cases there must be an approved agreement in place between the Authorised Dealer/ADLA and the pay-out partner.

Cash transactions where no transfer takes place are also excluded from the submission of a transaction reference number of the Authorised Dealer.

Validation rules in the Reporting System will determine when the transaction reference number related to the SWIFT message is required.

Category 3 ADLA's don't have to supply a transaction reference number of the Authorised Dealer in respect of the net settlement transaction of the money remitter product/system.

A reconciliation of transactions reported by the ADLA related to SWIFT payments via an Authorised Dealer will be done at the SARB. This reconciliation will evaluate beneficiary names, values, etc.