

—  
P O Box 3125 Pretoria 0001 South Africa  
370 Helen Joseph Street Pretoria 0002  
+27 12 313 3911 / 0861 12 7272  
www.resbank.co.za



**SOUTH AFRICAN RESERVE BANK**  
Financial Surveillance Department

14/6/2\_2022

2022-09-20

## **Exchange Control Circular No. 21/2022**

### **Money laundering and terrorist financing risk return accompanied by a managerial letter of comfort**

In view of the findings identified during the recent Financial Action Task Force Mutual Evaluation of South Africa and the subsequent work conducted by the Financial Surveillance Department in this regard, it has become necessary to institute amendments to the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority (ADLA Manual) with a view to strengthen the regulation and supervision of the Authorised Dealer in foreign exchange with limited authority (ADLA) industry.

In this regard, ADLAs are required to submit a money laundering and terrorist financing risk return accompanied by a managerial letter of comfort, signed by the most senior official, confirming that the money laundering and terrorist financing risks faced by the ADLA have been identified and that appropriate control measures have been implemented and included in the ADLA's Risk Management and Compliance Programme with a view to mitigate such risks. A copy of the money laundering and terrorist financing risk return template to be completed has been included as Annexure E in the ADLA Manual.

The following amendment to the ADLA Manual is outlined:

#### **Section B.2(H)**

A new subsection (vii) has been added as follows and the existing subsection (vii) has been renumbered as subsection (viii):

- (vii) In January of each year, a money laundering and terrorist financing risk return accompanied by a managerial letter of comfort, signed by the most senior official, confirming that the money laundering and terrorist financing risks faced by the ADLA have been identified and that appropriate control measures have been implemented and included in the ADLA's Risk Management and Compliance Programme with a view to mitigate such risks. A copy of the money laundering and terrorist financing risk return template to be completed is attached as Annexure E;

The amended ADLA Manual may be accessed on the South African Reserve Bank website, [www.resbank.co.za](http://www.resbank.co.za) by following the links: Home>What we do>Financial Surveillance>Financial Surveillance documents.

**Head of Department: Financial Surveillance**