



14/6/2\_2026

2026-01-12

## **Exchange Control Circular No. 2/2026**

# **Draft Alternative Remittance Providers Regulatory Framework: Invitation for public comment**

## **Background**

In the 2025 Budget Review (Annexure E), the Minister of Finance indicated that existing policy on cross-border remittances will be expanded to include informal money or value transfer services, to assist in stemming illicit financial flows.

The Financial Surveillance Department (FinSurv) has developed a draft regulatory framework, now published for public comment, to authorise and supervise Money or Value Transfer Service (MVTs) providers operating through alternative or informal channels, collectively referred to as Alternative Remittance Providers (ARPs).

FinSurv is committed to continuously strengthening the regulatory frameworks and supervisory oversight in response to evolving market developments and to address regulatory gaps.

## **The Financial Action Task Force Recommendation 14 and informal cross-border transfers**

This initiative seeks to enhance South Africa's alignment with international standards, particularly the Financial Action Task Force (FATF) Recommendation 14, by ensuring that cross-border MVTs providers or ARPs operating through alternative or informal channels are duly licensed or registered and subject to effective Anti-

Money Laundering and Countering the Financing of Terrorism (AML/CFT) supervision.

MVTS providers or ARPs operating through alternative or informal channels use unregulated or illegal methods to transfer money and value across borders. Operating largely outside the formal financial system, these alternative remittance mechanisms may include, but are not limited to, hawala dealers (hawaladars), Hundi operators, and Fei-Chen networks that facilitate transfers on behalf of clients.

### **Key elements of the draft Alternative Remittance Providers Regulatory Framework**

The draft ARP regulatory framework introduces a risk-based and proportionate oversight approach, balancing financial inclusion with the imperative to safeguard against money laundering and terrorist financing. Furthermore, it provides regulatory clarity by outlining permissions, conditions, and reporting obligations under the Exchange Control Regulations, 1961, with a focus on enabling Authorised ARPs to facilitate a defined set of peer-to-peer cross-border transactions while operating in a safe, transparent, and consistent manner.

Key elements included in the draft ARP Regulatory Framework include:

- **Definitions and scope:** Who qualifies as an ARP, permitted activities and channels, roles and responsibilities.
- **Market entry requirements:** Application process, fit-and-proper criteria, governance standards, beneficial ownership disclosures and required documentation.
- **Capital and prudential expectations:** Proportionate financial soundness and liquidity requirements.
- **Permissions, conditions and prohibited activities:** Permissible transactions, corridor rules, agent/partner arrangements and explicitly prohibited activities.
- **Operational risk management:** Customer interface standards, data capture and messaging requirements.
- **AML/CFT obligations:** As outlined in the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001).

- **Balance-of-payments reporting:** Simplified manual reporting during initial implementation, using prescribed templates.
- **Supervisory engagement and enforcement:** Onboarding, inspections and supervisory escalation.
- **Transitional arrangements:** Migration path and phased adoption for existing operators.

### **Deadline and contact details**

Stakeholders are invited to review the attached draft ARP Regulatory Framework and to submit written comments by **31 March 2026**. To facilitate this process, Annexure 1 (Word format) is provided.

Kindly complete Annexure 1 and return it via email to:

SARB-ADLA@resbank.co.za

Subject line: Comments on draft ARP Regulatory Framework

A handwritten signature in black ink, appearing to be a stylized 'S' followed by a horizontal line and a vertical stroke.

**Head of Department: Financial Surveillance**

## Annexure 1



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Financial Surveillance Department

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### **Comments on the draft Alternative Remittance Providers Regulatory framework**

Due date for comments: Tuesday, 2026-03-31

#### **Instructions:**

- Please complete all sections clearly.
- Add additional rows if needed.
- Submit the completed form to the Financial Surveillance Department at the email address below.

#### **Submission:**

Email: [SARB-ADLA@resbank.co.za](mailto:SARB-ADLA@resbank.co.za)

Subject line: Comments on draft ARP regulatory framework

1. Commentator details

Entity/individual name	
Industry/sector	
Name of contact person	
Telephone number of contact person	
Email address of contact person	

2. Comments

Section in draft ARP regulatory framework	Paragraph number selected for comment	Proposed amendments	Motivation for the proposed amendments

**CURRENCY AND EXCHANGES MANUAL  
FOR  
AUTHORISED ALTERNATIVE REMITTANCE  
PROVIDERS**



South African Reserve Bank

## Financial Surveillance Department

Version control sheet for the Currency and Exchanges Manual for  
Authorised Alternative Remittance Providers (ARP Manual)

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### Legal context

Although the Republic of South Africa (South Africa) has had exchange controls since 1939, the foundation thereof is the Currency and Exchanges Act, 1933 (Act No. 9 of 1933) (the Act) and the Exchange Control Regulations (Regulations) promulgated thereunder in terms of section 9(1) of the Act, on 1961-12-01. In terms of these Regulations, the control over South Africa's foreign currency reserves, including accruals thereto and spending thereof is vested in the Treasury, who is authorised to grant permissions or exemptions for certain transactions, subject to certain conditions. Although these permissions or exemptions have no statutory force, they have the effect of law. ‘

“Treasury”, is however defined to mean, in relation to any matter contemplated in the Regulations, the Minister of Finance or an officer in the Department of Finance (now the National Treasury) who, by virtue of the division of work in that Department, deals with the matter on the authority of the Minister of Finance.

The Minister of Finance has in terms of Regulation 22E delegated to the Governor, a Deputy Governor, the Head of the Financial Surveillance Department as well as other officials in the Financial Surveillance Department, the powers, functions and duties assigned to and imposed on the Treasury under the Regulations.

The Financial Surveillance Department of the South African Reserve Bank (FinSurv) is therefore responsible for the day-to-day administration of exchange controls in South Africa.

Section 9(5)(a) of the Act provides for the issuing of Orders and Rules, the current set of which was also promulgated on 1961-12-01. The Orders and Rules contain various orders, rules, exemptions, forms and procedural arrangements.

In accordance with section 45 of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (the FIC Act), FinSurv is designated as the supervisory body responsible for overseeing and enforcing compliance with the provisions of the FIC Act, including any orders, determinations, or directives issued under it, in respect of all ARPs referred to in items 10, 13 and 19 of Schedule 1 of the FIC Act.

The Financial Action Task Force (FATF) Recommendation 14 requires countries to implement measures that ensure all natural or legal persons offering Alternative Remittance Services including Money and Value Transfer Services, are duly licensed or registered. Furthermore, these persons must be subject to effective oversight mechanisms to monitor compliance with the relevant measures specified in the applicable FATF Recommendations.

In 2025, FATF amended Recommendation 1 to encourage member countries to better support financial inclusion. The revision promotes the adoption of proportionate and simplified measures in lower-risk situations and provides enhanced guidance on applying a risk-based approach. These changes aim to ensure that anti-money laundering, counter-financing of terrorism, and counter-proliferation financing (AML/CFT/CPF) measures remain effective while avoiding unnecessary barriers to access financial services.

As a member of FATF, South Africa is committed to implementing the FATF standards aimed at combating money laundering and the financing of terrorism.

FinSurv oversees Authorised Dealers (ADs) and Authorised Dealers with Limited Authority (ADLAs), which operate as cross border facilitators of customer foreign exchange in and outflows, and where authorised by FinSurv, also act as authorised dealers in foreign exchange. These entities are subject to established regulatory frameworks designed to ensure compliance with relevant financial legislation.

In addition to these existing frameworks, FinSurv also supervises authorised previously unbanked entities that facilitate cross-border foreign exchange transactions via ADs and ADLAs and the movement of value across geographic regions through now regulated non-traditional channels. These entities, known as an Authorised Alternative Remittance Provider (ARP), operate under defined regulatory conditions and play a critical role in facilitating secure, compliant international transfers of funds and value.

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## Introduction

This Currency and Exchanges Manual for Authorised Alternative Remittance Providers (ARP Manual) outline the permissions, conditions, and compliance requirements for ARPs facilitating cross-border foreign exchange transactions through traditional and non-traditional channels, including those conducted on behalf of natural persons under Regulation 2(2). It also sets out related administrative duties as well as regulatory reporting obligations and must be read alongside the Regulations.

ARPs may transact without referring to the FinSurv, provided the transactions are permitted in the final letter of authority issued to them by the FinSurv.

The arrangements set out in the ARP Manual should in no manner be construed as absolving ARPs and their clients from their duties and obligations under any other law, including but not limited to the Prevention of Organised Crime Act, 1998 (POCA Act No. 121 of 1998), the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) and the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (POCADATARA Act No. 33 of 2004).

FinSurv views contraventions of the provisions of the Exchange Control Regulations as well as any actions to circumvent the permissions and conditions contained in the ARP Manual and the FinSurv Formal Letter of Approval issued to an ARP in a very serious light.

FinSurv also reserves the right to amend, grant or impose additional permissions which will be communicated via its official website.

For the benefit of the general public, the Currency and Exchanges Guidelines for Individuals and Currency and Exchanges Guidelines for Business Entities have been published by the Financial Surveillance Department. These guidelines set out, in less technical terms, the permissions and conditions relating to cross-border foreign transactions.

The ARP Manual, the ADLA Manual, Currency and Exchanges Manual for Authorised Dealers, Currency and Exchanges Guidelines for Individuals, Currency and Exchanges Guidelines for Business Entities and applicable amendments thereto are available on the South African Reserve Bank's website: [www.reservebank.co.za](http://www.reservebank.co.za).

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## A.1 Terminology

### (A) Abbreviations

**ARP** - Authorised Alternative Remittance Provider

**AML/CFT** - Anti-money laundering and combating the financing of terrorism

**AML/CFT/CPF** - Anti-money laundering, counter the financing of terrorism and proliferation financing

**CDD** - customer due diligence in terms of Part 1 of Chapter 3 of the FIC Act

**CIPC** - the Companies and Intellectual Property Commission.

**CMA** - the Common Monetary Area, (Consists of Lesotho, Namibia, South Africa and eSwatini).

**FATF** - Financial Action Task Force

**FIC** - Financial Intelligence Centre

**FIC Act** - Financial Intelligence Centre Act, 2001 (Act 38 of 2001)

**FinSurv** - the Financial Surveillance Department of the South African Reserve Bank

**POCA Act** - Prevention of Organised Crime Act 121 of 1998

**POCDATARA Act** - Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004)

**SADC** - the Southern African Development Community (consisting of Angola, Botswana, Democratic Republic of the Congo, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, eSwatini, Union of the Comoros, United Republic of Tanzania, Zambia and Zimbabwe).

**STR** - Suspicious and unusual transaction report

**TFS** - Targeted financial sanctions

**UNSC** - the United Nations Security Council

## (B) Definitions

In this ARP Manual, unless the context indicates otherwise:

**ARP Manual** means the South African Currency and Exchanges Manual for Authorised Alternative Remittance Providers issued under the powers delegated by the Minister of Finance.

**ARP** means a South African domiciled limited liability company duly registered with the Companies and Intellectual Property Commission (CIPC); that is formally authorised by FinSurv to operate as an Authorised Alternative Remittance Provider (ARP).

**ARP Reporting** means the prescribed documentation format used by ARPs in South Africa to transmit client and currency flow data to FinSurv in the agreed format.

**ADLA** means an Authorised Dealer in foreign exchange with limited authority, including Bureaux de Change, independent money transfer operators and value transfer service providers, who are authorised by the FinSurv.

**ADLA Manual** means the Currency and Exchanges Manual for ADLAs issued by the Financial Surveillance Department to ADLAs under the powers delegated by the Minister of Finance.

**Authorised Dealer (AD)** means, in relation to any transaction in respect of gold, a legal person authorised by the Financial Surveillance Department to deal in gold and, in relation to any transaction in respect of foreign exchange, a legal person authorised by the Financial Surveillance Department to deal in foreign exchange.

**Authorised Dealer (AD) Manual** means the Currency and Exchanges Manual for Authorised Dealers issued by the Financial Surveillance Department to Authorised Dealers under the powers delegated by the Minister of Finance.

**Beneficial owner** means the natural person(s) who ultimately owns or controls a customer and/or the person on whose behalf a transaction is being conducted. It includes those persons who exercise ultimate effective control over a legal person or arrangement.

**Circulars** mean circulars issued by the Financial Surveillance Department to Authorised Dealers, ADLAs, ARPs and other role players, setting out the permissions, conditions and limits applicable to cross-border transactions that may be undertaken by Authorised Dealers, ADLAs and ARPs and/or on behalf of their clients, as well as amendments to related administrative responsibilities.

**Documentary evidence** means the prescribed documents specified in section B.2(C)(iii) of this Manual, which are required for cross-border money and value transactions with an ARP.

**Cross-Border Money Transporters** means a natural person (i.e. taxi, truck, courier and bus drivers) who is contracted by ARPs to transport up to R25 000 per natural person in notes to foreign beneficiaries domiciled in countries in the SADC region.

**Field agent** means a natural person who is employed by a service provider on a full time or on a contractual and/or commission basis to introduce potential clients and/or collect client identification and verification documentation on behalf of the ARP for the purposes of onboarding a client of the ARP.

**Foreign value transfer agent** means a natural person who is subject to the regulatory framework of the country in which they operate, and who are contracted to act as a foreign value transfer agent on behalf of an ARP.

**Foreign nationals** mean natural persons from countries outside the CMA who are temporarily resident in South Africa, excluding those on holiday or business visits.

**Alternative Remittances** mean non-bank methods and channels used for transferring money and value cross-border. Normally operating outside of Authorised Dealer (AD) banking and Authorised Dealer with Limited Authority (ADLA) systems, alternative remittances via ARPs may include, but are not limited to, hawala dealers (hawaladars), Hundi operators, and Fei-chen networks that facilitate such transfers on behalf of individual clients.

**Migrant worker** means someone who moves from their home country to another country for employment, typically due to economic reasons. Migrant workers can be employed on either a permanent or temporary basis.

**Non-resident area** means all countries other than those included in the CMA.

**Non-resident Rand account** means the Rand denominated bank account of a non-resident conducted in the books of an Authorised Dealer.

**Peer-to-Peer (P2P) transfers** mean person-to-person cross-border financial transactions where money and/or value moves directly from one individual (sender) to another individual (recipient) located in a different country. These transfers can occur through regulated digital platforms operated by Authorised Dealers and ADLAs, as well as through alternative remittance systems such as hawala systems and in-person cash exchanges.

**Permanent resident of South Africa** means any foreigner or immigrant (i.e. a natural person) who has taken up permanent residence in South Africa.

**Rand** means the monetary unit of South Africa as defined in section 15 of the South African Reserve Bank Act, 1989 (Act No. 90 of 1989).

**Regulations** mean the Exchange Control Regulations, 1961 as promulgated by Government Notice R.1111 of 1961-12-01, as amended from time to time.

**Resident account** means the bank account of a person resident, domiciled or registered in South Africa, including that of a CMA resident.

**South Africa** means the Republic of South Africa.

**The Act** means the Currency and Exchanges Act, 1933 (Act No. 9 of 1933).

**Treasury** means, in relation to any matter contemplated in the Regulations, the Minister of Finance or an officer in National Treasury who, by virtue of the division of work in National Treasury, deals with the matter on the authority of the Minister of Finance.

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## A.2 Register of Authorised entities

### (A) Authorised Alternative Remittance Providers

The offices in South Africa of the under-mentioned entities are authorised to act, for the purposes of the Regulations, as ARPs as specified in the respective final letter of approval issued by FinSurv:

Name of entity – Authorised Alternative Remittance Providers	Category of appointment
	ARP

### (B) Authorised Dealers in foreign exchange with limited authority

The offices in South Africa of the under-mentioned entities are authorised to act, for the purposes of the Regulations, as ADLAs:

Name of entity - Authorised Dealer in foreign exchange with limited authority	Category of appointment
Border Forex (Pty) Limited	Two
Forex World (Pty) Limited	Two
Global Foreign Exchange (Pty) Limited	Two
Home Remitt (Pty) Limited	Two
Imali Express (Pty) Limited	Two
Inter Africa Bureau de Change (Pty) Limited	Two
Interchange RSA (Pty) Limited	Two
Mukuru Africa (Pty) Limited	Two
NEC Money (Pty) Limited	Two
Sikhona Forex RF (Pty) Limited trading as Ria Money Transfer	Two
Tourvest Financial Services (Pty) Limited trading as Travelex	Two
Travel Forex (Pty) Limited trading as Travelex	Two
Access Forex (Pty) Limited	Three (MTO)
Clicksendnow (Pty) Limited	Three (MTO)
eZi Remit (Pty) Limited	Three (MTO)
Kastelo Africa (Pty) Limited	Three (MTO)
Kawena Exchange (Pty) Limited	Three (VTSP)
Sasai Fintech (Pty) Limited	Three (MTO)

<b>Name of entity - Authorised Dealer in foreign exchange with limited authority</b>	<b>Category of appointment</b>
SendHome (Pty) Limited	Three (MTO)
Shoprite Money Transfers (Pty) Limited trading as ShopriteSend	Three (MTO)
Shop2Shop Money Transfer (Pty) Limited	Three (MTO)
Teeenaar (Pty) Limited	Three (MTO)
Terra Payment Services South Africa (RF) (Pty) Limited	Three (MTO)
Tayo Pay (Pty) Limited	Three (MTO)
WorldRemit South Africa (Pty) Limited	Three (MTO)
Hello Paisa (Pty) Limited	Four
Mama Money (Pty) Limited	Four
Southeast Exchange Company (South Africa) (Pty) Limited	Four

### (C) Authorised Dealers

The offices in South Africa of the under-mentioned banks are authorised to act, for the purposes of the Regulations, as Authorised Dealers:

<b>Name of entity - Authorised Dealer</b>
ABSA Bank Limited
Access Bank (South Africa) Limited
Albaraka Bank Limited
Bank of China Johannesburg Branch
Bank of Communications Co. Limited Johannesburg Branch
Bank of Taiwan South Africa Branch
Bidvest Bank Limited
Capitec Bank Limited
China Construction Bank, Johannesburg Branch
Citibank, N.A., South Africa
Deutsche Bank AG, Johannesburg Branch
Discovery Bank Limited
FirstRand Bank Limited
Goldman Sachs International Bank, Johannesburg Branch
Habib Overseas Bank Limited

HBZ Bank Limited
HSBC Bank plc – Johannesburg Branch
Investec Bank Limited
JPMorgan Chase Bank (Johannesburg Branch)
Nedbank Limited
Sasfin Bank Limited
Standard Chartered Bank – Johannesburg Branch
State Bank of India
The Standard Bank of South Africa Limited

**(D) Restricted Authorised Dealers**

The office in South Africa of the under-mentioned banks are authorised to act, for the purposes of the Regulations, as a Restricted Authorised Dealers in respect of permissible credit card transactions per the quoted sections of the Currency and Exchanges Manual for Authorised Dealers:

<b>Name of entity – Restricted Authorised Dealers</b>
African Bank Limited – Sections B.4(B) and B.16
Bank Zero Mutual Bank – Sections B.4(B) and B.16
OM Bank Limited – Sections B.4(B) and B.16
Tyme Bank Limited – Sections B.4(B) and B.16

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## **B.1 Application to be appointed as an ARP**

### **(A) Disclaimer**

- (i) This section outlines the primary requirements and conditions for the submission of an application for authorisation to conduct the business of an ARP.
- (ii) Compliance with all requirements in the ARP application should not be interpreted as a guarantee that such application submitted to FinSurv will be approved.
- (iii) Where FinSurv declines an application for authorisation to conduct the business of an ARP, the applicant will be notified in writing.

### **(B) Compliance Warning: Unauthorised Cross-Border Money and Value Transfers**

- (i) Conducting and/or facilitating any unauthorised cross-border alternative remittances including money and value transfer business and/or illegal activities in South Africa is viewed by FinSurv in a serious light, and it constitutes a direct contravention of the provisions of Regulation 10(1)(c), which if detected may result in substantial monetary penalties and/or legal action/prosecution.
- (ii) Cognisance should also be taken of Regulation 22, which inter alia, provides that any person who makes an incorrect statement in a declaration or return submitted for the purposes of these Regulations or who refuses or neglects to furnish any information required under these Regulations, shall be guilty of an offence. Upon conviction, such a person may be liable to a fine, imprisonment, or both.
- (iii) In addition, any application and/or documentation submitted in contravention of Regulation 22 may be withdrawn as a consequence of non-compliance.

### **(C) Eligible Applicants**

- (i) New Alternative Remittance Businesses and existing Unsanctioned Alternative Remittance Businesses that meet the criteria outlined below, are eligible to apply to FinSurv for approval to operate as an ARP.

#### **(a) New Alternative Remittance Businesses**

- (aa) South African companies registered with CIPC as limited liability or co-operative companies may apply to FinSurv for authorisation to conduct peer-to-peer cross-border money or value transfer services.

(bb) Such activities may involve moving funds or value between geographic locations through traditional or non-traditional channels, provided:

- (1) shareholders and, where applicable, beneficial owners must have no criminal record.
- (2) shareholders and beneficial owners must have no history of non-compliance with the FIC Act and must be deemed by FinSurv to be fit and proper.
- (3) the applicant entity, its shareholders, and beneficial owners must meet all the minimum requirements specified in this Manual.

**(b) Existing Unsanctioned Alternative Remittance Businesses**

(aa) Parties currently conducting unauthorised **peer-to-peer** cross-border money and value transfer business activities involving the movement of money or value between geographic locations through traditional or non-traditional channels, and who meet the requirements set out in subsection C.(i)(a) above, may apply to the FinSurv.

**Note:** ARPs shall not be allowed to offer services to any client who are a legal person; in this regard only cross-border remittance transactions of natural persons, i.e. 'person to person' remittances shall be considered by FinSurv.

Also see sub-section F hereunder for more information on the governance requirements for ARPs.

**(D) Remittance Channels that can be applied for and Applicable Transfer Limits**

(i) The range of permitted remittance channels and transfer limits is restricted by FinSurv, and as a guideline to applicants, full details of the following types of peer-to-peer alternative remittance services may be submitted in the application to FinSurv, for consideration:

**(a) Single and Recurring Client Remittance Services**

(aa) ARPs would be allowed to facilitate inward and outward cross-border remittances of individual clients' funds via ADs and ADLAs.

(bb) These transfers could be for example in respect of local earnings and/or gifts being transferred to family/friends abroad, and are limited to a maximum of R5 000 per outward

client transaction per day, within an overall limit of up to R15 000 per client per calendar month.

- (cc) Client funds received by the ARPs should be deposited to a bank account the name of the ARP, from where it can be transferred to the AD or ADLA processing the cross-border transfer.
- (dd) The onus rests on the AD and/or ADLA processing the cross-border transfer not to bulk the client funds so received, but to report all the individual client transactions separately, using the applicable Reporting Category 401, 416 or 417 for each underlying client.
- (ee) To enable the reconciliation of such remittances processed by the AD or ADLA, the ARP would be required to keep record and disclose all client transactions together with requisite individual client and beneficiary details in the prescribed monthly spreadsheet report to FinSurv.

**(b) Facilitated Local Cross-Border Rand Note Transfers**

- (aa) ARPs would be allowed to use local couriers such as taxi, bus and truck drivers and/or individual travellers to facilitate the cross-border movement of Rand-denominated banknotes representing clients' earnings to individuals in neighbouring countries in the SADC region that accepts Rand.
- (bb) Transactions will be limited to R25 000 in banknotes per courier/traveller for each cross-border road trip undertaken.
- (cc) The onus would rest on the ARP to report all transactions including the individual client and beneficiary details in a prescribed monthly spreadsheet report to FinSurv using the applicable Reporting Category 401, 416 or 417.

**(c) Value Transfer Services**

- (aa) Individual clients of ARPs would be allowed to send outward cross-border remittances on behalf of individual clients using the value transfer system of an ARP and its foreign agent(s), as authorised by FinSurv.
- (bb) The value transfers dispensation is limited to a maximum of R5 000 per client per transaction per day, within an overall limit of up to R15 000 per client per calendar month.

- (cc) The client funds received by the ARP must be deposited to the ARP bank account, from where it can be transferred to the AD who will process any outstanding foreign agent balances and accordingly this paragraph should be read in conjunction with point (d) hereunder.
- (dd) The onus rests on the ARP to record and report all value transactions including the individual client, beneficiary and courier details in a prescribed monthly spreadsheet report to FinSurv using the applicable Reporting Category 416 or 417.

**(d) Settlement of Foreign Agent Invoices**

- (aa) Outstanding outward value transfer invoices, issued by foreign agents, may be settled by the ARP via an Authorised Dealer, within a limit of up to R100 000 per transaction.
- (bb) The Authorised Dealer effecting the transfer on behalf of an ARP must use reporting category 833 to report the transaction to FinSurv, and should also refer to 'section B.14(X) in the AD Manual' as the authority in terms of which the settlement was processed by them.
- (cc) To verify and reconcile such settlement remittances processed by ADs, the prescribed monthly spreadsheet report and periodic ARP bank statements to be provided shall be used by the ARP and FinSurv.

**(e) Other Remittance Channels**

- (aa) Additional inward or outward remittance channels or mechanisms not covered in the Manual can, in need, be explained and properly motivated in the prescribed application to FinSurv.

**(f) Summarised remittance channels and minimum client documentation required by ARP:**

Activity Type	Details	Documentation Required
Single Remittance (Only once for a client)	Physical money/cash remittance via ADLA/Authorised Dealer not exceeding R5 000 per client.	Proof of client identity (ID, passport, asylum seeker permits and maroon refugee ID).

Activity Type	Details	Documentation Required
Business Relationships (Recurring Transactions)	Physical money/cash remittance services via ADLA/Authorised Dealer, limited to R5 000 per transaction per day, up to R15 000 per calendar month.	CDD requirements: Identity verification and proof of South African residential address.
Value Transfer Services	Client sends via ARP in South Africa up to R5 000 per day or R15 000 per month; equivalent value made available via foreign agents to beneficiaries abroad.	CDD requirements: Identity verification and South African residential address.
Settlement of Foreign Agent Balances	Clearing of balances due to foreign agents via local Authorised Dealer against foreign agent invoice(s) ( $\leq$ R100 000 per transaction). Must be reported by AD under Category 833 and transaction permitted in terms of Section B.14(X) of AD Manual.	Foreign agent invoice and reconciled FinSurv monthly reporting spreadsheet.  The amount to be transferred cross-border may not exceed the net value of the inward and outward value transfer transactions that were set off against each other and must have been duly recorded and reconciled by the ARP for that specific agent and country on the FinSurv prescribed monthly reporting spreadsheet.

## (E) Prohibited Remittance Channels and Activities

- (i) The following remittance channels and/or activities are strictly prohibited and may not be utilised under the current FinSurv policy in force:

- (a) the use of third-party local field agents is not permitted.

*Note: (ARPs are required by the FinSurv to ring fence/segregate and manage its business operations exclusively through their own direct employees and/or the beneficial owners, without the involvement or delegation of responsibilities to external and third-party field agents)*

- (b) the use of virtual assets (crypto assets) that refer to any digital representation of value that can be digitally traded, transferred or used for payment;
- (c) issuance of loans to clients;
- (d) purchase of debts from third parties;
- (e) the settlement of outstanding foreign agent balances using illegal settlement activities such as over- or under-invoicing of goods or services.



- (f) acceptance of client deposits, currency exchange, or the sale and purchase of travellers' cheques;
- (g) provision of any financial services other than those explicitly authorised for specified money and/or value transfers;
- (h) formation of partnerships or execution of transactions involving or on behalf of any other local legal person or ARP operating in South Africa;
- (i) transfer of any authority granted by FinSurv to another legal person or ARP, ADLA, or Authorised Dealer. ARPs are required to manage their operations independently;
- (j) execution of domestic money and/or value transfers; and
- (k) participation in any other illegal forms of cross-border money and/or value transmission/remittance not expressly authorised in writing by FinSurv.

**(F) Minimum governance requirements applicable to ARPs**

The following operational conditions shall apply to successful applicants appointed by FinSurv as ARPs:

**(i) Banking and minimum capital requirements**

- (a) To safeguard client funds, absorb operational risks, and ensure the overall financial soundness of the ARP's operations, a prescribed amount of minimum unimpaired capital is required by ARPs.
- (b) A bank statement must, before ARP business operations commence, be provided to FinSurv confirming that the minimum amount as explained in points (c) and/or (d) hereunder was paid into the ARP segregated investment type savings or investment type bank account.
- (c) New ARPs without an established operational history shall be required to maintain ongoing unimpaired capital in a bank account equal to the higher of:
  - (aa) the base capital amount of R 50 000; or
  - (bb) 10% of the projected average monthly remittance volume based on the financial projections for the 1<sup>st</sup> 3 years of operations; or

- (cc) where no credible projection is available, the default capital tier prescribed by FinSurv for new entrants is discussed in point (d) hereunder.
- (d) For consistency, FinSurv at its own discretion may during the first year of operations apply the following indicative default capital tiers to new ARPs:

Category	Description	Initial Capital
Micro ARP	Expected volume ≤ R 1 million per month	R100 000
Small ARP	Expected volume R 1–10 million per month	R250 000
Medium/Large ARP	Expected volume > R 10 million per month	R 500 000

- (e) In addition to the unimpaired capital account, a second segregated bank account must be opened in the name of the ARP to deposit all client money to be transferred by the ARP via an ADLA or AD.
- (f) This bank account may not be used for any other business activities conducted by the ARP.
- (g) FinSurv shall at its discretion review the ongoing unimpaired capital requirement for an ARP on a six-monthly basis, based on the volumes disclosed in the client spreadsheet reports it received.
- (h) FinSurv reserves the right to increase, reduce, or otherwise adjust the unimpaired minimum capital requirement where, in its opinion, the scale, complexity, or risk profile of the ARP's operations so warrants.
- (i) Also see section B.2(b)(iii) for the reconciliation and reporting requirements that apply to the ARP bank accounts.

## **(ii) Other Regulatory Compliance including sanction screening**

- (a) The ARP would in addition to the exchange control policy directives stipulated in this ARP Manual and the final FinSurv Letter of Approval have further duties and obligations under other laws, including but not limited to:
- (aa) the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998);
- (bb) the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001); and

- (cc) the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004).
- (b) ARPs are also referred to FIC Directive no. 8 of 2023 and FIC PCC 44A read with Guidance Note 6A, which inter alia requires:
  - (aa) all employees to be screened for integrity and competence; and
  - (bb) the screening of employee and client information against the FIC published targeted financial sanctions (TFC) lists of the UNSC.

**Note:** Screening of clients against the relevant sanctions lists should be done during the client take on process, and on an ongoing basis when the UNSC adopts new TFS measures or expand existing ones.

- (c) For more information on documentary requirements and minimum regulatory compliance guidance, please also refer to sections B.2(C)(iv); C.1(E) and Annexure G in this Manual.

### (iii) Monthly reporting to FinSurv of all client transactions

- (a) The ARP is required to submit a prescribed monthly data report to FinSurv detailing all cross-border financial transactions conducted on behalf of its clients through the specific remittance channels authorised by FinSurv.
- (b) See section C.1(B) and Annexure D for more detailed information as well as the different prescribed spreadsheets to be used for the compulsory monthly reporting to FinSurv of all cross-border transactions.

## (G) Application process for ARP Authorisation

To apply for authorisation as an ARP, applicants must follow the steps outlined below and ensure that **all required** information and documentation is submitted to FinSurv. Unless explicitly stated, no information is optional.

### (i) Step 1: Submit the Application

- (a) Complete the prescribed application form titled, "Application for authorisation to conduct the business of an ARP" (refer to Annexure A of this Manual). The fully completed form must be submitted to FinSurv via email to the following email address:
  - (aa) SARB-ADLA@resbank.co.za

**(ii) Step 2: Submit Supporting Documents and Information**

- (a) Along with the completed application form, applicants must submit the following documentation and information. All items listed below are mandatory, unless explicitly stated otherwise:

(aa) Company registration documents:

- (1) Certified (i.e. officially verified) copy of Notice of Incorporation (CIPC Form CoR14.1).
- (2) Certified copy of Registration Certificate (CIPC Form CoR14.3).
- (3) Certified copy of Memorandum of Incorporation (CIPC Form CoR15.1A).

- (bb) Business Addresses: Include the street address of the ARP business premises and its postal address.

(cc) ARP Applicant Business Plan:

The business plan must include:

(1) Ownership Structure

- ownership (Family Tree): full names, surnames, identity or passport numbers;
- the percentage equity interest of all shareholders, including nominee shareholders; and
- if there are nominee shareholders, attach the custodial agreement or a declaration of trust.

(2) Directors and employees:

- full names, identity and/or passport numbers of all ARP Applicant directors' and employees as well as the employees job titles;
- each director must complete and submit the duly completed prescribed Questionnaire and their resume, certified by a Commissioner of Oaths. The Questionnaire is attached hereto as Annexure B;
- in addition, each director must complete and submit the duly completed prescribed consent and declaration form, certified by a Commissioner of

Oaths. The form is attached hereto as Annexure C; and

- if available at that stage, full names and copies of the resumes of the exchange control officer and the anti-money laundering officer (could be one person fulfilling both tasks).

(3) Remittance channels and foreign partners:

- The full names of all local financial institutions, including local and foreign digital platforms and informal/non-bank channels to be used for client cross-border transfers.
- Details outlining the modus operandi for each remittance channel and or value transfer channel applied for.
- Where foreign “value transfer agents” in other countries, are to be used, their full names, domicile and if available a copy of the agreement(s) entered into with them.

(4) Funding sources:

- Description of how the business will be financed (e.g.: own capital, loans (name & country of lender details), and any other sources; and if available at initial application stage:
  - The name of the bank and the bank account numbers for the ARP applicant’s unimpaired capital and the bank account for depositing client funds
  - a bank letter confirming that the specified minimum unimpaired capital amount was deposited into a ring- fenced Rand-denominated savings and/or investment type banking account in the ARP’s name; and
  - written confirmation from the most senior director/owner of the applicant entity confirming that the specified amount in the ring-fenced savings or investment type account will remain unimpaired; and the funds will not be withdrawn, ceded pledged or used as collateral by the ARP applicant or any of its stakeholders.

(5) Financial projections:

- Forecasted revenue (turnover) and expenses for the first three financial years of the ARP Applicant's envisaged operations.

(6) Risk Management & Compliance Programme (RMCP)

- a copy of the finalised RMCP as required by section 42 of the FIC Act; preferably at the time of submitting their application to FinSurv, but not later than 6 months from the initial FinSurv conditional letter of approval date.

**Note:-** FinSurv will review the ARP RMCP to determine whether it enables the applicant to comply with the provisions in Chapter 3 of the FIC Act.

For further guidance kindly see Annexure F for a RMCP checklist example.

**(iii) Step 3 Application Adjudication Process**

Once the application and supporting documentation have been received, FinSurv will initiate the adjudication process, which includes the following stages:

(a) Evaluation of the Application

- (aa) FinSurv shall assess whether the ARP applicant meets, or is capable of meeting the minimum regulatory requirements including alignment of the application with South Africa's national and economic interest.

(b) ARP Applicant management interview

- (aa) Provided the initial evaluation is satisfactory, FinSurv shall issue an invitation to the senior management of the ARP Applicant to attend an in-person interview at the South African Reserve Bank offices.

(c) Fit and proper assessment

- (aa) Following the interview, FinSurv will conduct an internal 'fit and proper' assessment of identified stakeholders. This includes verifying the integrity, competence, and suitability of individuals to be involved in the ARP applicant's operations.

(d) Issuance of conditional approval and documentation

- (aa) Should the application succeed, FinSurv shall issue an initial conditional letter of approval to the ARP applicant outlining any outstanding documents and/or requirements not fully complied with (e.g. confirmation of unimpaired capital, monthly reporting procedures, final RMCP, relevant résumés and declarations etc.).
- (bb) FinSurv will in the above letter also issue a timeline for compliance, which must normally be met within six months from the date of the conditional letter of approval, or such conditional approval shall be withdrawn/cancelled.
- (cc) It is important to note that no ARP business operations may commence until FinSurv has issued a subsequent Formal Letter of Approval clearly stating that the ARP business operations may commence and the ARP's name was published in the Government Gazette.

**(iv) Step 4 Post Adjudication process**

Once the applicant has complied with the conditions set out in the initial approval, the following actions need to be completed:

- (a) Submission of outstanding information and documentation
  - (aa) The provisionally authorised ARP must submit all outstanding documents and information as requested in the conditional letter of approval within the prescribed timeframe.
  - (bb) FinSurv shall process the outstanding information and documentation and reach a final decision on the outcome of the ARP application.
- (b) Publication in Government Gazette
  - (aa) Should the FinSurv approve the ARP application, it will arrange for the publication of the name of the ARP company and the authorisation granted to them to operate as an ARP in the Government Gazette.
- (c) Issuance of Public Circular
  - (aa) An exchange control circular is subsequently issued by the FinSurv to notify the public, Authorised Dealers, ADLAs and other role players on the appointment of the new ARP.

(d) Issue Formal Letter of Approval

- (aa) The FinSurv shall simultaneously with the Circular issue a formal written letter of approval to the ARP, inter alia outlining the final conditions of the approval including the authority to commence with ARP business operations.

**Note:-** The Formal Letter of Approval to conduct the business of an ARP is neither tradable nor transferable.

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## B.2 Duties and responsibilities of ARPs

### (A) General

#### (i) Compliance with the Regulations

- (a) ARPs should note that Regulation 10(1)(c) stipulates that no person may, without prior permission from the National Treasury and subject to any conditions it may impose, enter into any transaction whereby capital or any right to capital is directly or indirectly exported from the Republic.
- (b) The above provision is central to maintaining the integrity of South Africa's financial system and preventing unauthorised capital outflows.
- (c) ARPs are strictly limited to the **peer-to-peer** cross-border business activities as outlined in their Formal Letter of Approval issued by FinSurv. Kindly note that the current prohibited remittance channels and business activities are discussed in the previous section B.1(E).
- (d) In the interest of all parties concerned, any breach of the Exchange Control Regulations, the Financial Intelligence Centre Act (FIC Act), or the conditions set out in the Formal Letter of Approval and ARP Manual may result in enforcement action. ARPs and their clients are also expected to adhere strictly to all applicable circulars, directives, and regulatory requirements.

#### (ii) Submitting Applications to FinSurv

- (a) It is important to note that any activity, beyond those explicitly authorised, must be submitted to FinSurv for prior approval.
- (b) Further applications to be submitted to FinSurv subsequent to having been formally appointed as an ARP, must be on the company letterhead; and each application/letter must contain a sequential reference number in numerical order to ensure that all exchange control applications submitted and replies thereto are duly accounted for.
- (c) ARPs must reset their application numbering systems to zero at the beginning of each calendar year.
- (d) All applications to FinSurv must disclose full information regarding the matter in question, clearly outlining its nature, purpose, and the underlying motive and intent.

- (e) If any previous application bears relevance, whether directly or indirectly, to the current submission; it must be referenced as related correspondence.
- (f) Urgent applications may be submitted electronically through the secure website of the South African Reserve Bank at <https://www.resbank.co.za/ifforms.nsf>. To access this facility, a user-ID and password are required, which can be obtained from the Financial Surveillance Department by sending an email to [FNS-HEADTYPIST@resbank.co.za](mailto:FNS-HEADTYPIST@resbank.co.za) in this regard.
- (g) The FinSurv reserves the right to suspend and/or revoke/cancel any authority granted with immediate effect, should it deem such action necessary.

**(iii) Directives in the FinSurv Formal Letter of Approval and the ARP Manual**

- (a) In cases where an ARP is uncertain and/or unable to facilitate the transfer or receipt of value cross-border, within the stipulated limits in the ARP Manual or as authorised by FinSurv in the Formal Letter of Approval, or the FIC Act, a written application should be submitted to the FinSurv for consideration. Under no circumstances may the ARP proceed with the transaction until written approval has been granted by FinSurv.
- (b) ARPs must as a general rule, refrain from their own interpretation of the ARP Manual and the FinSurv Formal Letter of Approval. Where uncertainty arises, clarification must be sought directly from FinSurv through formal communication channels.
- (c) In carrying out the important duties entrusted to them, ARPs recognise the importance of policy consistency. To maintain uniformity, it is essential that the provisions outlined in the FinSurv Formal Letter of Approval and the relevant applicable legislation outlined in this Manual must be applied strictly and impartially by all parties involved.
- (d) Any deviation from or non-compliance with the directives contained in the Formal Letter of Approval, this Manual and the relevant laws and regulations must be reported to FinSurv and is regarded in a serious light. ARPs are urged to strictly adhere to both the letter and the spirit of these directives.

**(B) Changes to ARP business activities****(i) ARP Business**

- (a) An ARP may not amend, expand or dispose of its authorised alternative remittance business without the specific written prior approval of the FinSurv.
- (b) It is reiterated that any activity beyond those explicitly authorised, must be submitted to FinSurv for prior approval.

**(ii) Changes to procedure manuals**

- (a) ARPs are required to immediately inform FinSurv in writing of any subsequent changes to relevant procedural manuals including amendments to their Risk Management and Compliance Program.
- (b) Such notification must be accompanied by a copy of the amended documentation and should be submitted prior to the implementation thereof.

**(iii) Rules for conducting segregated Bank Accounts**

- (a) The money and value transfer business of an ARP must, where applicable, be segregated from its other business activities.
- (b) To support this separation, distinct separate bank accounts must be maintained at an Authorised Dealer for each business activity. This requirement ensures that ARP client funds remain segregated from funds related to other operations.
- (c) ARPs must ensure that all client funds intended for cross-border transfers via an AD or ADLA are deposited into the designated and segregated ARP business bank account.
- (d) The ARP must regularly reconcile the client deposits made into the ARP segregated bank account and ensure that it balances with the value recorded on the relevant FinSurv Client Reporting Spreadsheets.
- (e) This reconciliation should apply to the specific single and recurring outward remittance transactions executed for clients, as well as any outward cross-border value transfer balances settled via an AD to the bank accounts of foreign agents.
- (f) Bank accounts placed on record with FinSurv may not be closed or moved to other financial institutions, without the specific prior written approval of the FinSurv.

**(iv) Annual Training**

- (a) ARPs must provide regular training to all staff members who interact with clients or handle client documentation (at least once per calendar year). This training must cover both the exchange control requirements and the obligations under the FIC Act.
- (b) Attendance registers and detailed records of the training provided must be retained for inspection purposes for a minimum of five years from the date of the training.

**(C) Record keeping and Regulatory documentation**

- (i) ARPs must maintain proper records of all individual inward and outward client transactions, to enable them to reconcile all transactions processed by them.
- (ii) All client transactions must be recorded on the prescribed Reporting Platform as explained in section C.1(B) and Annexure D of this Manual.
- (iii) The table hereunder specify the minimum regulatory documentation and record-keeping requirements:

Requirement	Details / Retention Period
Foreign Agent Invoices	Copies of all invoices issued to foreign agents and all invoices received from them
Client Receipts Issued	Copies of receipts issued to each ARP client should reflect: <ul style="list-style-type: none"> <li>- Serial number/code of receipt</li> <li>- Date of transaction</li> <li>- Rand amount received/paid</li> <li>- Full name(s) and surname of client</li> <li>- Identity/passport number</li> <li>- Transaction category (401, 416, 417, 418)</li> </ul>
Identity Documents	Copies of identity documents obtained to verify the client's identity.
Residential Address Verification	Copies of documents verifying client's residential address, where applicable.
STR and CTR Reports	Copies of all reports submitted to the FIC must be retained and be submitted monthly to FinSurv under cover of the monthly reporting spreadsheet email.
Sanctions Screening	TFS lists and sanction screening websites are available on the FIC website – See the link for FIC and other regulatory documents in Annexure G
Retention period of Business Relationship Records	Keep for at least five years from the date the business relationship is terminated.
Retention period of Transaction Records	Keep for at least five years from the date the transaction is concluded.

Retention period of FIC Section 29 Reports	Keep for at least five years from the date the report was submitted to the FIC.
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## **B.3 Appointment of local and foreign money and value agents**

### **(A) Cross-Border Money Transporters**

- (i) ARPs wishing to avail of the services of local Cross-Border Money Transporters including individual travellers who needs to transport Rand notes on behalf of the ARP to foreign beneficiaries in the SADC region within a limit per trip of up to R25 000 per transporter, needs to obtain the written prior approval of FinSurv to appoint or contract with each specific local transporter concerned.
- (ii) If authorised by FinSurv, full details of all executed cross-border Rand cash transactions facilitated by each of the authorised Cross-Border Money Transporters and the manner in which these money transfers would need to be reported is explained in the prescribed section of the monthly reporting spreadsheet to be submitted to FinSurv.
- (iii) See section C.1(B) and Annexure D for further details about the prescribed monthly reporting.

### **(B) Foreign Domiciled Value Transfer Agents**

- (i) Where value transfer services are to be provided in partnership with a third-party natural person in a foreign jurisdiction (such as a pay-in partner and/or pay-out partner), the local ARP must apply to FinSurv for prior approval to enter into such an agreement.
- (ii) The application must be fully motivated and include the following minimum information:
  - (a) the full name and address of the third-party foreign agent/partner;
  - (b) reasons for the approval/authority required along with a description of the business activities to be performed by the foreign third party;
  - (c) a copy of the proposed agreement to be entered into between the ARP and the foreign third party;
  - (d) an overview/process flow illustrating how value transactions will be executed, the applicable pay-out limits and details how any outstanding balances will be settled if not covered in the agreement; and
  - (e) where the third party is involved in remittance activities in a foreign jurisdiction, confirmation also needs to be provided of the approval by a central bank or relevant regulatory authority in the country of domicile that the foreign party is authorised act as a remittance and/or foreign exchange service provider.

- (f) Also see section B.1(D)(i)(d) for more information on how to report settlement of outstanding agent balances to FinSurv.

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## C.1 FinSurv regulatory reporting and compliance

### (A) Introduction

- (i) The objective of the cross-border flows being reported to FinSurv is to ensure accurate and comprehensive reporting of all data by Authorised Dealers, ADLAs and ARPs on all transactions, irrespective of the amount, for compilation of:
  - (a) balance-of-payments statistics by the Economic Research and Statistics Department of the South African Reserve Bank;
  - (b) foreign debt statistics and repayment profiles to support monetary policy decisions; and
  - (c) statistical information relating to the nature, volume and values of the various cross-border flows and to provide the appropriate information for economic and financial management decisions, as well as planning and policy formulation.

### (B) Monthly client cross-border money and transfer value reporting

- (i) ARPs must use the prescribed Excel reporting templates attached hereto as Annexure D for their monthly reporting to the FinSurv.
- (ii) Cognisance should be taken of the 5 different cross-border transaction types that needs to be reported on the corresponding unique spreadsheet attached hereto in Annexure D. For example:
  - Single and recurring client outward money transfers via ADLAs or ADs to foreign beneficiaries – **See Spreadsheet 1**
  - Inward and outward single and recurring value transfers (no actual cash flow) via Foreign Domiciled Value Transfer Agents – **See Spreadsheet 2.**
  - Outward Settlements via AD of Value Transfers executed via Foreign Domiciled Value Transfer Agents – **See Spreadsheet 3.a.**
  - Inward Value Transfer Receipts via AD from Foreign Domiciled Value Transfer Agents - **See Spreadsheet 3.b.**
  - Cross-Border Money Transporters outward cash transfers via Registered Cash Facilitators – **See Spreadsheet 4.**
- (iii) The category numbers in the table hereunder should be used to categorise and report inward and outward client cross-border transfers on the prescribed FinSurv Reporting Spreadsheet.



Category ARP – money and value transfer operator	
Category code (applicable to inward and outward flows unless indicated otherwise)	Description
401	Gifts (client must have SA green bar-coded ID book or Smart ID)
416	Migrant worker remittances
417	Foreign national contract worker remittances
418	Foreign Agent Value transfer services (As agreed to in FinSurv Formal Letter of Approval)

- (iv) The Table hereunder is reflecting the summarised minimum regulatory requirements for monthly cross-border transactional reporting to the FinSurv:

Requirement	Details
Monthly Report Submission	ARPs must manually record all individual client and foreign agent cross-border currency and value transfer flows. Must submit a report to FinSurv detailing all transfers and receipts for the past month using the prescribed Excel template (Annexure D).
Scope of Reporting	All cross-border currency flows and value transfers must be recorded, regardless of amount or currency.
Submission Deadline	Email the report to ACBARReporting@resbank.co.za by the 7th day of the following month.
Additional Attachments	Include copies of all STR Reports and Cash Threshold Reports submitted to the FIC during the previous month.

### (C) Additional ongoing Periodic Administrative Reporting

- (i) The table hereunder summarises additional **ongoing** periodic governance reporting that is required from ARPs:

Requirement	Details
Annual Financial Statements 1 x per annum	Submit signed audited financial statements of ARP entity within six months after the financial year end.
Staff Qualification Confirmation 1 x per annum	In January each year, confirm in writing that ARP's staff are suitably qualified, fit and proper, and conversant with relevant regulations.

Requirement	Details
Risk Return and Comfort Letter 1 x per annum	Submit a money laundering and terrorist financing risk return (see Annexure E) 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 ARP have been identified and that appropriate control measures have been implemented and included in the ARP's RMCP in January each year.
AML Compliance Officer Details 2 x per annum	Provide name and contact details of the AML compliance officer in January and July.
Authorised Signatories 2 x per annum	Submit a list of authorised signatories to sign correspondence to FinSurv and email addresses of two senior officials in January and July each year.
Business Address Confirmation 2 x per annum	Confirm business address and contact details have not changed in January and July each year. Prior approval required for changes.
Bank Account Statements 2 x per annum	Provide Client bank account statement and ring-fenced savings/investment account bank statement for the preceding six months and a director's confirmation letter confirming unimpaired capital status in January and July each year.

#### (D) Right of inspection

- i. The FinSurv is the supervisory body which performs regulatory or supervisory functions in respect of ARPs to supervise compliance and the enforcement thereof in terms of the FinSurv Formal Letter of Approval, this Manual and Chapter 4 of the FIC Act.
- ii. It shall be the duty of every director, official or staff member of an ARP to produce to the FinSurv official conducting an inspection all books, accounts and other documents in their custody and to furnish that official with such statements or information relating to the affairs of the ARP as that official may require.
- iii. In case of suspected non-compliance, malpractice or fraud, the FinSurv official has the right of seizure of documents and records.

#### (E) Non-Compliance detection and remedies available

- (i) An ARP shall comply with any other requirements or conditions as may be stipulated in writing from time to time by the Financial Surveillance Department.

- (ii) Any deviation or non-compliance with any of the requirements contained in the Regulations, FinSurv Formal Letter of Approval, the ARP Manual and the FIC Act at a future date may result in measures being taken by the FinSurv as administrator of the exchange control system and in its capacity as supervisory body under the FIC Act. These measures may consist of one or more of the following:
- (a) an official warning from the FinSurv setting out the nature of the contravention, and seeking the assurance from the ARP that the required remedial steps have been undertaken to ensure that the requirements under the Regulations and duties under the FIC Act are performed effectively and diligently in the future;
  - (b) calling for a complete audit of the ARP's administration by external auditors, at the ARP's expense. Such audit would encapsulate:
    - (aa) a full audit of the ARP's administration and control systems in terms of the Regulations and the FIC Act; and
    - (bb) a joint recommendation by the external auditors and ARP's management for the improvement of the systems and control procedures.
  - (c) the temporary curtailment of an ARP's business activities to specific types of transactions;
  - (d) the temporary suspension or withdrawal of an ARP's appointment to conduct the cross-border alternative remittance business;
  - (e) the invoking of Regulation 18, when faced with a major breakdown in the systems and/or control procedures of a ARP relating to its administration and control systems in terms of the Regulations in order to induce early restoration of an effective administration and to ensure future compliance with the provisions of the Regulations;
  - (f) the remedies provided for under Regulations 22A, 22B and 22C; the permanent withdrawal of a ARP's appointment to conduct the ARP business; and
  - (g) any of the enforcement measures provided in terms of Chapter 4 of the FIC Act and/or a combination of these measures and those stated hereinbefore.

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# Financial Surveillance Department

## Annexure A: Application to conduct the business of an ARP

### Declaration by the applicant:

I, the undersigned, director/shareholder/beneficial owner\* of

.....  
duly empowered thereto, hereby apply for authorisation of the above-mentioned private company to conduct the business of an authorised Money and Value Transfer Services Provider.

The written information and copies of the documentation specified in C. below must accompany the application. *Indicate, against each item, in the table below, whether or not the requested information is provided, and, if not, the reason(s) for it.*

The table below specify the attachments that must accompany this application as explained in **section A.3(C)** of the ARP Manual:

Information/documents attached		If no, state the reason
(i) Certified copy of the Notice of Incorporation, Form CoR14.1	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(ii) Certified copy of the Registration certificate, Form CoR14.3	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(iii) Certified copy of the Memorandum of Incorporation, Form CoR15.1A	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(iv) Street and postal address of the applicant business	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(v) Applicant ARP business plan which must include:	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(a) Full name(s), surname(s) and identity and/or passport number(s) and percentage equity interest of any nominee shareholder(s) and the beneficial owner(s) of the applicant	Yes <input type="checkbox"/> No <input type="checkbox"/>	

Information/Documents attached		If no, state the reason
(b) Where any nominee shareholder(s) is involved, please attach a copy of the custodial agreement or declaration of trust	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(c) Proposed organisational structure (Organogram) of the applicant entity including the name(s), surname(s), identity and/or passport number(s) of all ARP employees.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(d) Resumes of the respective exchange control and anti-money laundering officers performing those functions	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(e) All directors duly completed prescribed Questionnaires. See Annexure B to ARP Manual	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(f) All directors' resumes and the duly completed prescribed consent and declaration form. See Annexure C to the ARP Manual	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(g) Full disclosure of all financial institutions (including digital platforms) and alternative non-bank methods and/or value transfer channels to be used in and outside of South Africa to facilitate cross-border currency and/or value in and outflows to and from South Africa.	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(h) In addition, where agents in foreign countries are to be used for value transfers, provide their full names, domicile and include the reasons and modus operandi for settlements.	Yes <input type="checkbox"/> No <input type="checkbox"/>	

Information/Documents required		If no, state the reason
(i) Where applicable attach copies of the agreements entered into with foreign agents	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(j) Details of how the applicant entity will be funded, i.e. shareholder(s) own funds, loan funding (if so, name and domicile of lender) as well details as any other sources of funding	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(k) a forecast budget of the ARP for the first three financial years, that projects the estimated future ARP business income and expenditure	Yes <input type="checkbox"/> No <input type="checkbox"/>	
(l) A draft copy of the proposed Risk Management and Compliance Programme (RMCP) of the applicant as required in terms of section 42 of the FIC Act  <b>Note:</b> See section A.3(C)(vi) of the ARP Manual for more information on the minimum requirements	Yes <input type="checkbox"/> No <input type="checkbox"/>	
<p>I, ..... the undersigned, hereby declare all information contained in and attached to this application to be correct.</p> <p>Signed: .....</p> <p>Date: .....</p> <p>Director/shareholder/beneficial owner*</p> <p><b>*Delete whichever is not applicable</b></p>		

I, ....., hereby declare the following:  
This statement consists of ..... pages, each signed by me. The content of this declaration is to the best of my knowledge and belief, true and correct. I am aware that should it be submitted as evidence and I know that something appears therein that I know to be false or believe not to be true, I may be liable to prosecution. I am acting in my own personal capacity as a shareholder/director/beneficial owner\* of the company and not as a nominee, trustee or beneficiary for an undisclosed person or legal entity.

I undertake that, as long as I continue to be a director, shareholder and/or beneficial owner of the company, I will notify the Financial Surveillance Department of any material changes to, or affecting the completeness or accuracy of, the information supplied by me in paragraphs C.(i) to (vi) of the above application as soon as possible, but in no event later than 21 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I have\*/do not have\* objections to taking the prescribed oath and I consider the prescribed oath to be binding\*/not binding\* on my conscience.

..... Signature of deponent

I certify that the above statement was taken by me and that the deponent has acknowledged that he\*/she\* knows and understands the content of this statement, which was sworn to\*/affirmed\* and signed by the deponent, in my presence.

Signed at ..... on the .....day of.....(dd-mm-yyyy).

.....  
Commissioner of Oaths

Full names: .....

Ex officio: .....

Area: .....

Address: .....

\*Delete whichever is not applicable

**Note:** Each page of Annexure A and each additional page attached thereto, must be initialled by the applicant and the commissioner of oaths.

**Annexure B: Questionnaire to be completed by each director, shareholder and/or beneficial owner\* holding office in the applicant company applying to be appointed as an ARP**

*If insufficient space is provided, please attach a separate sheet.*

**Statement by all individuals who are beneficial owners of-, directors of- and shareholders\* holding office in the proposed Money and Value Transfer Services Provider**

*(Confidential and not available for inspection by the public)*

Question	Answer
1. Name of limited liability company in connection with which this questionnaire is being completed (the company):	
2. Your surname:	
3. Your full forename(s):	
4. Your identity and/or passport number	
5. Please state in which capacity you are completing this questionnaire, that is, as a current or prospective director, a shareholder and/or a beneficial owner.	
6. Please state your full job title, and describe the particular duties and responsibilities attached to the position(s) that you hold or will hold. Also indicate whether you have or will have executive responsibility for the management of the company's business. <u>In addition, please provide a copy of your resume, unless it has already been provided:</u>	
7. Date and place of your birth (including town or city):	
8. Your nationality and how it was acquired (birth, naturalisation or marriage):	
9. Name(s) and address(es) of your bankers during the past 10 years:	



Question	Answer
10. Are you a director, shareholder and/or beneficial owner in any other corporate bodies. Provide full name(s) and since when?	
11. Does any of the bodies corporate listed in reply to question 12 above maintain a business relationship with the current ARP applicant company? If so, give particulars:	
12. Have the bodies corporate that you hold or previously held ever applied for a licence or equivalent authorisation to conduct any business activity in the Republic of South Africa (South Africa) or elsewhere? If so, give particulars. If any such application was refused or withdrawn after it was made or if any authorisation was revoked, give particulars:	
13. Have you, in South Africa or elsewhere, been censured, disciplined, warned as to future conduct, or made the subject of a court order at the instigation of any regulatory authority or any professional body to which you belong or belonged, or have you ever held a practising certificate subject to conditions? If so, give particulars:	
14. Have you, or has any body corporate, partnership or unincorporated institution with which you are, or have been, associated as a director and/or shareholder and/or beneficial owner, been the subject of an investigation, in South Africa or elsewhere, by or at the instigation of a government department or agency, professional association or other regulatory body? If so, give particulars.	

Question	Answer
15. Have you, or has any body corporate, partnership or unincorporated institution in which you are, or have been, associated as a director and/or shareholder and/or beneficial owner, been involved in money laundering or terrorist activities or subject to a sanction in terms of a Resolution of the United Nations Security Council? If so, give particulars:	
16. Have you, in South Africa or elsewhere, been dismissed from any office or employment, or been subject to disciplinary proceedings or investigation by your employer or been barred from entry to any profession or occupation? If so, give particulars:	
17. Have you failed to satisfy any debt adjudged due and payable by you, as a judgement-debtor under an order of a court in South Africa or elsewhere, or made any compromise arrangement with your creditors within the past 10 years? If so, give particulars:	
18. Have you ever been declared insolvent (either provisionally or finally) by a court in South Africa or elsewhere, or has a bankruptcy petition ever been served on you? If so, give particulars:	
19. Have you, in connection with the formation or management of any body corporate, partnership or unincorporated institution, been adjudged by a court in South Africa or elsewhere civilly liable for any fraud, misfeasance or other misconduct by you towards such a body or company or towards any members thereof? If so, give particulars:	

Question	Answer
<p>20. Has any body corporate, partnership or unincorporated institution with which you were associated as a director and/or shareholder and/or beneficial owner, in South Africa or elsewhere, been wound up, made subject to an administration order, otherwise made any compromise or arrangement with its creditors or ceased trading, either while you were associated therewith or within one year after you ceased to be associated therewith, or has anything analogous to any of these events occurred under the laws of any other jurisdiction? If so, give particulars:</p>	
<p>21. Have you been concerned with the management or conduct of the affairs of any institution that, by reason of any matter relating to a time when you were so concerned, has been censured, warned as to future conduct, disciplined or made the subject of a court order at the instigation of any regulatory authority in South Africa or elsewhere? If so, give particulars:</p>	
<p>22. In carrying out your duties, will you be acting on the directions or instructions of any other individual or institution? If so, give particulars:</p>	
<p>23. In how many shares in the ARP applicant company (not being registered in your name or that of a related party) are related parties beneficially interested?</p>	
<p>24. Are any of the shares in the applicant ARP company mentioned in reply to question 26 above equitably or legally charged or pledged to any party? If so, give particulars:</p>	
<p>25. Are you currently, or do you, other than in a professional capacity, expect to be engaged in any litigation in South Africa or elsewhere? If so, give particulars:</p>	

Question	Answer
<p>26. Do you at all times while acting in your capacity as a director and/or shareholder and/or beneficial owner of the company undertake to:</p> <ul style="list-style-type: none"> <li>(i) act in good faith towards the company and the Financial Surveillance Department;</li> <li>(ii) avoid conflict between your other interests and the interests of the company and the Financial Surveillance Department; and</li> <li>(iii) place the interest of the company and the Financial Surveillance Department above all other interests?</li> </ul>	
<p>27. Please also attach certified copies of:</p> <ul style="list-style-type: none"> <li>(i) A written confirmation from the South African Police Service or any other foreign law enforcement agency where you have citizenship(s) and where you reside (even if it is from time to time) that you have not been convicted of any criminal offences, excluding: <ul style="list-style-type: none"> <li>(a) any offence committed when you were under 18 years, unless the same was committed within the last 10 years;</li> <li>(b) any road traffic offence; or</li> <li>(c) any political offence. If applicable, give particulars of the court by which you were convicted, the offence, the penalty imposed and the date of conviction.</li> </ul> </li> <li>(ii) A certificate of good standing from the South African Revenue Service or any other foreign tax authorities or any withdrawal of such certificates.</li> </ul>	

<p>(iii) A valid green bar-coded South African identity document or Smart identity card or foreign passport or identity document.</p>	
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### Declaration by ARP applicant company representative to Commissioner of Oaths

I, ....., hereby declare the following:  
This statement consists of ..... pages, each signed by me. The content of this declaration is to the best of my knowledge and belief, true and correct. I am aware that should it be submitted as evidence and I know that something appears therein that I know to be false or believe not to be true, I may be liable to prosecution. I am acting in my own personal capacity as a shareholder/director/beneficial owner\* of the company and not as a nominee, trustee or beneficiary for an undisclosed person or legal entity.

I undertake that, as long as I continue to be a director, shareholder and/or beneficial owner of the company, I will notify the Financial Surveillance Department of any material changes to, or affecting the completeness or accuracy of, the information supplied by me in paragraphs C.(i) to (vi) of the above application as soon as possible, but in no event later than 21 days from the day that the changes come to my attention.

I know and understand the content of this declaration. I have\*/do not have\* objections to taking the prescribed oath and I consider the prescribed oath to be binding\*/not binding\* on my conscience.

..... Signature of deponent

### Confirmation by Commissioner of Oaths

I certify that the above statement was taken by me and that the deponent has acknowledged that he\*/she\* knows and understands the content of this statement, which was sworn to\*/affirmed\* and signed by the deponent, in my presence.

Signed at ..... on the ..... day of.....(dd-mm-yyyy).

.....  
Commissioner of Oaths

Full names: .....

Ex officio: .....

Area: .....

Address: .....

\*Delete whichever is not applicable

**Note:** Each page of Annexure A and each additional page attached thereto, must be initialled by the applicant and the commissioner of oaths.

**Annexure C - Consent and declaration form**

I, \_\_\_\_\_ (full name) hereby:

1. Consent to and authorise the Financial Surveillance Department and its duly authorised agent to access my personal information and conduct background screening and verification checks including, but not limited to credit status, qualifications, employment references, criminal records, identity verification.
2. Authorise any person/agent referred to in paragraph 1 above to furnish information regarding this application to the Financial Surveillance Department.
3. I unconditionally agree to indemnify the Financial Surveillance Department and its duly authorised agent acting in good faith in taking reasonable steps to process my personal information lawfully, against any liability that may result from the processing of my personal information. This includes unintentional disclosures of such personal information to, or access by unauthorised persons, and/or any reliance which may inadvertently be placed on inaccurate, misleading, or outdated personal information, provided by myself or by a third party.
4. Warrant that all information, including personal information, supplied is accurate and current and agree to correct and update such information when necessary.

**ID / passport no:** .....

**Position** .....

**Signature** .....

**Date of signature** .....

In terms of Regulations 19 read with 22 of the Exchange Control Regulations, it is a criminal offence to, knowingly or recklessly, provide information that is false, misleading or deceptive.

**Annexure D: Prescribed Reporting Spreadsheets**

Interested parties are requested to contact the South African Reserve Bank (SARB), ADLA Supervision Division, at [SARB-ADLA@resbank.co.za](mailto:SARB-ADLA@resbank.co.za) to obtain a copy of the reporting spreadsheets.

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## Annexure E: RMCP Checklist

The following is a basic RMCP checklist outlining the key elements that applicants should address when developing a Risk Management and Compliance Programme (RMCP) for their ARP business:

<b>RISK MANAGEMENT AND COMPLIANCE PROGRAMME</b>	<b>Yes</b>	<b>No</b>
Developed		
Documented		
Maintained		
Implemented		

<b>THE RMCP enables the ARP to:</b>	<b>Yes</b>	<b>No</b>
- Identify		
- Assess		
- Monitor		
- Mitigate		
- Manage		
The risk that the provision of services rendered by the ARP may involve or facilitate money laundering activities or the financing of terrorist and the risk of proliferation financing.		

<b>Approval, Availability and Review of RMCP:</b>	<b>Yes</b>	<b>No</b>
The board of directors and, if no board, senior management approved the ARP RMCP.		
An external person or the company director is appointed and has the necessary competence and seniority to ensure the effectiveness of the FIC compliance function		
The ARP made documentation describing its RMCP available to all employees		
The ARP reviews the RMCP at regular intervals to ensure it remains relevant & effective		

<b>Implementation of RMCP:</b>	<b>Yes</b>	<b>No</b>
CDD - Identity of clients are established and verified		
Ongoing CDD occur for recurring business relationships		
ARP understand and obtain information on new business relationships		
Anonymous clients or clients using fictitious names - identity of the beneficial owner is determined		
Examination does occur to detect suspicious or unusual transactions		
Examination of unusual patterns of transactions		
<b>Implementation of RMCP continues:</b>	<b>Yes</b>	<b>No</b>
Assessment of domestic politically exposed persons and prominent influential persons do occur		
Assessment of foreign politically exposed persons occur.		

Assessing risks occur utilising the common risk criteria: (1) Country or Geographic, (2) Transaction type, (3) Client Risk, and (4) Business Channels/Practices.		
Risk rating of all client matters occur		
Ongoing monitoring of risks do occur		
Records are being kept of information required under FIC Act.		
ARP AML officer determines whether a transaction or activity is reportable as suspicious or a CTR		
Protection is provided for those who make reports		
Ongoing training is being implemented for the benefit of staff.		

**Note:-** For more detailed assistance with RMCP creation, please see the FIC revised guidance note 7A which can be viewed on the FIC website at: <https://www.fic.gov.za/compliance/compliance-guidance/guidance-notes/>

## Annexure F – ARP ML/TF risk return template

Risk pillar	Inherent risk description (Example)	Likelihood	Impact	Mitigating measures	RMCP section
<b>Customer Risk</b>	PEPs, NGOs, shell companies, high-risk industries, geographic location				
<b>Product/ Service Risk</b>	Private banking, trade finance, correspondent banking, prepaid cards, crypto				
<b>Geographic Risk</b>	Sanctioned countries, weak AML regimes, offshore centres				
<b>Channel/ Delivery Risk</b>	Non-face-to-face onboarding, intermediaries, agents				
<b>Transaction Risk</b>	Large cash deposits, structuring, rapid fund movement, complex trade transactions				
<b>Institutional/ Operational Risk</b>	Weak controls, poor governance, lack of training, ineffective monitoring				

**Note:** This is a living document that should be updated on a continuous basis as the ARP Provider becomes aware of inherent risks faced by the entity.

This document should be submitted to the FinSurv on an annual basis in January of each year for record purposes.

This document should be accompanied by a managerial letter of comfort signed by the most senior official/board of directors confirming that it is satisfied that the key inherent ML/TF risks faced by the ARP have been identified and that appropriate control measures have been put in place and included in the ARP Provider's RMCP with a view to mitigate such risks.

**Annexure G: Links to online documents mentioned in Manual**

<b>Name of document</b>	<b>Online Link to pdf document</b>	<b>Page No.</b>
Currency and Exchanges Act, 1933 (Act No. 9 of 1933)	<a href="#"><u>Currency and Exchanges Act 1933</u></a>	4
Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001)	<a href="#"><u>FIC Act-2001-Act-38-of-2001.pdf</u></a>	4, 19
FATF Recommendations	<a href="#"><u>FATF Recommendations</u></a>	6
Exchange Control Regulations, 1961	<a href="#"><u>The Regulations</u></a>	6
Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998)	<a href="#"><u>POCA 12CA1 of 1998</u></a>	6, 19
Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (Act No. 33 of 2004)	<a href="#"><u>POCDATARA 33 of 2004</u></a>	6, 19
Currency and Exchanges Guidelines for Individuals	<a href="#"><u>Currency and Exchanges Guidelines Individuals</u></a>	6
Currency and Exchanges Guidelines for Business Entities	<a href="#"><u>Currency and Exchanges Guidelines for Business</u></a>	6
Currency and Exchanges Manual for ADLAs	<a href="#"><u>ADLA Manual</u></a>	8
Currency and Exchanges Manual for Authorised Dealers	<a href="#"><u>AD Manual</u></a>	8, 16
FIC Directive 8 of 2023	<a href="#"><u>FIC Directive 8 of 2023</u></a>	19
FIC PCC 44A	<a href="#"><u>FIC PCC 44A</u></a>	19
FIC Guidance Note 6A	<a href="#"><u>FIC Guidance Note 6A</u></a>	19
FIC Sanction Screening TFS List Search Option	<a href="#"><u>Search TFS Lists Individuals and entities</u></a>	19
FIC Sanction Screening Download TFS Lists	<a href="#"><u>Download TFS Lists</u></a>	19
FIC Guidance in drafting Risk Management & Compliance Programme (RMCP)	<a href="#"><u>RMCP Guidance</u></a>	21
IForm Application Links	<a href="https://www.resbank.co.za/ifor.ms.nsf"><u>https://www.resbank.co.za/ifor.ms.nsf</u></a>	24

## Annexure H: ARP Guidance Notes

PART 1: GENERAL GUIDANCE TO PARTIES INTERESTED IN PROVIDING CROSS-BORDER MONEY AND VALUE TRANSFER SERVICES		
<b>Introduction</b>	<b><u>Purpose</u></b>	The purpose of the Manual is to provide guidance and to explain the exchange control and FIC compliance policies applicable to Authorised Alternative Remittance Service Providers (ARPs) who is involved in Money and Value Transfer Services for individual clients (excluding Legal persons).
	<b><u>Applicability</u></b>	This Guidance applies to all ARP companies who are authorised and supervised by the FinSurv.
	<b><u>Legal Context</u></b>	This guidance is built on the foundation for exchange control being the Currency and Exchanges Act, 1933 (Act No. 9 of 1933) (the Act) and the Exchange Control Regulations (Regulations) promulgated thereunder in terms of section 9(1) of the Act, on 1961-12-01; and the duties and obligations of ARPs under any other law, including but not limited to the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001).
<b><u>Overview of Cross-Border Money and Value Transfer Services activity</u></b>	ARPs in the alternative remittance sector are normally involved in cross-border money and value transfer activities based on trust. It may include but are not limited to hawala dealers (hawaladars), Hundi operators and Fei-Chen networks, that uses methods and channels such as regulated digital platforms operated by Authorised Dealers and ADLAs, as well as through alternative mechanisms such as hawala systems and in-person cash exchanges. Their main purpose is to transfer money and value cross-border from one geographic location to another.	
<b><u>Global risks of unregulated cross-border money and value transfer activity</u></b>	Unregulated ARP activity is susceptible to money laundering, terrorist financing, and other financial crimes due to a lack of formal regulation and oversight, enabling anonymous transactions across borders. These systems operate outside conventional financial channels, making them attractive for criminals to hide assets, evade sanctions, and move illicit funds without triggering an alert.	
<b><u>Regulation in South Africa</u></b>	The FinSurv is appointed as the regulator for administering exchange control policy for ARPs in South Africa and also <u>supervises</u> them for anti-money laundering and countering the financing of terrorism (AML/CFT) under the FIC Act. The FinSurv on application permits legitimate authorised person to person cross-border money and value transfer activity to support financial inclusion and to bring the unbanked community into the regulated financial system. ARPs may not take deposits, exchange currencies or sell and purchase travellers' cheques nor provide any financial services other than specific FinSurv authorised cross-border money and/or value transfers authorised by FinSurv.	

**PART 1: GENERAL GUIDANCE...continue**

Minimum criteria and conditions to be considered for appointment as an ARP	<u>Minimum criteria for new and existing unauthorised ARP applicants</u>	To qualify to make an application, the shareholder(s) and where applicable beneficial owner(s) of the CIPC registered applicant company should: have no past criminal record; have no past record of non-compliance with the FIC Act, or have posed a money laundering or terrorist financing risk; deemed by the FinSurv to be 'fit and proper'; and in addition, the applicant company and its shareholder(s) and beneficial owner(s) must be able to comply with the remaining minimum requirements as explained in the ARP Manual.							
	<u>Remittance channels, Activities and Transfer limits that will be considered by FinSurv</u>	Single and recurring client money/cash remittance services facilitated by ARP via Authorised Dealers and ADLAs, i.e. inward and outward cross-border client transfers of up to R5 000 per client transaction, within an overall limit of R15 000 per client per calendar month; 2) couriers/travellers facilitating the inward and outward cross-border flow of client Rand notes going out of the country not exceeding R25 000 per traveller; 3) value transfer services - i.e. individual client remittances of up to R5 000 per day or R15 000 per calendar month via the ARP in South Africa, and the equivalent in value being made available via foreign domiciled agents to foreign beneficiaries in foreign countries, as authorised by FinSurv; 4) settlement of outstanding foreign agent value transfer invoices via an Authorised Dealer within a limit of up to R100 000 per transaction; and 5) any other inward and outward remittance channel or mechanism authorised by the FinSurv in writing.							
		Table specifying minimum regulatory documentation and record-keeping requirements							
		<table><tr><th>Activity Type</th><th>Details</th><th>Documentation Required by ARP</th></tr><tr><td>Single Remittance</td><td>Physical money/cash remittance services via ADLA/Authorised Dealer or Rand cash transfers to neighbouring countries not exceeding R5 000 per client.</td><td>Proof of identity (ID, passport, asylum seeker permit, maroon refugee ID).</td></tr><tr><td>Recurring Business Relationships</td><td>Physical money/cash remittance services via ADLA/Authorised Dealer, limited to R5 000 per</td><td>CDD requirements: Identity verification and South African residential address.</td></tr></table>	Activity Type	Details	Documentation Required by ARP	Single Remittance	Physical money/cash remittance services via ADLA/Authorised Dealer or Rand cash transfers to neighbouring countries not exceeding R5 000 per client.	Proof of identity (ID, passport, asylum seeker permit, maroon refugee ID).	Recurring Business Relationships
Activity Type	Details	Documentation Required by ARP							
Single Remittance	Physical money/cash remittance services via ADLA/Authorised Dealer or Rand cash transfers to neighbouring countries not exceeding R5 000 per client.	Proof of identity (ID, passport, asylum seeker permit, maroon refugee ID).							
Recurring Business Relationships	Physical money/cash remittance services via ADLA/Authorised Dealer, limited to R5 000 per	CDD requirements: Identity verification and South African residential address.							

			transaction per day, R15 000 per calendar month.	
		<b>Activity Type</b>	<b>Details</b>	<b>Documentation Required by ARP</b>
		Value Transfer Services	Client pays up to R 5 000 per day or R15 000 per month to ARP in South Africa; equivalent value made available via foreign agents to beneficiaries abroad.	CDD requirements: Identity verification and South African residential address.
		Settlement of Balances	Monthly clearing of balances due to foreign agents via local Authorised Dealer against foreign agent invoice(s) (≤ R100 000 per transaction). Must be reported By AD under Category 418.	Foreign agent invoice and FinSurv monthly reporting spreadsheet.  The amount to be transferred cross-border may not exceed the net value of the inward and outward value transfer transactions that were set off against each other, and must have been duly recorded by the ARP for that specific agent and country on the FinSurv prescribed monthly reporting spreadsheet.
<b><u>Prohibited Remittance Channels and Activities that do not qualify for consideration:</u></b>		Use of local field agents, crypto assets; 2) over- or under-invoicing of goods/services; 3) take deposits, exchange currencies or sell and purchase travellers' cheques; 4) provide any financial services other than authorised money and/or value transfers; 5) creating partnerships with other local ARPs; 6) transfer any FinSurv authority to another ARP, ADLA and/or Authorised Dealer; and 7) be involved in any other illegal forms of transmitting money and/or value cross-border.		

	<b><u>Banking and minimum capital requirements</u></b>	Must maintain highest of at least R50 000 minimum unimpaired capital fund or 10% of monthly turnover volume in a ring- fenced Rand denominated savings and/or investment type banking account, segregated from its other business and clients' accounts. FinSurv reserves the right to change requirements for new applicants.
	<b><u>Other Regulatory Compliance</u></b>	In addition to the exchange control policy directives stipulated in the ARP Manual and the FinSurv Formal Letter of Approval ARPs have further duties and obligations under any other law, including but not limited to the Prevention of Organised Crime Act, 1998 (Act No. 121 of 1998) and the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001)
	<b><u>Monthly reporting to FinSurv of all client transactions</u></b>	ARPs are required to submit a prescribed monthly Excel data report to FinSurv detailing all cross-border financial transactions conducted by its clients through specific remittance channels that have been authorised by FinSurv.
<b>PART II: GUIDANCE TO PROSPECTIVE APPLICANTS AND THE APPLICATION PROCESS TO FINSURV</b>		
<b>Application process to the FinSurv</b>	<b><u>Submit the application to FinSurv</u></b>	Use the prescribed duly completed application form to submit via mail to the FinSurv: SARB-ADLA@resbank.co.za
	<b><u>Additional supporting information and documentation to be provided with application</u></b>	CIPC Company registration documents; street and postal address; family tree of applicant; names and ID/passport no's of all directors and employees and duly completed prescribed questionnaire and declaration for each director; full names and copies of the resumes of the respective exchange control officer and the anti-money laundering officer; full names of all financial institutions (including digital platforms) and informal/non-bank channels inside and outside South Africa to be used including foreign agents; details outlining the modus operandi for each remittance channel and or value transfer channel applied for; how ARP will be funded and letter from local bank confirming specified unimpaired capital; provide forecasted revenue (turnover) and expenses for the first three financial years of the ARP business; and a copy of the draft/finalised RMCP as required by section 42 of the FIC Act.
<b>Adjudication process steps</b>	<b><u>FinSurv process the Application</u></b>	Check whether applicant in a position to meet the minimum regulatory requirements; and does the application align with South Africa's national and economic interest
	<b><u>Applicant management interview</u></b>	Send invitation to the senior management of the ARP for an interview in person at the South African Reserve Bank offices.
	<b><u>Commence final fit and proper assessment and</u></b>	FinSurv conduct internal 'fit and proper' assessment on identified stakeholders.



	<b><u>verify supporting documentation</u></b>	
	<b><u>Issue initial conditional letter of approval</u></b>	If satisfied, FinSurv issues an initial conditional letter of approval to the ARP listing inter alia proposed conditions of approval and any remaining outstanding documents and requirements that may still have to be provided. ARPs cannot commence with business operations yet. ARP applicant has 6 months to submit outstanding info.
<b>Post adjudication process steps</b>	<b><u>Process outstanding information and documentation</u></b>	Outstanding information is processed by FinSurv and final decision is reached.
	<b><u>Publication in Government Gazette</u></b>	If application is to be approved formally, name of ARP is published in the Government Gazette.
	<b><u>Issue Public Circular</u></b>	FinSurv publish Circular of the ARP approval granted on its website and inform the public, ARPs, ADLAs and the ADs.
	<b><u>Issue Formal Letter of Approval</u></b>	Simultaneously Formal Letter of Approval outlining specific terms and conditions of approval is issued to the ARP who now may commence with its business operations.
<b>PART III: GUIDANCE TO ARPS</b>		
<b>Duties and responsibilities of ARPs</b>	<b><u>Compliance with the Regulations</u></b>	ARPs are only permitted to engage in the business activities specified in the FinSurv Formal Letter of Approval and must comply with the Exchange Control Regulations and the provisions in chapter 3 of the FIC Act no. 38 of 2001.
	<b><u>Submitting subsequent Exchange Control Applications to FinSurv</u></b>	Applications submitted to the FinSurv must be numbered in a sequential numerical order starting with 01 annually on 1 January. Urgent applications may be submitted electronically through the secure website of the South African Reserve Bank at <a href="https://www.resbank.co.za/ifirms.nsf">https://www.resbank.co.za/ifirms.nsf</a> . FinSurv reserves the right to suspend and/or revoke/cancel any authority granted with immediate effect, should it deem such action necessary
	<b><u>Adherence to conditions outlined in the FinSurv Appointment Letter and the Manual</u></b>	Must refrain from their own interpretation of the ARP Manual and the FinSurv Formal Letter of Approval. Clarity should in need be requested from FinSurv via formal communication channels. Requirements contained in Formal Letter of Approval issued by the FinSurv, the Regulations, ARP Manual, circulars, the FIC Act and Regulations under the FIC Act must be applied strictly and impartially by all concerned.

	<b><u>Changes to ARP business activities</u></b>	May not amend, expand or dispose of its authorised ARP business without the specific written prior approval of the FinSurv.
	<b><u>Rules for conducting segregated Bank Accounts</u></b>	The money and value transfer business of an ARP must, where applicable, be segregated from its other business activities and accordingly, separate bank accounts must be conducted at an Authorised Dealer. must also be able to demonstrate that it can reconcile the deposits in its client bank account with specific client transactions executed. (c) Bank accounts placed on record with FinSurv may not be closed or moved to other financial institutions, without the specific prior approval of the FinSurv.
	<b><u>FIC RMCP documentation changes</u></b>	Immediately inform the FinSurv in writing of any subsequent changes to its RMCP supported by a copy of the amended RMCP, prior to implementation.
	<b><u>Staff Training</u></b>	ARPs must provide exchange control training and training in terms of the FIC Act to all its staff members dealing with ARP clients and client documentation, and keeping record thereof, at least once per year.

### PART III: GUIDANCE TO ARPS... continue

Duties and responsibilities of ARPs	<u>Regulatory documentation and record keeping</u>	Must maintain proper records of all individual inward and outward client transactions, to enable them to reconcile all transactions processed by them. Details of all the client and foreign agent documentation must be annotated on the prescribed Excel reporting spreadsheet, which aspect is explained in section C.1(B) of this Manual.	
		Table specifying minimum regulatory documentation and record-keeping requirements	
		Requirement	Details / Retention Period
		Foreign Agent Invoices	Copies of foreign agent invoices
	Client Receipts	Copies of receipts issued to each ARP client, which should reflect: - Serial number/code of receipt	

			<ul style="list-style-type: none"> <li>- Date of transaction</li> <li>- Rand amount received/paid</li> <li>- Full name(s) and surname of client</li> <li>- Identity/passport number</li> <li>- Transaction category (401, 416, 417, 418)</li> </ul>
		Identity Documents	Copies of identity documents obtained to verify client identity.
		Residential Address Verification	Certified copies of documents verifying client's residential address, where applicable.
		STR and CTR Reports	Copies of all reports submitted to the FIC must be submitted monthly to FinSurv with the monthly reporting spreadsheet.
		Retention period of Business Relationship Records	Keep for at least five years from the date the business relationship is terminated.
		Retention period of Transaction Records	Keep for at least five years from the date the transaction is concluded.
		Retention period of Section 29 Reports	Keep for at least five years from the date the report was submitted to the FIC.

### PART III: GUIDANCE TO ARPS... continue

<b>General rules applicable to use of local and foreign agents</b>	<b><u>ARP Field agents</u></b>	<p>Not permitted.</p> <p>Note: (ARPs are required by the FinSurv to ring fence/segregate and manage its business operations exclusively through their own direct employees and/or the beneficial owners, without the involvement or delegation of responsibilities to external and third-party field agents)</p>
	<b><u>Local Cross-Border Money Transporters</u></b>	<p>ARPs wishing to avail of the services of local Cross-Border Money Transporters including individual travellers who needs to transport Rand notes on behalf of the ARP to foreign beneficiaries in the SADC region within a limit per trip of up to R25 000 per transporter, needs to obtain the written prior approval of FinSurv to appoint or contract with each specific local transporter concerned.</p>

		If authorised by FinSurv, full details of all executed cross-border Rand cash transactions facilitated by each of the authorised Cross-Border Money Transporters and the manner in which these money transfers would need to be reported is explained in the prescribed section of the monthly reporting spreadsheet to be submitted to FinSurv.	
	<b><u>Foreign Domiciled Value Transfer Agents</u></b>	Must apply to the FinSurv for prior approval to enter into such an agreement and provide, inter alia, the following information: the name and address of the third party; details of the approval/authority required and the business activities to be performed by the third party; a copy of the agreement to be entered into between the ARP and the third party; an overview/process flow of how transactions will be concluded in respect of the agreement; and where the third party is involved in remittance activities in a foreign jurisdiction, approval by a central bank or relevant regulatory authority in the country of domicile, that the foreign party is authorised by the authorities in that country to act as a remittance and/or foreign exchange service provider.	
<b>PART III: GUIDANCE TO ARPS... continue</b>			
<b>FinSurv regulatory reporting and compliance requirements applicable to ARPs</b>	<b><u>Monthly client cross-border money and transfer value reporting</u></b>	<b>Requirement</b>	<b>Details</b>
		Monthly Report Submission	ARPs must manually record all individual client and foreign agent cross-border currency and value transfer flows.
			Submit a report to FinSurv detailing all transfers and receipts for the past month using the prescribed Excel template (Annexure D).
		Scope of Reporting	All cross-border currency flows and value transfers must be recorded, regardless of amount or currency.
		Submission Deadline	Email the report to SARB-ADLA@resbank.co.za by the 7th day of the following month.
		Additional Attachments	Include copies of all STR Reports and Cash Threshold Reports submitted to the FIC during the month.
<b>FinSurv regulatory reporting and compliance requirements</b>		Annual Financial Statements 1 x per annum	Submit signed audited financial statements of ARP entity within six months after the financial year end.
		Staff Qualification Confirmation 1 x per annum	In January each year, confirm in writing that ARP AML & Excon staff are suitably qualified, fit and proper, and conversant with relevant regulations.

applicable to ARPs	<b><u>Additional Periodic Administrative Reporting</u></b>	Risk Return and Comfort Letter 1 x per annum	Submit a money laundering and terrorist financing risk return (see Annexure E) 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 ARP have been identified and that appropriate control measures have been implemented and included in the ARP's RMCP in January each year.
	<b><u>Additional Periodic Administrative Reporting continues</u></b>	AML Compliance Officer Details 2 x per annum	Provide name and contact details of the AML compliance officer in January and July.
		Authorised Signatories 2 x per annum	Submit a list of authorised signatories and email addresses of two senior officials who sign correspondence to FinSurv in January and July.
		Business Address Confirmation 2 x per annum	Confirm business address and contact details have not changed in January and July. Prior approval required for changes.
		Bank Account Statements 2 x per annum	Provide savings/investment account bank statements for the preceding six months and a confirmation letter confirming unimpaired capital status in January and July.
	<b><u>Right of inspection</u></b>	It shall be the duty of every director, official or staff member of an ARP to produce to the FinSurv official conducting any inspection all books, accounts and other documents in the ARP's custody and to furnish that official with such statements or information relating to the affairs of the ARP as that official may require. In case of suspected non-compliance, malpractice or fraud, the official has the right of seizure of documents and records.	
	<b><u>Non-Compliance detection</u></b>	Any deviation or non-compliance with any of the requirements contained in the Regulations, FinSurv Formal Letter of Approval, ARP Manual and the FIC Act at a future date may result in measures being taken by the FinSurv as administrator of the exchange control system and in its capacity as supervisory body under the FIC Act. These measures may consist of one or more of the following: (a) an official warning from the FinSurv setting out the nature of the contravention, and seeking the assurance from the ARP that the required remedial steps have been undertaken to ensure that the requirements under the Regulations and duties under the FIC Act are performed effectively and diligently in the future; (b) calling for a complete audit of the ARP's administration by external auditors, at the ARP's expense.	