



# financial intelligence centre

## REPUBLIC OF SOUTH AFRICA

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### **AMENDMENT OF THE FINANCIAL INTELLIGENCE CENTRE ACT AND IMPLEMENTATION OF NEW INFORMATION AND COMMUNICATION TECHNOLOGY PLATFORM FOR THE FINANCIAL INTELLIGENCE CENTRE**

The Financial Intelligence Centre is the national centre for developing financial intelligence and for disseminating this intelligence where necessary, to law enforcement and intelligence agencies, the South African Revenue Service and local and international agencies for further follow up.

The mandate of the FIC is to identify the proceeds of unlawful activities, combat money laundering and the financing of terrorist and related activities. The reporting of suspicious and unusual transactions is regarded as an essential element of fulfilling this mandate.

Accountable Institutions (AI) and Reporting Institutions (RI) were identified as being susceptible to abuse by criminals wishing to disguise the proceeds of their criminal activities, often referred to as 'dirty money'. Compliance with the provisions of the Financial Intelligence Centre Act No 38 of 2001 (the FIC Act) can help to ensure that your business does not play any part in the laundering of money or the financing of terrorism. While MVD's (Motor Vehicle Dealer) as RI's have certain obligations in terms of the FIC Act, these are more limited than is the case for AI's.

## **THE OBLIGATIONS OF A MOTOR VEHICLE DEALER IN TERMS OF THE FIC ACT ARE:**

1. You must register your business with the FIC. This can be done online via the FIC's website **[www.fic.gov.za](http://www.fic.gov.za)**.
2. You must provide reports to the FIC in the following situations:
  - Cash Threshold Reports (CTR) must be submitted for all cash (notes and coins in SA rands or in another currency or traveller's cheques) transactions of R25 000 or more (either a once off payment, or multiple payments adding up to R25 000 paid in over a 24 hour period for the same client); and
  - A Suspicious and Unusual Transaction Report (STR) must be submitted if you regard a transaction suspicious or unusual in comparison with normal business practice.

All reports are to be filed via the FIC website. These reports assist the FIC in identifying transactions in which there may have been an attempt to launder the proceeds of crime. You can access more information on the FIC Act, relevant regulations and guidance, including guidance issued by the FIC in the form of Public Compliance Communication 07 that relates specifically to MVDs, at **[www.fic.gov.za](http://www.fic.gov.za)**.

## **AMENDMENTS TO THE FIC ACT**

In April 2015, Cabinet approved that the draft Financial Intelligence Centre Amendment Bill be published for public consultation. Comments have been received and taken into account. The Bill is currently under consideration and is expect to be promulgated in 2016. Amendments include:

- Providing for the adoption of a risk based approach to customer due diligence
- Enhancements to customer due diligence requirements for accountable institutions
- Providing for the implementation of the United Nations Security Council Resolutions relating to the freezing of assets
- Enhancing supervisory powers

- Enhancing certain administrative and enforcement mechanisms

### **ICT ENHANCEMENTS AND REPORTING OBLIGATIONS**

The FIC has embarked on a program to enhance FIC's information and communications technology (ICT) systems, in order to strengthen its capability to meet and discharge its legislative objectives and functions. Further, to standardise and streamline all reporting requirements, and to collaborate more effectively with various stakeholders such as accountable and reporting institutions and other reporters, supervisory bodies and law enforcement agencies thus ensuring that South Africa is aligned with international best practice.

The GoAML system will be replacing the current system being used by FIC by April 2016. The impact of this for motor vehicle dealers includes:

- Assigning a new registration number
- Requirement that a unique email address per user and per institution will be required
- Information provided to the FIC will be verified
- All reporting, including STR and CTR's will be required to be submitted via this system
- There are new data fields and FIC business rules that are now mandatory fields to complete
- Each entity will have a unique message board to received FIC messages

Further information regarding the GoAML system is available on our website at [www.fic.gov.za](http://www.fic.gov.za)

Further detailed information on the changes to the FIC Act and the ICT enhancements will be communicated to you via the FIC website at [www.fic.gov.za](http://www.fic.gov.za). Queries on this and other compliance matters can be logged at <http://www.fic.gov.za/Secure/Queries.aspx> or call 0860 222 200.