

CONSULTATION NOTE

Relating to the draft Public Compliance
Communication No. 12A (PCC 12A) on the
guidance on outsourcing of compliance
activities to third-parties

21 July 2020

INTRODUCTION

1. The Financial Intelligence Centre (FIC) has issued Draft Public Compliance Communication 12A (Draft PCC 12A) for consideration by all accountable institutions in terms of 42B of the Financial Intelligence Centre Act, 2001 (Act 38 of 200) (FIC Act).

BACKGROUND

2. Public Compliance Communication 12 (PCC 12) on outsourcing of compliance activities was issued in January 2012. That PCC 12 is now updated in order to align with the provisions which came into effect when the FIC Act was amended in October 2017.
3. The proposed updates to PCC 12 include the addition of the FIC's view on the outsourcing of risk management, scrutinising of client information, registration with the FIC, quality assurance and supervision issues. Amendments to PCC 12 are noted on the appointment of a compliance function and an elaboration on the outsourcing of regulatory reporting to the FIC.
4. When reviewing the draft PCC12A, it must be noted that accountable institutions cannot outsource their FIC Act obligations. However, accountable institutions may seek assistance from a third-party provider in fulfilling their obligations in terms of the FIC Act. This is applicable to all obligations, including the understanding of money laundering and terrorist financing risks.
5. The Prudential Authority of the South African Reserve Bank and the Financial Services Conduct Authority have been consulted in the drafting of draft PCC 12A. Aspects arising from common inspection findings were included in the updates to this PCC.

CONCLUSION

6. Commentators are invited to comment on the draft PCC12A by submitting written comments via the online [submission platform here](#). Any questions or requests relating

FOR CONSULTATION PURPOSES ONLY

to this draft PCC12A may be sent to the FIC only at **consult@fic.gov.za**. Submissions will be received until, **Tuesday, 11 August 2020**, by close of business.

7. The FIC intends on concluding the consultation on this Draft PCC 12A by publishing a final version no later than Monday, 31 August 2020.

COMMUNICATION WITH THE FIC

8. The FIC has a dedicated Contact Call Centre geared to assist attorneys, notaries and conveyancers to understand their registration obligations in terms of the FIC Act. Should you have any queries please contact the FIC's Compliance Call Centre on 012 641 6000, and select option 1.
9. In addition you can submit an online compliance query by clicking on: <http://www.fic.gov.za/ContactUs/Pages/ComplianceQueries.aspx> or visiting the FIC's website and submitting an online compliance query.

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