



CONSULTATION NOTE

Relating to the draft Public Compliance Communication No. 113 on measures relating to foreign prominent influential persons and domestic prominent influential persons, their family members and known close associates

4 March 2021

FOR CONSULTATION PURPOSES ONLY

INTRODUCTION

1. The Financial Intelligence Centre (FIC) has issued [draft public compliance communication 113 \(draft PCC 113\)](#) for consideration by all accountable institutions in terms of 42B of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).
2. Draft PCC 113 aims to provide guidance on the compliance measures relating to foreign prominent influential persons (FPPOs), domestic prominent influential persons (DPIPs), their family members and known close associates.

BACKGROUND

3. Guidance Note 7 (GN7) was issued in October 2017 and included the discussion on persons holding the positions of FPPOs, DPIPs their family members and known close associates. Under chapter 2 of GN7, the customer due diligence (CDD) requirements as set out in Chapter 3 of the FIC Act are explained in detail and covers the measures that apply when dealing with FPPOs, DPIPs, their family members and known close associates.
4. Since the issuance of GN7 and the implementation of the amended provisions regarding DPIPs and FPPOs in terms of the FIC Act from October 2017, there is a need to provide further guidance regarding the money laundering (ML) risk factors and application of such within a risk-based approach.
5. The FIC has identified inconsistencies in accountable institutions' understanding of when and how they determine if a client is a DPIP or FPPO and the implication of when a family member or close known associate of a client is a DPIP or FPPO, or where a legal entity as a client has a beneficial owner or an appointed person with authority that holds the position of DPIP or FPPO.
6. Guidance has been sought from various industries regarding what scenarios could pose a higher ML risk when assessing a DPIP in the determination of whether this DPIP would be considered high risk or not. Draft PCC 113 provides several such examples for consideration.

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7. Additional sources of information to assist with DPIP and FPPO classification is listed in draft PCC 113.
8. Commentators are invited to provide a list of the different sources of information on DPIPs, FPPOs, their family members and known close associate's that the commentator make use of when determining whether clients are DPIPs or FPPOs etc. This request excludes the noting of paid third-party vendors, and is limited to free, open-source data.

CONCLUSION

9. Commentators are invited to provide written comments on this draft guidance via the [online comments submission link only](#). Questions or requests relating to this draft PCC 113 may only be sent to the FIC at **consult@fic.gov.za**. Submissions will be received until close of business on Friday, 26 March 2021.
10. The FIC intends to conclude the consultation on this draft PCC 113 by publishing a final version no later than Wednesday, 31 March 2020.

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COMMUNICATION WITH THE FIC

11. The Centre has a dedicated compliance contact centre geared to assist accountable and reporting institutions to understand their registration obligations in terms of the FIC Act. Please call the compliance contact centre on +2712 641 6000 and select option 1.

12. Compliance queries may also be submitted online by clicking on: <http://www.fic.gov.za/ContactUs/Pages/ComplianceQueries.aspx> or visiting the Centre's website and submitting an online compliance query.

Issued By:

The Director Financial Intelligence Centre

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CENTURION

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