

## JOINT CONSULTATION NOTE

Relating to the Draft Directive 6/2022 read together with Draft Public Compliance Communication 116 on screening of employees for competence and integrity as well as scrutinising employee information against the targeted financial sanctions lists by accountable institutions as an anti-money laundering, combatting terrorist and proliferation financing measure

**July 2022**

## **INTRODUCTION**

1. The Financial Intelligence Centre (FIC) has issued two related documents, in the form of [Draft Directive 6/2022](#) and [Draft Public Compliance Communication 116](#) (Draft PCC 116) for consultation, and the provision of comments on these proposed guidance products by accountable institutions to the FIC in terms of section 42B and section 43A of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).

## **BACKGROUND**

2. Section 43A of the FIC Act requires that the FIC may issue directives regarding the application of the FIC Act or which reasonably may be required to give effect to the FIC's objectives. Section 4 of the FIC Act requires that the FIC provides guidance to accountable institutions, supervisory bodies and other persons regarding the performance and compliance by them of their duties and obligations in terms of the FIC Act or any directive made in terms of the FIC Act.
3. Draft Directive 6/2022 and draft PCC 116 seeks to address the areas of concerns as highlighted in the Financial Action Task Force's 2019 Mutual Evaluation final report, which shortcomings include that there is no requirement for financial institutions to screen employees.
4. Draft Directive 6/2022 requires accountable institutions to screen their employees for competence and integrity on a risk-based approach, as well as to scrutinise employee information against the targeted financial sanctions lists. Draft Directive 6/2022 is supported by the Draft PCC 116, which provides guidance on how to comply with the requirements set in the draft Directive 6/2022.
5. Draft Directive 6/2022 and draft PCC 116 will have application across all accountable institutions.

## FOR CONSULTATION PURPOSES ONLY

### CONSULTATION

6. Commentators are invited to comment on the draft Directive 6/2022 by submitting written comments via the online comments submission link [here](#).
7. Commentators are invited to comment on the draft PCC 116 by submitting written comments via the online comments submission link [here](#).
8. The draft Directive 6/2022 and draft PCC 116 will be published on the Financial Intelligence Centre website at [www.fic.gov.za](http://www.fic.gov.za). Any questions or requests relating to this draft directive 6/2022 and draft PCC 116 may be sent to the Centre only at [consult@fic.gov.za](mailto:consult@fic.gov.za).
9. Comments on the Draft Directive 6/2022 and draft PCC 116 will be received until close of business on Friday, 19 August 2022. The FIC intends to conclude the consultation on this Draft Directive 6/2022 and Draft PCC 116, by publishing final versions no later than Wednesday, 31 August 2022.

### COMMUNICATION WITH THE FIC

10. Queries can be directed to the compliance contact centre on 012 641 6000 and select option 1, or be submitted online by clicking on <http://www.fic.gov.za/ContactUs/Pages/ComplianceQueries.aspx> or visiting the FIC's website and submitting an online compliance query.

#### **Issued By:**

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