

Reporting suspicious and unusual transactions to the Financial Intelligence Centre

Businesses can report STRs by registering on the FIC website



When a person in a business suspects that a client is using funds that could have come from unlawful activities, this must be reported to the FIC.

Businesses are at the forefront of conducting transactions or negotiating for goods and services with their clients. They are therefore best placed to detect whether their clients are laundering money and/or financing terrorism or related activities.

As the national centre for assisting in identifying the proceeds of crime and combating money laundering and terrorist financing, the Financial Intelligence Centre (FIC) relies on information provided by businesses for this cause.

As part of the Financial Intelligence Centre Act, all businesses are required to file reports on suspicious and unusual transactions (STRs). These reports must be filed where there is a suspicion that clients are using proceeds of crime to pay for goods and/or services, that clients' funds are derived from terrorist financing, or that the client is in contravention of targeted financial sanctions.

Transactions related to laundering of illegal funds

Where a person in a business, which includes the owner, manager and/or employee of a business, suspects that a client is using funds that could possibly have been derived from unlawful activities, this must be reported to the FIC.

The funds may have originated from any range of crimes such as theft, evading payment of tax, vehicle hijacking, drug dealing, robbery or human trafficking. As part of laundering proceeds of crime, perpetrators need a channel through which to move their money into the financial system so that it can be “cleaned” and used later as seemingly legitimately obtained funds.

The business’s suspicion that criminal proceeds are being used and that money is being laundered may arise from various subjective facts, for example, a client who is known to be unemployed presents an unusually large amount of cash as payment for goods. Another red flag might be when a client pays upfront and in full for expensive, luxury items. Based on these suspicions, the business should file an STR with the FIC.

Link to terrorism or terrorist activities and/or targeted financial sanctions

Similarly, reporting is required where a business suspects that a transaction or activity is linked to the financing of terrorist activities and/or a sanctioned person.

A business may become aware that a client or employee is sourcing funds, goods and/or services to further terrorist or related activities. The client or employee may, for example, try to raise funds for a charitable or aid organisation that appears to be linked to terrorism and does not seem to be legitimate, which gives rise to a suspicion.

It is an offence to provide goods and/or services to persons or entities that are subject to sanctions as identified as sanctioned persons by the UN Security Council. The [FIC website](#) carries an updated targeted financial sanctions list of these persons. Businesses are encouraged to consult this list as it is updated from time to time.

Because the FIC relies on the information and data in STRs filed by business to conduct its work, the reports must be filed no later than 15 days of becoming aware of the suspicious transaction or activity. The FIC uses these reports to conduct analysis and develop financial intelligence reports proactively and reactively. The FIC disseminates financial intelligence reports to law enforcement and prosecutorial authorities for their investigative work and their applications for asset forfeiture.

In the 2018/2019 financial year, the FIC received 288,434 STRs from a broad range of businesses.

To submit an STR, a business simply needs to register on the [FIC website](#).

Registration is a free, once-off process. No reports can be submitted without registration.

For more information, call the FIC on (+27) 12 641 6000.