

NOTICE 783 OF 2014

**financial intelligence centre**
REPUBLIC OF SOUTH AFRICA**DIRECTIVE 03/2014 – NOTIFICATION OF FAILURE TO REPORT AS
REQUIRED BY THE FINANCIAL INTELLIGENCE CENTRE IN TERMS OF THE
FINANCIAL INTELLIGENCE CENTRE ACT, ACT NO. 38 OF 2001**

This directive is issued by the Financial Intelligence Centre (the Centre) in terms of section 43A (1) of the Financial Intelligence Centre Act, Act No. 38 of 2001 (the FIC Act).

This directive applies to all accountable and reporting institutions and to other persons who have an obligation to file a report with the Centre in terms of the provisions of the FIC Act.

1. Purpose of the Directive

- 1.1 The Centre issues this directive to all accountable and reporting institutions and all other persons who have an obligation to file reports with the Centre in terms of sections 28, 28A and 29 of the FIC Act.
- 1.2 The principal objective of the Centre is to assist in the identification of the proceeds of unlawful activities and the combating of money laundering activities and the financing of terrorist and related activities (section 3(1) of the FIC Act).
- 1.3 To achieve its objectives the Centre must process, analyse and interpret information disclosed to it, and obtained by it in terms of the FIC Act and retain such information in the manner and for the period as required in the FIC Act (section 4(a) and (d) of the FIC Act).

- 1.4 The Centre obtains information in the form of reports which are filed with it in accordance with the following sections of the FIC Act, as mentioned above:
- Section 28 (cash threshold reporting)
 - Section 28A (terrorist property reporting); and
 - Section 29 (suspicious and unusual transaction reporting).
- 1.5 Where the abovementioned persons/institutions fail to submit these reports to the Centre, intelligence data needed to fulfill its mandate is lost to the Centre.

2 Directive

- 2.1 This directive is effective from date of publication in the Government Gazette.
- 2.2 Where a person/institution becomes aware of a reporting failure to the Centre such person/institution has to mitigate the loss of intelligence data to the Centre in the following manner:
- 2.2.1 Inform the Centre in writing of the reporting failure immediately after becoming aware of such failure. The notification must be sent to the Executive Manager, Compliance and Prevention, Financial Intelligence Centre; and
- 2.2.2 Request an engagement with the Centre to discuss relevant mitigation factors.
- 2.3 The subsequent arrangements for the mitigation of lost intelligence due to the Centre does not imply condonation of the failure to report information to the Centre, nor does it absolve the reporter from its continuing reporting obligations under the FIC Act or prevent enforcement action being taken by the relevant supervisory body.

**Issued By:
The Director
Financial Intelligence Centre
September 2014**