

NOTICE 01/2017

DRAFT GUIDANCE ON THE AMENDED REPORTING REQUIREMENTS IN TERMS OF THE MONEY LAUNDERING AND TERRORIST FINANCING CONTROL REGULATIONS

Wednesday, 30 August 2017: One of the objectives of the Financial Intelligence Centre Act, 2001, (the FIC Act) is to bring about transparency in the financial system. Transparency in the financial system implies that it can be easily established who is doing business with financial and non-financial institutions and what the nature of that business is. This is made possible if compliance with the requirements of the FIC Act results in adequate information being captured in the records of accountable institutions. Businesses, accountable institutions and reporting institutions must furthermore submit regulatory reports to the Centre. The information received through such reports, may support further investigation of money laundering and terrorist financing by law enforcement agencies.

The Money Laundering and Terrorist Financing Control Regulations (MLTFC Regulations) in relation to the regulatory reporting obligations contained in the FIC Act, have been amended and can be accessed [here](#).

Businesses, accountable institutions and reporting institutions submit regulatory reports to the FIC that contain financial and other data. A strong base of institutions complying with the requirements of the FIC Act helps to ensure that the South African financial system is safeguarded and made intolerant to abuse.

The Centre has developed the following draft guidance in relation to reporting obligations in terms of the FIC Act:

1. **Draft Guidance Note 4A** – The objective of this draft guidance note is to assist accountable institutions, reporting institutions and any other person as described in section 29 of the FIC Act in meeting their reporting obligations in terms of the FIC Act and the MLTFC Regulations. It provides general guidance on the nature of reporting under section 29 and explains reporting timelines, how reports have to be sent to the Centre, what information has to be included in these reports and how to use the electronic reporting mechanism. The existing Guidance Note 4 issued 13 April 2011 will remain effective until 01 October 2017. [Access here.](#)
2. **Draft Guidance Note 5B** - The objective of this draft guidance note is to assist accountable institutions and reporting institutions to meet their cash threshold reporting obligations in terms of the FIC Act and the MLTFC Regulations. It provides general guidance on the obligations in terms of section 28 of the FIC Act. In particular, the guidance note explains reporting timelines, how reports have to be sent to the Centre, what information has to be included in these reports and how to use the electronic reporting mechanism. The existing Guidance Note 5A issued 31 March 2016 will remain effective until 01 October 2017. [Access here.](#)
3. **Draft Guidance Note 6** - The objective of this guidance note is to provide guidance on terrorist financing and terrorist property reporting obligations in terms of the FIC Act and the MLTFC Regulations. Public Compliance Communication 28 which currently deals with terrorist property reporting obligations and issued 27 March 2014 will remain effective until 01 October 2017. [Access here.](#)

Commentators are invited to comment on the draft guidance notes by submitting written comments, representations or requests only at consult@fic.gov.za. Submissions will be received until, **08 September 2017**, by close of business.

Institutions forming part of a group (i.e. comprising more than one institution) are requested to coordinate their responses within the group and preferably submit one response on behalf of the whole group.

The FIC can be contacted for further information at the following telephone number:
Ms Poovindree Naidoo / Ms Adri Potgieter (012) 641 6000.

Issued by:

The Financial Intelligence Centre

30 August 2017