



Financial intelligence centre

REPUBLIC OF SOUTH AFRICA

PUBLIC COMPLIANCE COMMUNICATION No.17 (PCC 17)
DEFINITION OF KRUGER RAND DEALER FOR THE PURPOSE OF
SCHEDULE 3 TO THE FINANCIAL INTELLIGENCE CENTRE ACT, AS
AMENDED

The Financial Intelligence Centre (the Centre) provides the guidance contained in this Public Compliance Communication (PCC) in terms of its statutory function in terms of section 4(c) of the Financial Intelligence Centre Act No. 38 of 2001, as amended (the FIC Act), read together with Regulation 28 of the Money Laundering and Terrorist Financing Control Regulations (the Regulations) issued in terms of the FIC Act.

Section 4(c) of the FIC Act empowers the Centre to provide guidance in relation to a number of matters concerning compliance with the obligations of the FIC Act.

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PCC Summary

The Centre views “a person who carries on the business of dealing in Kruger rands” to be any person who, as a regular feature of his/her business, deals in jewellery, ornaments, watches or other objects that contain Kruger rands irrespective of the value of the turnover of the Kruger rand dealer. For purposes of this PCC a “dealer” is regarded as someone who trades in Kruger rands.

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Objective

The objective of this PCC is to provide the Centre’s view on the interpretation of “a person who carries on the business of dealing in Kruger rands” as specified in Item 2 of Schedule 3 to the FIC Act.

1. Introduction

- 1.1 Kruger rand dealers are listed in Item 2 of Schedule 3 to the FIC Act as reporting institutions. The FIC Act does not provide a definition of a Kruger rand or a Kruger rand dealer, and the purpose of this PCC is to clarify the Centre's interpretation of these terms.

2. The Centre's view

- 2.1 It has come to the Centre's attention that some businesses including jewellers are buying Kruger rands and using these Kruger rands to manufacture jewellery, ornaments and watches that contains the original Kruger rands.
- 2.2 The inclusion of a Kruger rand in another object such as a piece of jewellery, ornament, watches etc. does not alter the intrinsic nature of the Kruger rand.
- 2.3 It is therefore the Centre's view that any person who, as a regular feature of his/her business, deals in jewellery, ornaments, watches or other objects that contain Kruger rands is considered to be a dealer in Kruger rands.

3. Legal obligations of a Reporting Institution

- 3.1 The following legal obligations are applicable to Kruger rand dealers in terms of the FIC Act:

3.1.1 Registration

Kruger rand dealers have a duty to register with the Centre in terms of section 43B of the FIC Act.

3.1.2 Cash Threshold Reporting

Kruger rand dealers are required to report cash transactions above the prescribed threshold of R24 999.99 to the Centre, in terms of section 28 of the FIC Act.

3.1.3 Suspicious and Unusual Transaction Reporting

Section 29 of the FIC Act requires that any person, who carries on a business, is in charge of a business, manages a business, or is employed by a business, must

report suspicious or unusual transactions to the Centre. This reporting obligation is applicable to a person who carries on the business of dealing Kruger rands as defined in this PCC.

4. Conclusion

The Centre considers “a person who carries on the business of dealing in Kruger rands” as being any person who, as a regular feature of his/her business, deals in jewellery, ornaments, watches or other objects that contain Kruger rands irrespective of the value of the turnover of the Kruger rand dealer. For purposes of this PCC a dealer is regarded as someone who trades in Kruger rands.

For any further enquiries regarding this PCC 17, please contact the Centre on **0860 222 200**, or by sending an email to: fic_feedback@fic.gov.za.

Issued By:

**The Director
Financial Intelligence Centre
March 2013**