

MEDIA RELEASE

FIC WELCOMES PRESIDENT'S SIGNING OF THE FIC ACT AMENDMENTS

Tuesday, 2 May 2017: The Financial Intelligence Centre (FIC) is pleased that the Financial Intelligence Centre Amendment Act has been signed by the President. [DOWNLOAD GAZETTED NOTICE HERE.](#)

The amendments will make significant improvements to the Financial Intelligence Centre Act, 2001 (FIC Act). They will strengthen the FIC's ability to produce high quality financial intelligence and to share this with a wider range of government departments and agencies in the pursuit of combating financial crimes such as money laundering and terrorist financing while protecting the confidentiality of personal information. The amendments also introduce new concepts to the FIC Act which are designed to further safeguard South Africa's financial system against abuse and illicit activities. These concepts include:

- The introduction of a risk-based approach to the implementation of the Act, which will enable institutions and businesses to use more efficient means to comply with their legal obligations and, at the same time, to make it easier for their customers to do business with them;
- A change in the customer due diligence measures, which will require that institutions understand their relationships with their customers rather than only identifying their customers, as is required currently;
- Having to identify the beneficial owners of corporate customers, which implies knowing the real, natural persons who benefit from the business done by financial and other institutions with companies, trusts and other similar entities; and
- Managing relationships with prominent persons.

The commencement date(s) for the Amendment Act are yet to be determined by the Minister of Finance. Commencement of some of the provisions of the Amendment Act (in particular those that deal with the various customer due diligence requirements and institutions' implementation of internal compliance programmes) will require simultaneous changes to the current Money Laundering and Terrorist Financing Control Regulations and the

Exemptions under the FIC Act that have been made by the Minister of Finance previously. Developing these changes and determining an appropriate commencement date for these provisions will require extensive consultation with government departments, affected industry sectors and supervisory bodies.

The FIC welcomes the positive impact the improvements to the FIC Act will have for all supervisory bodies, as well as the National Prosecuting Authority, the South African Police Service, the State Security Agency, and the South African Revenue Service. Collectively, all of these bodies have a significant responsibility in combating financial crime and safeguarding South Africa's financial system from being abused for criminality and illicit purposes.

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Issued by:

The Financial Intelligence Centre

For more information please contact communications@fic.gov.za or visit www.fic.gov.za.

Note to editors: The Financial Intelligence Centre (FIC) is South Africa's national centre for the gathering, analysis and dissemination of financial intelligence. The FIC was established in 2002 through the promulgation of the Financial Intelligence Centre Act 2001 (38 of 2001) (FIC Act), to identify proceeds of crime, combat money laundering and the financing of terrorism. The FIC reports to the Minister of Finance and to Parliament.

In protecting the financial system, the FIC's primary activities as set out in its founding legislation, are to: process, analyse, interpret and retain information disclosed to and obtained by the FIC; to inform, advise, co-operate with and make its financial intelligence products available to investigating authorities, supervisory bodies, intelligence services, the South African Revenue Service and other competent authorities to facilitate the country's administration and enforcement of law; to supervise and enforce compliance with the FIC Act in affected institutions and by individuals not regulated or supervised by a supervisory body, or where the supervisory body is unable to act; to exchange information with similar bodies in other countries; to monitor and give guidance to accountable and reporting institutions, supervisory bodies and individuals regarding their compliance with the FIC Act; to implement a registration system for all affected institutions and individuals; to annually review the implementation of the FIC Act and to report on this to the Minister of Finance.

The FIC Act establishes a regulatory framework of compliance control measures, which requires certain categories of business (defined as accountable institutions and listed in Schedule 1 to the FIC Act) to take steps regarding: registration with the FIC; client identification, verification and record-keeping; appointment of compliance officers; training employees on compliance; and filing statutory reports with the FIC. The Act also requires all businesses to report suspicious and unusual financial transactions.

Statutory reports submitted to the FIC provide the FIC with the information from which it develops its financial intelligence. This is important for law enforcement, the South African Revenue Service, prosecutors and others to support their investigations and forfeiture processes.

KEY STATISTICS FOR 2015/16

180 363	Number of suspicious transaction reports received
9 314 339	Number of cash threshold reports received
34 255	Number of institutions registered with the FIC
R184.6 million	Blocked as suspected proceeds of crime