

CONSULTATION NOTE

Relating to the draft Public Compliance
Communication No. 115 (draft PCC 115) on
guidance on compliance measures aimed at
combating proliferation financing

July 2022

INTRODUCTION

1. The Financial Intelligence Centre (Centre) has issued draft public compliance communication 115 (draft PCC 115) for consideration by all accountable institutions in terms of 42B of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).
2. Draft PCC 115 provides guidance to accountable institutions, reporting institutions and all other persons, on the compliance measures aimed at combating proliferation financing.
3. The Centre thanks the South African Council for the Non-Proliferation of Weapons of Mass Destruction (Non-Proliferation Council) for their assistance in the research for and drafting of this draft PCC 115.

BACKGROUND

4. Public compliance communication 44 (PCC 44) was issued on 20 March 2020 and provides an overview of the targeted financial sanctions (TFS) regimes in South Africa. PCC 44 specifically provides an overview of the TFS obligations in terms of the FIC Act and the Protection of Constitutional Democracy Against Terrorist and Related Activities, 2004 (Act 33 of 2004) (POCDATARA Act).
5. Draft PCC 115 provides guidance to accountable institutions on compliance measures aimed at combating proliferation financing, which compliance measure include the TFS and risk-based approach obligations in terms of the FIC Act. Draft PCC 115 also provides limited guidance on certain compliance measures aimed at the activity-based financial sanctions that targets proliferation financing.
6. Draft PCC 115 addresses areas of concerns as highlighted in the Financial Action Task Force's 2019 Mutual Evaluation final report, relating to Immediate Outcome 11 which recommends "*more detailed written guidance focusing on implementation in practice (such as freezing) and tailored, as appropriate, to specific sectors. Continue ongoing outreach efforts to the private sector, focusing on those sectors that have*

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likely more exposure to PF activity and where the understanding of obligations is lower”.

CONCLUSION

7. Commentators are invited to comment on the draft guidance by submitting written comments via the online comment's submission link only, [CLICK HERE](#). Any questions or requests relating to this draft PCC 115 may only be sent to the FIC at consult@fic.gov.za. Submissions will be received until close of business on Friday, 22 July 2022.
8. The FIC intends to conclude the consultation on this draft PCC 115 by publishing a final version no later than Wednesday, 31 August 2022.

COMMUNICATION WITH THE FIC

9. Queries can be directed to the compliance contact centre on +2712 641 6000 and select option 1. Queries can also be submitted online by clicking on <http://www.fic.gov.za/ContactUs/Pages/ComplianceQueries.aspx> or visiting the FIC's website and submitting an online compliance query.

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4 July 2022