

MEDIA RELEASE

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NEW ACCOUNTABLE INSTITUTIONS URGED TO CONTINUE REGISTERING WITH THE FIC

Friday, 17 March 2023: New designated items listed as accountable institutions in Schedule 1 of the Financial Intelligence Centre Act (FIC Act) are urged to continue registering with the Financial Intelligence Centre (FIC) even after the deadline of close of business on Monday, 20 March 2023, to avoid being in non-compliance with the registration requirements.

It is vital for the new accountable institutions to understand their obligations in terms of the FIC Act. This starts by being registered with the FIC. By registering the business community is playing its part in contributing to addressing a strategic deficiency identified by the Financial Action Task Force grey list process.

The FIC has seen a low uptake in registration from new accountable institutions since amendments to the Schedule items in the FIC Act came into effect on 19 December 2022. (See [media release](#) for more information). The new sectors must register with the FIC as accountable institutions within 90 days after the amended Schedule 1 entered into force.

The amendments saw the inclusion of new designated items in Schedule 1 consisting of co-operative banks, company service providers, a wider category of credit providers, high-value goods dealers, the South African Mint Company, crypto asset service providers, informal money or value transfer providers (including hawaladars), and payment clearing system participants. All sectors that fall under these items are required to register with the FIC.

In addition to registering with the FIC, accountable institutions must fulfil certain regulatory obligations. These include implementing customer identification and verification, customer due diligence, appointing a compliance officer, training employees on FIC Act compliance and money laundering, terrorist financing and proliferation financing (ML/TF/PF) risk exposure, undertaking business risk assessments for ML/TF/PF, and maintaining and implementing a risk management and compliance programme.

Accountable institutions must also file regulatory reports relating to suspicious and unusual transactions, cash transactions exceeding the prescribed threshold and on property that is linked to sanctioned persons, terrorist activity or terrorist organisations.

Head of Compliance and Prevention at the FIC, Christopher Malan, urged accountable institutions to make use of the 90-day window period to register with the FIC, so that these institutions meet their FIC Act obligations.

“We strongly encourage the various new accountable institutions around the country which have not yet done so, to immediately register on the FIC’s online registration portal,” Malan said.

“Registering with the FIC is an important first step for accountable institutions to fulfil their risk and compliance obligations and play their part in combating financial crime.”

Accountable institutions are reminded that the failure to register with the FIC or to update registration information when it has changed constitutes non-compliance in terms of section 61A of the FIC Act. Supervisors may impose administrative sanctions for the non-compliance with the registration requirement, which may include a financial penalty not exceeding R10 million in respect of natural persons and R50 million in respect of any legal person.

Registrations must be completed and submitted to the FIC electronically within the prescribed period using the online registration system called [goAML](#). Accountable institutions are encouraged to immediately register as registration with the FIC is free.

For more information and guidance refer to the FIC website, www.fic.gov.za, for various guidance notes and public compliance communications. Alternatively, contact the FIC’s compliance contact centre on +27 12 641 6000 or log an online compliance query on the FIC [website](#).

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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: As South Africa's national centre for the gathering and analysis of financial data, the role of the Financial Intelligence Centre (FIC) is to safeguard the integrity of the country's financial system and its institutions. In pursuit of this, the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), mandates the FIC to assist in the identification of the proceeds of crime, in combating money laundering and in the financing of terrorism, and facilitate effective supervision and enforcement of the Act.

Under this legislation, financial and non-financial institutions are required to fulfil certain compliance obligations, including registering with, and filing various regulatory reports to the FIC. The information provided in these reports forms the basis upon which analysis is conducted to develop financial intelligence reports for use by a wide range of law enforcement agencies, investigative authorities, and other institutions to facilitate the administration and enforcement of the laws of the Republic. The FIC Act also sets out the enforcement and penalty regime for non-compliance with the FIC Act.

The 2021/22 financial year saw initiatives which had been implemented in prior years take further root and yield results through collaboration and partnerships. Among these was the work of the Fusion Centre, a collaboration of law enforcement agencies and the FIC, and that of the public-private partnership, the South African Anti-Money Laundering Integrated Task Force. Both initiatives bring together necessary resources and focus attention on dealing with money laundering and terrorist financing.

The financial year also saw the adoption of the Financial Action Task Force mutual evaluation report in October 2021, following their assessment of the country's capability and capacity for combating money laundering, terrorist financing and proliferation financing. Work to address the identified deficiencies got under way in the 2021/22 financial year.

For more about the FIC visit www.fic.gov.za

ITEM	2021/22
Total institutions registered	45 555
Regulatory reports received	>5.12 million
Cash threshold reports received	>4.5 million
Suspicious and unusual transaction reports received	533 277
Inspection reports issued by FIC and supervisory bodies	404 FIC and 739 supervisory bodies
Value of sanctions imposed	>R41 million
Financial intelligence reports disseminated	3 114
Responses to requests for financial intelligence	2 300
Proactive financial intelligence reports disseminated	782 of which 131 related to high-priority matters
Financial intelligence reports on illicit financial flows	32
Value of suspected criminal proceeds frozen	R204 million
Proceeds preserved and recovered through Fusion Centre over two years since the inception of the Fusion Centre	>R1.75 billion
Value of proceeds of crime recovered, in which the FIC's financial intelligence was used	>R5.1 billion
Collaboration between SAMLIT and the Fusion Centre over the last two years led to the preservation and directives to freeze accounts to this amount	R86 million