

NOTICE

Ref: 9/5/1/3

ACCOUNTABLE INSTITUTIONS THAT HAVE NOT SUBMITTED RISK AND COMPLIANCE RETURNS IN TERMS OF DIRECTIVE 6 FACE FINANCIAL SANCTION

5 October 2023: Accountable institutions that have to date failed to submit their risk and compliance return (RCR) in terms of Directive 6, remain non-compliant and face an administrative sanction (which may include a financial penalty) in terms of section 62E of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001).

The Financial Intelligence Centre (FIC) issued Directive 6 on 31 March 2023, obliging affected accountable institutions listed in Schedule 1 of the FIC Act to submit a RCR to the FIC by 31 May 2023. The affected institutions referred to in Directive 6 are: item 1 – legal practitioners; item 2 – trust and company service providers; item 3 – estate agents and item 9 – gambling institutions.

On 25 August 2023 the FIC issued an ***Advisory: Failure to comply with Directive 6 of 2023 related to the submission of risk and compliance returns***, which served as a final demand to non-compliant institutions to submit the required RCR to the FIC.

Regardless of the final demand advisory, and notwithstanding the numerous initiatives and engagements which the FIC held with affected accountable institutions, prior to and after the issuance of the advisory of 25 August 2023, large numbers of affected accountable institutions have nonetheless elected not to submit the RCRs as required by Directive 6.

Non-compliance with Directive 6 is negatively impacting the FIC's capability to address particular deficiencies in the Financial Action Task Force's action plan for South Africa.

This notice cautions non-compliant accountable institutions that have yet to submit their RCRs, to do so **by 17:00 on Friday, 13 October 2023**, failing which they will be sanctioned with an administrative sanction (which may include a financial penalty), by the FIC.

For queries on the RCR submission process, contact the FIC, as follows:

- By using the [Compliance Queries](#) link on the FIC website, <http://www.fic.gov.za>
- Call the FIC Compliance Contact Centre on 012 641 6000 and selecting option 1.

Issued by:

The Financial Intelligence Centre

5 October 2023