

CONSULTATION NOTE

Relating to draft public compliance
communication 44A (draft PCC 44A) guidance
on the implementation of targeted financial
sanctions within South Africa

November 2023

FOR CONSULTATION PURPOSES ONLY

INTRODUCTION

1. In term of section 42B of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act), the Financial Intelligence Centre (FIC) has issued draft public compliance communication 44A (draft PCC 44A) for consideration by all accountable institutions.
2. Draft PCC 44A provides guidance on the measures aimed at complying with the targeted financial sanctions obligations and guidance on the risk-based approach to combating terrorist financing and proliferation financing.

BACKGROUND

3. Sections 26A, 26B, 26C and 28A of the FIC Act, has been amended by the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act, 2022 (Act 22 of 2022) as well as the Protection of Constitutional Democracy Against Terrorist and Related Activities Amendment Act, 2022 (Act 23 of 2022) (POCDATARA Amendment Act). The amendments sought to clarify the targeted financial sanctions obligations.
4. PCC 44 was issued on 20 March 2020 and provided an overview of the targeted financial sanctions (TFS) regimes that apply in South Africa. PCC 54 was issued on 30 September 2022 and provides an overview of the compliance measures aimed at combating proliferation financing.
5. Draft PCC 44A provides guidance on areas of concern as highlighted in the Financial Action Task Force's 2019 Mutual Evaluation Report, relating to Immediate Outcomes 9, 10 and 11. The Mutual Evaluation Report indicated, among other findings, that "*existing guidance documents do not provide enough specific details to guide entities with implementation of PF TFS.*"
6. Further, draft PCC 44A is also in response to requests from supervisory bodies and accountable institutions for guidance on combating terrorist financing and proliferation financing, including the compliance measures and risk considerations.

FOR CONSULTATION PURPOSES ONLY

7. Both PCC 44 and PCC 54 are now outdated as a result of the recent amendments to the FIC Act, the final version of PCC 44A is intended to replace PCCs 44 and 54.

CONCLUSION

8. Commentators are invited to comment on the draft guidance by submitting written comments via the online comments [submission link only](#). Any questions or requests relating to this draft PCC 44A may only be sent to the FIC at consult@fic.gov.za. Submissions will be received until close of business on Thursday, 11 January 2024.
9. The FIC intends to conclude the consultation on this draft PCC 44A by publishing a final version no later than Wednesday, 28 February 2024.

COMMUNICATION WITH THE FIC

10. 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 <https://www.fic.gov.za/compliance-queries/> or visiting the FIC's website and submitting an online compliance query.

Issued By:

Mr Pieter Smit

Acting Director Financial Intelligence Centre

Private Bag X177

CENTURION

0046

23 November 2023