

FINAL NOTICE

9/5/1/3

ACCOUNTABLE INSTITUTIONS FACE FINANCIAL SANCTIONS FOR NOT SUBMITTING DIRECTIVE 7 RISK AND COMPLIANCE RETURNS AND FOR NOT REGISTERING WITH THE FIC

Wednesday, 22 November 2023: Accountable institutions that have not submitted a risk and compliance return as instructed by Directive 7 are non-compliant and can be sanctioned in terms of section 62E of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).

The Financial Intelligence Centre (FIC) issued Directive 7 on 31 March 2023, obliging specific accountable institutions listed in Schedule 1 of the FIC Act, namely item 11 credit providers; item 20 high-value goods dealers, and item 22 crypto asset service providers, to submit a risk and compliance return by 31 July 2023.

Notwithstanding the numerous communiqués, initiatives and engagements which the FIC has had with accountable institutions, large numbers of affected institutions have elected not to complete and submit timely risk and compliance returns as required by Directive 7.

All businesses and professions that became designated accountable institutions in terms of the amendment of Schedule 1 to the FIC Act, on 19 December 2022, had until 20 March 2023 to register with the FIC. Those accountable institutions that are not registered with the FIC, will not be in a position to submit a risk and compliance return to the FIC.

Kindly consult these FIC notices: [New Accountable Institutions Registration](#) and [Accurate completion and submission of risk and compliance returns](#) on the FIC website www.fic.gov.za.

Non-compliance with Directive 7 negatively impacts the FIC's effective administration of the FIC Act, which is a foundational pillar of South Africa's anti-money laundering and combating of terrorist financing regime.

This notice cautions the accountable institutions mentioned above, who have not registered with the FIC, and/or those who have not submitted their risk and compliance return, to register with the FIC and then to submit the outstanding risk and compliance returns by no later than **17H00 on Friday, 1 December 2023**, failing which they remain in a state of non-compliance and **will be liable to be sanctioned with an administrative sanction** (which may include a financial penalty).

For more information please visit the new FIC website, scroll down and click on the link that states "[Accountable institutions: File your 2023 risk and compliance return today.](#)"

For queries on the risk and compliance return submission process contact the FIC, as follows:

- Using the [Compliance Queries](#) link on the FIC website, <http://www.fic.gov.za>.
- Calling the FIC compliance contact centre on 012 641 6000 and selecting option 1.

Issued by:

The Financial Intelligence Centre

22 November 2023