

## MEDIA RELEASE

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### **FINANCIAL INTELLIGENCE CENTRE ISSUES TRAVEL RULE DIRECTIVE TO ENHANCE TRANSPARENCY IN CRYPTO ASSET TRANSACTIONS**

**15 November 2024:** The Financial Intelligence Centre (FIC) has today issued [Directive 9](#), in terms of section 43A(2) of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act), related to the travel rule for those accountable institutions that engage in crypto asset transfers. Directive 9 comes into effect on 30 April 2025.

The “travel rule” is the term used to describe the application of the Financial Action Task Force's (FATF's) Recommendation 16 requirements regarding wire transfers or electronic funds transfers to the mechanism and context of crypto asset transfers.

The travel rule relates to the transfer and/or receipt of crypto assets by accountable institutions for or on behalf of their customers, the information that must be provided alongside these transactions, and the related records that must be kept. This information, held by the ordering and beneficiary crypto asset service providers (CASPs), must be made available to appropriate authorities upon request.

The primary purpose for implementing the travel rule is to help ensure that the transfer or receipt of crypto assets via CASPs is not used for money laundering, terrorist financing and proliferation financing purposes. Also, the travel rule meets international standards for combating money laundering, terrorist financing and proliferation financing set by the FATF.

As of 19 December 2022, it has been a requirement for CASPs to register with the FIC as an accountable institution as designated in item 22 of Schedule 1 of the FIC Act.

Further, following the designation of a crypto asset as a financial product under the Financial Advisory and Intermediaries Services Act (Act 37 of 2002) (FAIS Act), anyone who as a business provides any advice or intermediary services in respect

of a crypto asset is, since 1 December 2023, also an accountable institution under item 12 of Schedule 1 to the FIC Act.

With the issuing of Directive 9, CASPs that are accountable institutions located in South Africa that provide or engage in activities of crypto asset transfers on behalf of clients residing in South Africa or elsewhere, are engaging in crypto asset transfers subject to the FIC Act. These CASP accountable institutions are obliged to provide in a secure manner information on the originators and beneficiaries of crypto asset transactions to beneficiary institutions. The obligation is for the originator CASPs to do this immediately i.e. prior to or simultaneously with the transfer of the crypto assets.

The Directive outlines obligations and information requirements of CASPs involved at the ordering, intermediary and recipient stage of crypto asset transactions.

A crypto asset service provider that fails to comply with a provision of this Directive is non-compliant and is subject to an administrative sanction in accordance with section 45C of the FIC Act.

Prior to the publication of Directive 9, the consultation documentation was made available for comment and input in April 2024. The FIC thanks all commentators. All comments received have been considered and incorporated in the final directive where appropriate. To see feedback received on the consultation note [click here](#). It is important to note that in effecting the obligations in the travel rule directive, CASPs remain obliged to also comply with any other applicable legislation involving crypto assets and participants should obtain independent legal advice in this regard.

With reference to any contemplated activity that may result in a transaction deemed a cross-border transaction, the Currency and Exchanges Act, 1933 (Act 9 of 1933) and the Exchange Control Regulations promulgated thereunder in terms of section 9(1) of the Act, on 1961-12-01, with specific reference to Exchange Control Regulation 10(1)(c), read with Exchange Control Regulation 22 will be applicable and participants should note the content thereof.

**Issued by the Financial Intelligence Centre**  
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**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 and assist in combating money laundering, terrorist financing and proliferation financing, to 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 for the FIC's analysis to develop financial intelligence reports for use by a wide range of law enforcement and other competent 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.

For more about the FIC visit [www.fic.gov.za](http://www.fic.gov.za)

ITEM	2023/24
Total institutions registered as at year end	51 020
Compliance events and attendees	48 events and 32 914 attendees
Compliance inspections	558
Regulatory reports received	>7.4 million
Cash threshold reports received	>3.1 million
Suspicious and unusual transaction reports received	414 984
Financial intelligence reports disseminated	2 654 reactive, 1 159 proactive, 111 on illicit financial flows
Value of suspected criminal proceeds frozen	R295.8 million
Value of proceeds of crime recovered, in which the FIC's financial intelligence was used	>R98.5 million