



Financial
Intelligence Centre

PUBLIC COMPLIANCE COMMUNICATION

PUBLIC COMPLIANCE COMMUNICATION No 05C (PCC 05C)
ON REGISTRATION WITH THE FINANCIAL INTELLIGENCE
CENTRE IN TERMS OF SECTION 43B OF THE FINANCIAL
INTELLIGENCE CENTRE ACT, 2001 (ACT NO. 38 OF 2001) BY
ACCOUNTABLE AND REPORTING INSTITUTIONS AND
ACQUISITION OF LOGIN CREDENTIALS BY ANY OTHER
BUSINESS WITH A REPORTING OBLIGATION UNDER THE ACT

The Financial Intelligence Centre (the Centre) provides the guidance contained in this Public Compliance Communication (PCC) in terms of its statutory function in terms of section 4(c) of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) (the FIC Act) read together with Regulation 28 of the Money Laundering and Terrorist Financing Control Regulations (the Regulations) issued in terms of the FIC Act.

Section 4(c) of the FIC Act empowers the Centre to provide guidance in relation to a number of matters concerning compliance with the obligations of the FIC Act. Guidance provided by the Centre is the only form of guidance formally recognised in terms of the FIC Act and the Regulations issued under the FIC Act. Accordingly, guidance provided by the Centre is authoritative in nature.

Accountable and reporting institutions must comply with guidance issued by the Centre, must explain how the guidance has been applied in its business, must explain the reasons for departing from the issued guidance, and must explain any non-compliance, if prompted by the Centre or supervisory body. It is important to note that enforcement action may emanate as a result of non-compliance with the FIC Act where it is found that there has been non-compliance with the guidance issued by the Centre.

PCC Summary

Accountable institutions and reporting institutions must, within the prescribed period and in the prescribed manner, register with the Centre in terms of section 43B of the FIC Act. The Regulations provide the period for, the manner of registration by every accountable institution referred to in Schedule 1 of the FIC Act, and every reporting institution referred to in Schedule 3 of the FIC Act.

This PCC details the institutions that have an obligation to register and sets out the process of registering with the Centre. Kindly refer to the attached Registration Guide for accountable and reporting institutions when registering with the Centre.

The failure to register with the Centre or the failure to provide information in terms of section 43B of the FIC Act can lead to administrative sanctions in terms of section 61A of the FIC Act. Failure by an accountable or reporting institution to update any changes to the information provided in terms of section 43B of the FIC Act can also lead to administrative sanctions in terms of section 61A of the FIC Act.

This PCC must be read in conjunction with Directive 1 which directs accountable and reporting institutions to update their details on the Centre's electronic platform, Directive 2 which directs users not to share their user credentials and PCC06 which deals with governance issues relating to accountable and reporting institutions forming part of a complex structure. Other businesses with a reporting obligation must obtain access to the Centre's online reporting platform in order to discharge their obligations. This is done by using the same registration platform and following the same process for registration described in this PCC.

PCC05C takes effect on 9 May 2018.

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Objective

The objective of this PCC is to provide guidance to accountable and reporting institutions on how to correctly register with the Centre as required by section 43B of the FIC Act, as amended. Reference to the FIC Act in this document refers to the FIC Act as amended.

1. Registration requirements in terms of the FIC Act

1.1 Registration is a legal requirement in terms of section 43B of the FIC Act and became effective on 01 December 2010.

1.2 Section 43B of the FIC Act requires all accountable and reporting institutions, listed in Schedules 1 and 3 respectively, to register with the Centre within the prescribed period and in the prescribed manner.

1.3 The following documents are attached to this PCC05C:

- Annexure A - Schedule 1 to the FIC Act
- Annexure B – Schedule 2 to the FIC Act
- Annexure C - Schedule 3 to the FIC Act
- Annexure D - goAML Registration Guideline for Accountable and Reporting Institutions
- Annexure E – Directive 1

2. Institutions required to register with the Centre

2.1 An accountable or reporting institution could be an individual or an institution, which by virtue of the business that it conducts, falls within the ambit of Schedule 1 and/or Schedule 3 of the FIC Act. These institutions are different in their client base, size, operations and in the risks to which they are exposed. The use of branches, divisions and franchises within the same corporate vehicle are also very different in these institutions.

2.2 In some instances, a group of companies or a corporate vehicle may contain more than one accountable or reporting institution e.g. different entities in a financial conglomerate or divisions in a corporate vehicle .

3. Other businesses with a reporting obligation under the FIC Act

3.1 Other businesses may come under an obligation in terms of section 29 of the FIC Act to report suspicious and unusual transactions and/or activities. When such an obligation arises, the business is required to obtain access to the Centre's online reporting platform in order to submit the relevant report to the Centre and thereby discharge its obligation. This is done by using the same registration platform and

following the same process for registration described in this PCC in order to obtain the required login credentials.

3.2 A business will have to go through this process once when it is required to submit a report under section 29 of the FIC Act for the first time. Thereafter the business will be able to use the login credentials so obtained in order to submit subsequent reports.

4. Registering under the correct name of the entity

4.1 An accountable or reporting institution that forms part of a group or corporate vehicle must register individually, irrespective of whether it is a separate corporate vehicle or a division that qualifies as an accountable or reporting institution, by virtue of the business conducted by it.

4.2 In some instances, a specific entity could be regarded as an accountable and/or reporting institution under more than one category in Schedule 1 or Schedule 3 to the FIC Act.

4.3 It is also envisaged that in instances where a group consists of different entities that are separate corporate vehicles, each such entity must register in its own right if it is an accountable or reporting institution.

4.4 In the event that an institution registers more than once as an accountable or reporting institution with the Centre, under different Schedule 1 or 3 items , it is required that the individual institution's registered name, or division name under which it conducts its business, be used.

Example 1:**XYZ Bank Ltd, XYZ Bank Broker Division, and XYZ Bank Foreign Exchange Division**

It is important to note that, although this is considered to be the same institution, it is possible for one institution to conduct the business of different accountable and reporting institutions within Schedule 1 or 3. Hence, registrations must be done separately. In this scenario, there will be three separate registrations. A registration for XYZ Bank Ltd (Schedule 1 item 6), XYZ Bank Broker Division (Schedule 1 item 12) and XYZ Bank Foreign Exchange Division (Schedule 1 item 10).

- 4.5 If an accountable or reporting institution no longer conducts the business referred to in Schedule 1 or Schedule 3, it is still required to register with the Centre if it is registered in terms of another Act to conduct such business. The reason for this requirement is that such an accountable or reporting institution is legally entitled to conduct the business of an accountable or reporting institution. This principle is applicable even to institutions that never conducted the business before but are registered or licensed to do so.

Example 2:

A registered estate agent (registered with the Estate Agency Affairs Board) or financial services provider (registered with the Financial Services Board) should register with the Centre, for as long as it is authorised or licenced to conduct such business.

- 4.6 If an accountable or reporting institution no longer conducts the business referred to in Schedule 1 or Schedule 3, and no longer holds a licence or registration in terms of another Act, such accountable or reporting institution should notify the Centre in writing of such a de-registration.
- 4.7 If an accountable or reporting institution sells, or otherwise transfers, its business, or any portion thereof, to another entity it should notify the Centre in writing and provide the details of the new owners, date of sale and any relevant supporting documentation.

5. Persons responsible for registration and reporting with the Centre

- 5.1 Compliance Officers must register the entity with the Centre. This person is to be appointed in terms of sections 42A(2)(a) and (b), 42A(3) and 42A(4) of the FIC Act.
- 5.2 In the event of a sole proprietor, the person exercising the highest level of authority may assume the role and functions of the Compliance Officer in terms of section 42A(3) of the FIC Act. This person could therefore be either the owner or most senior person in the accountable or reporting institution.
- 5.3 It is the duty of the Compliance Officer to ensure that the information held on record with the Centre is accurate and up to date. It is also the responsibility of the Compliance Officer to approve of any subsequent users being added to the entity profile.
- 5.4 A Money Laundering Reporting Officer (MLRO), is a user appointed by the accountable or reporting institution to assist the Compliance Officer in the execution of the reporting obligation to the Centre.
- 5.5 The MLRO, when appointed, has the ability to view (only) the registration information of the entity and submit reports for this entity. The Compliance Officer may limit the functions of the MLRO to certain reporting permissions and general functionality on the Centre's registration and reporting platform.

6. Registration of branches

- 6.1 Every branch of an institution, subject to any exceptions as mentioned in paragraphs 9.1 to 10.2, must be registered as a separate entity. The risks and type of client could differ substantially between different geographical areas and registration of each branch will enhance the quality of the data received by the Centre. This will enable the Centre to have information on the different branches and on the types and number of statutory reports submitted by each branch. It will furthermore enhance the Centre's capability to analyse crime trends, and in the process lead to an improvement in the quality of intelligence products referred to law enforcement and other relevant agencies.

7. **Link between registration and reporting to the Centre**

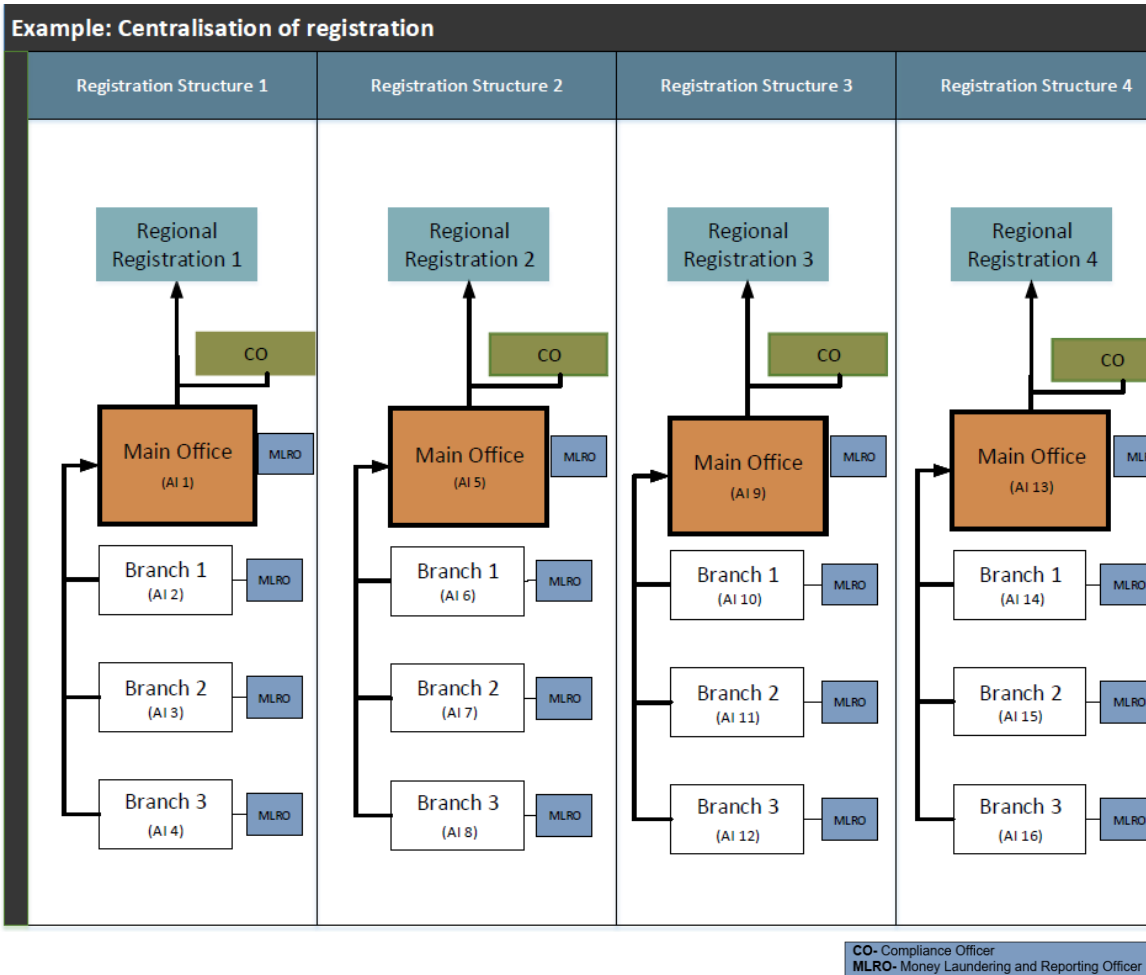
- 7.1 It is important to note that reporting to the Centre follows the applicable registration structure of the accountable or reporting institution. All accountable and reporting institutions must therefore ensure that their various products and services are mapped and linked to the correct FIC Act Schedule item and/or branch structure to enable the accountable or reporting institution to discharge its reporting obligations successfully.

Example 3:

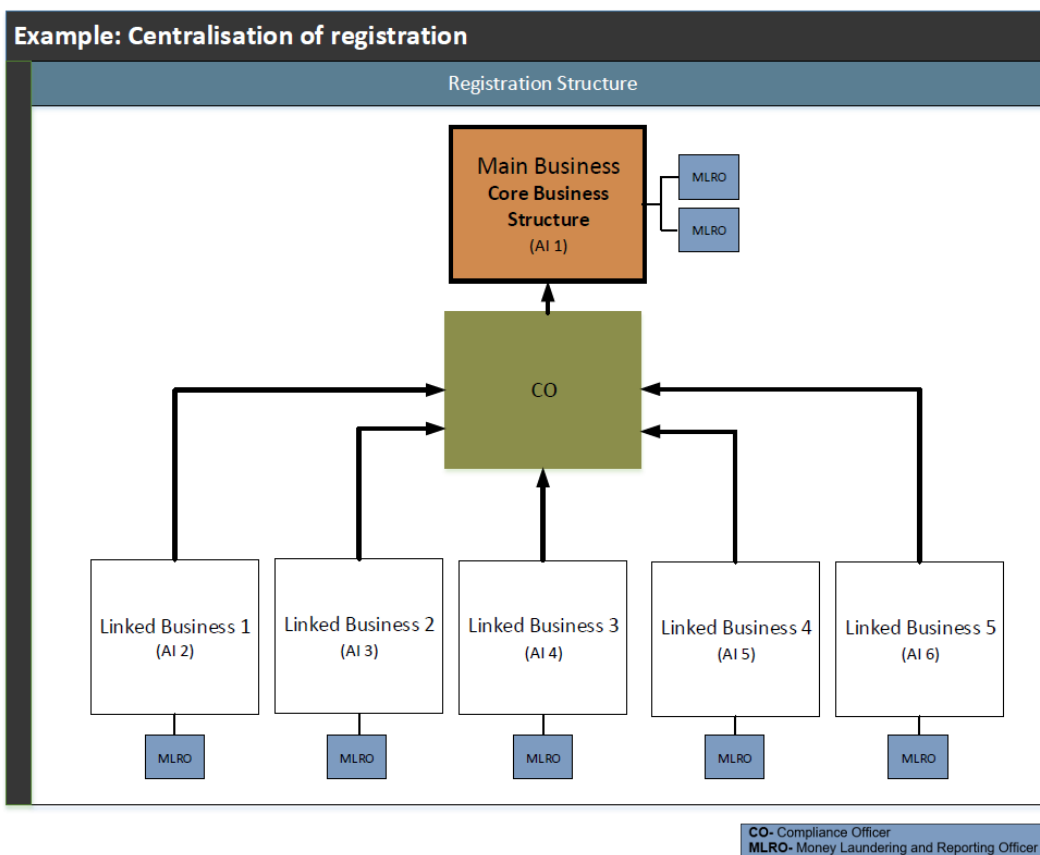
As per Example 1 XYZ Bank Ltd would have three different registrations with the Centre; XYZ Bank Ltd in terms of Schedule 1 item 6, XYZ Bank Broker Division in terms of Schedule 1 item 12 and XYZ Bank Foreign Exchange Division in terms of Schedule 1 item 10. All of the products and services would therefore have to be mapped and linked to the different FIC Act Schedule items (i.e. item 6, item 12 and item 10 respectively), and be reported by the correct entity. This means that transactions that would have occurred within XYZ Bank Foreign Exchange Division may not be reported by XYZ Bank Ltd or XYZ Bank Broker Division.

8. **Centralisation of registration - delegation**

- 8.1 Centralisation of registration amongst head/main office and branch structures is preferred and is achieved by what is known on the registration and reporting platform as “delegation”.
- 8.2 There are two (2) instances when delegation will be allowed:
- 8.2.1 When there is an entity, which conducts business in one FIC Act Schedule item and has multiple branches. These branches can be for example offices in different locations (e.g. Cape Town office and Pretoria office). The head/main office will be the head of the structure, and the underlying branches will be linked in the delegation structure.

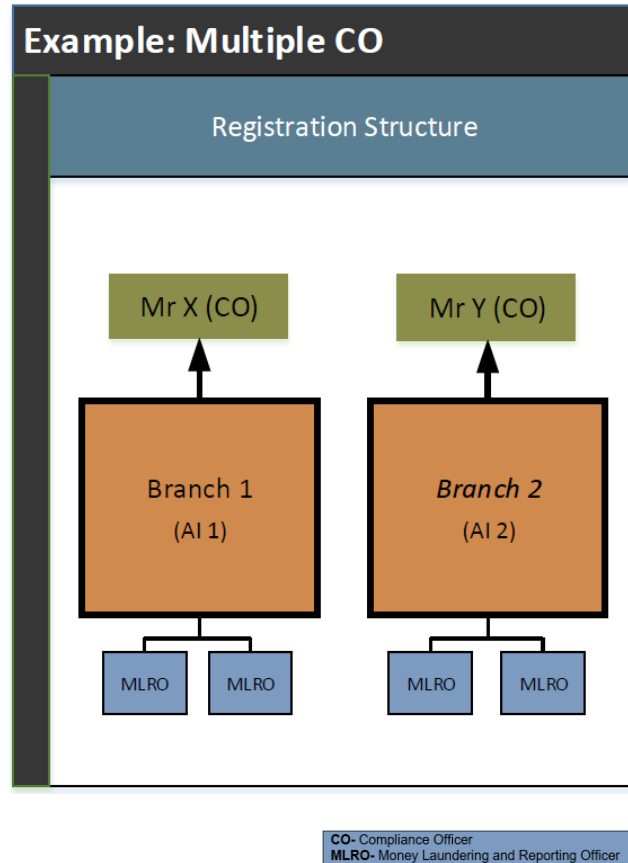


8.2.2 When there is an entity that conducts business across several FIC Act Schedule items, the accountable or reporting institution that serves as the head/main business of that entity will be registered as the “main office”. All subsequent accountable or reporting institutions with different FIC Act Schedule item numbers will be registered individually and will then be linked to the main office.



- 8.3 Only one of the two delegation structures (as per 8.2.1 and 8.2.2) may be applied. There cannot a combination of these two delegation structures.
- 8.4 All delegation requests must be formally submitted to the Centre. If the Centre approves the delegation request, then the Centre will create the structure accordingly.
- 8.5 A Compliance Officer will be registered at the head office level. This Compliance Officer will assume the responsibility of the Compliance Officer function for both the main/head office as well as for all the underlying registered entities that make up the delegation structure. The entity need not register separate Compliance Officers per registered entity on the system.
- 8.6 The Compliance Officer will see all reporting and registration information for both the head/main office, and all linked registered entities (i.e. various registered entities within the delegation structure).

8.7 Multiple MLROs, can be registered per registration structure i.e. per head/main office and/or per branch/linked registered entity. If the MLRO is registered at head/main office level, he/she can see all registration and reporting information for the entity and the underlying branches/entities. If the MLRO is registered at branch/entity level, he/she can only see reporting and registration information of that particular branch/entity.



9. Registration of accountable institutions listed in Schedule 1 to the FIC Act

9.1 On 01 December 2010, Schedule 1 to the FIC Act was amended. The amended Schedule 1 listing all accountable institutions is attached as “Annexure A”.

9.2 Item 1: A practitioner who practices as defined in section 1 of the Attorneys Act, 1979 (Act 53 of 1979)

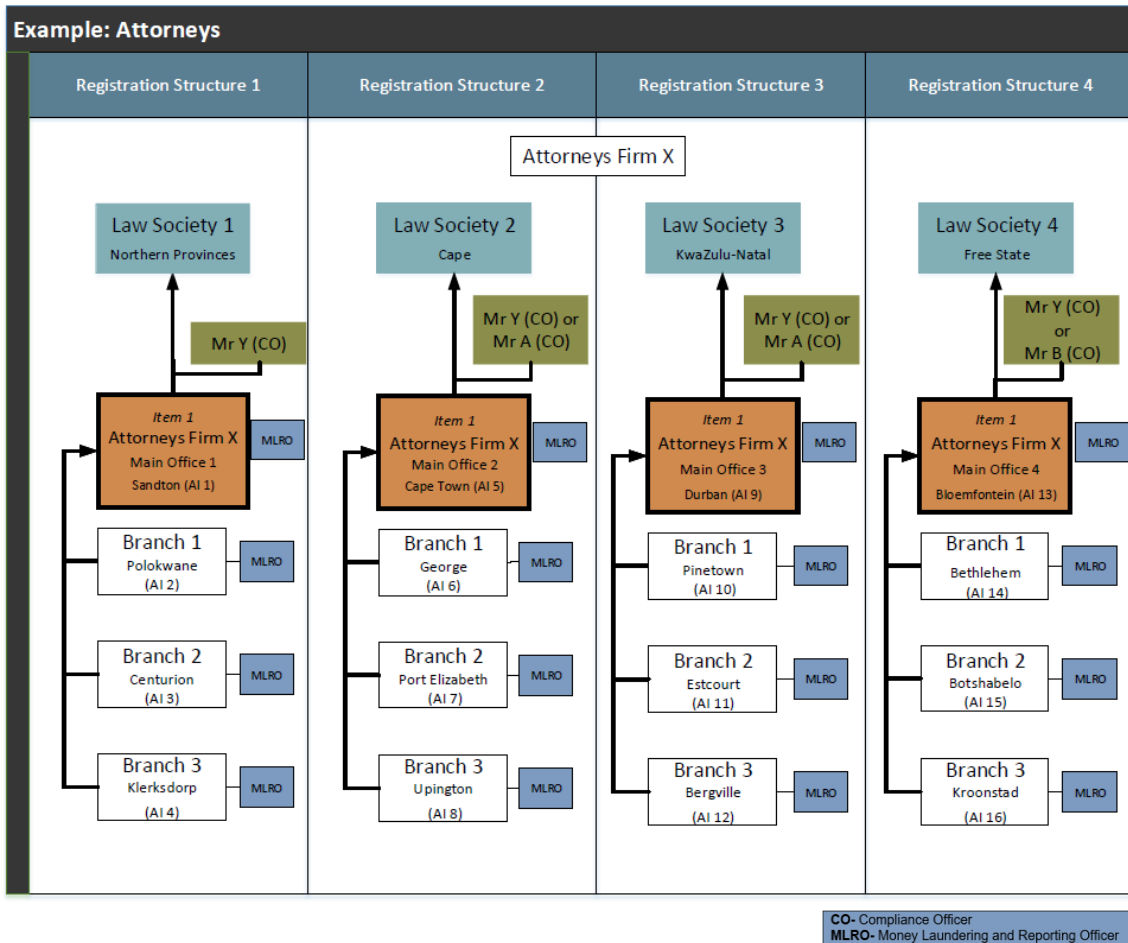
9.2.1 Each branch of an attorneys firm will be regarded as a separate accountable institution and will be required to register separately with the Centre.

9.2.2 Where a firm has branches within the jurisdiction of a particular law society, the firm must register all branches as separate accountable institutions within the jurisdiction of the province in which each branch lies.

9.2.3 If a firm has multiple branches within different law society jurisdictions, independent registration structures must be registered as per the example below.

Example 4:

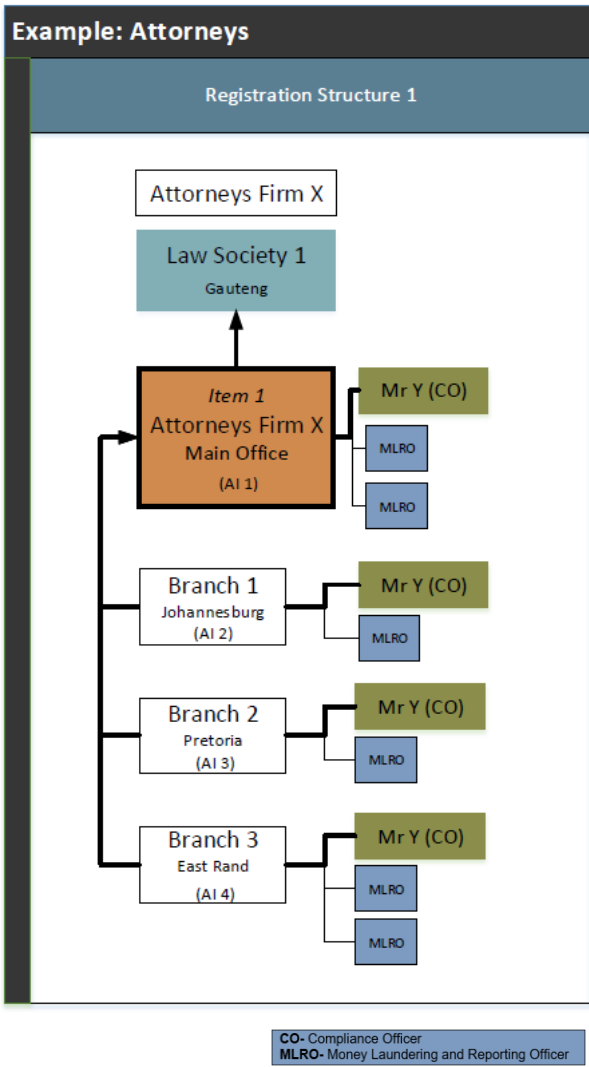
Attorneys Firm X has 16 branches across South Africa. These branches fall within the jurisdiction of 4 different provincial law societies. All branches are separate accountable institutions. Attorneys Firm X must create 4 independent registration structures. These structures will be based on the jurisdictions of the four provincial law societies. Mr Y is the compliance officer of Attorneys Firm X and can register all branches and the main office for law society Registration Structure 1 as per the diagram below. He can also fulfil the same role for the other registration structures (that fall within the jurisdictions of the other law societies). This means that he can register all 16 accountable institutions, and fulfil the role of Compliance Officer for these 16 accountable institutions as well, if so decided. Only Mr Y can register Main Office 1 and Branches 1, 2 and 3. That way only Mr Y can have access to the registration and reporting information in Registration Structure 1. (suggestion: Because Mr Y is registered as the Compliance Officer)



Example 5:

Attorneys Firm X has one main office and three branches in one province. It is important to note that the main office and branches are accountable institutions. Mr Y is the compliance officer of Attorneys Firm X responsible for registration of the structure. It is important to note that only Mr Y can register the main office and branches and only Mr Y will have access to the registration and reporting info.

Reporting to the Centre follows the registration structure of the accountable institution. Multiple money laundering reporting officers, also referred to as MLROs on the system, can be added per registration structure i.e. per main office and per branch. If the MLRO is registered at main office level of the Registration Structure he/she can see all registration and reporting information in the branches that falls within that Registration Structure. If the MLRO is only registered at branch level, he/she can only see reporting and registration information of that particular branch.



Example 6:

Attorneys Firm X has only one location and therefore no branches. In this instance the firm will be registered by the CO. Multiple MLROs can be added if preferred. The compliance officer and the MLROs will be able to see all registration and reporting information.

9.3 Item 2: A board of executors or a trust company or any other person that invests, keeps in safe custody, controls or administers trust property within the meaning of the Trust Property Control Act, 1988 (Act No 57 of 1988)

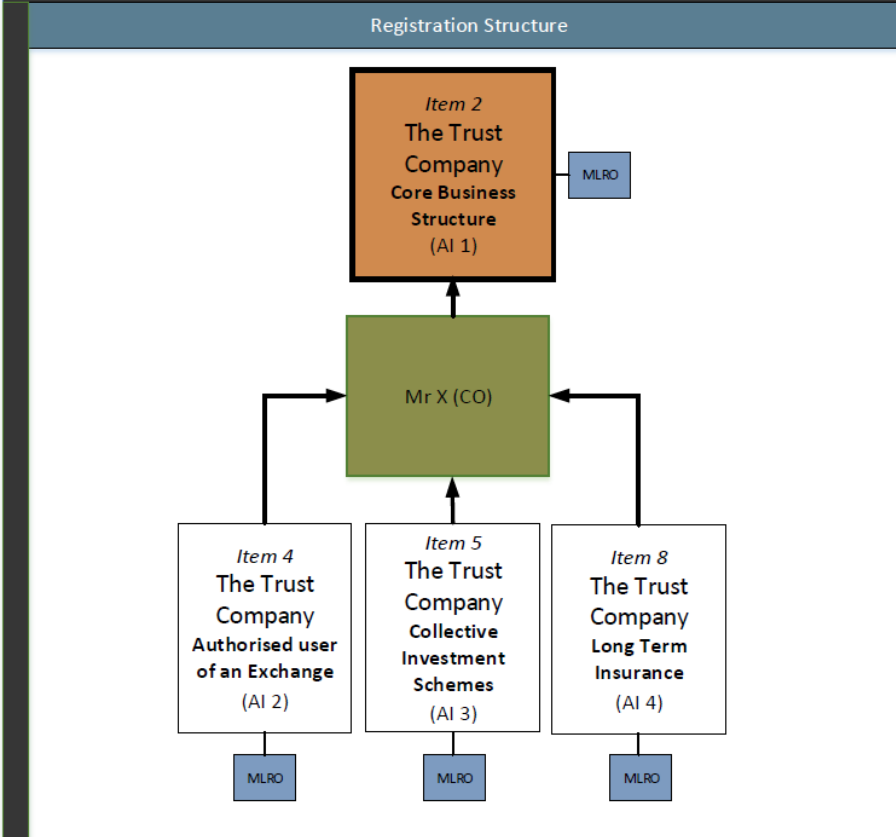
9.3.1 An accountable institution that falls within the scope of item 2 of Schedule 1 must register its institution against its registered name. Branches and/or business units will not be regarded as separate accountable institutions and will not be required to register separately. The nature and clients of a trust company does not differ substantially between different branches of the same entity, and hence it would not require separate registrations.

9.3.2 Where an entity/organisation consists of multiple accountable institutions categorised under different items of Schedule 1 to the FIC Act, separate registrations per schedule item must occur. During the registration process, the entity must select a Schedule 1 item being their main line of business to fill the role of the main registration.

Example 7:

The Trust Company is the main line of business, but conducts 3 additional business offerings. This includes an authorised user of an exchange, collective investment schemes and long term insurance. Mr X is the compliance officer for all 4 accountable institutions, see diagram below. It is important to note that reporting to the Centre follows the registration structure of the accountable institution(s). Multiple MLROs can be added per registration structure i.e. per FIC Act Schedule item. If the MLRO is registered under the main line of business he/she can see all registration and reporting information. If the MLRO is registered for an underlying FIC Act Schedule item he/she can only see reporting and registration information of that Schedule item. In such an instance, there is only one CO, Mr X, for all 4 accountable institutions. Should the entity require that all 4 entities have a separate CO per item number, then they would require to register separately and not delegate/link the item number to the main business.

Example: Trust Company



CO- Compliance Officer
MLRO- Money Laundering and Reporting Officer

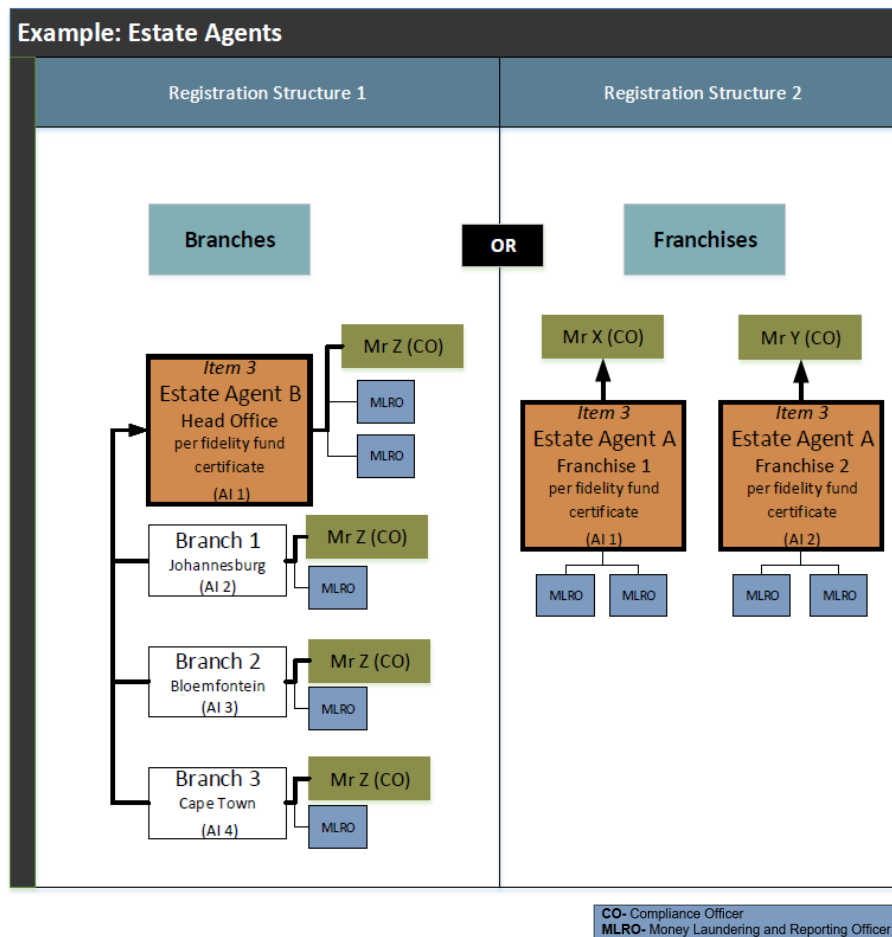
9.4 **Item 3: An estate agent as defined in the Estate Agency Affairs Act, 1976 (Act No 112 of 1976)**

- 9.4.1 Estate agencies must register per license, being the fidelity fund certificate issued by the Estate Agency Affairs Board. The head office and each of its branches and each franchise holder of an estate agent will be regarded as separate accountable institutions and will be required to register separately with the Centre.

Example 8:

An estate agency has one head office and three branches in South Africa. Mr Z is the compliance officer responsible for the head office and all three branches. It is important to note that only Mr Z can register the head office and branches and only Mr Z will have access to the registration and reporting information. It is furthermore important to note that reporting to the Centre follows the registration structure of the accountable institution. Multiple MLROs can be added per registration structure i.e. per head office and per branch. If the MLRO is registered at head office level he/she can see all registration and reporting information for all the underlying branches. If the MLRO is registered at branch level, he/she can only see reporting and registration information of that particular branch.

The registration platform also allows for an instance where one compliance officer is appointed for all branches. It is important to note that the head office and branches are separate accountable institutions and can be registered separately by the compliance officer responsible for the head office or branch. This also applies to franchises.



9.5 **Item 4: An authorised user of an exchange as defined in the Securities Service Act, 2004 (Act 36 of 2004)**

9.5.1 These authorised users could be housed in a bank, a securities broker, an issuer of bonds, a dealer in derivatives or a financial services provider. Authorised users must register per license. These financial instruments traders are not required to register business units or branches separately.

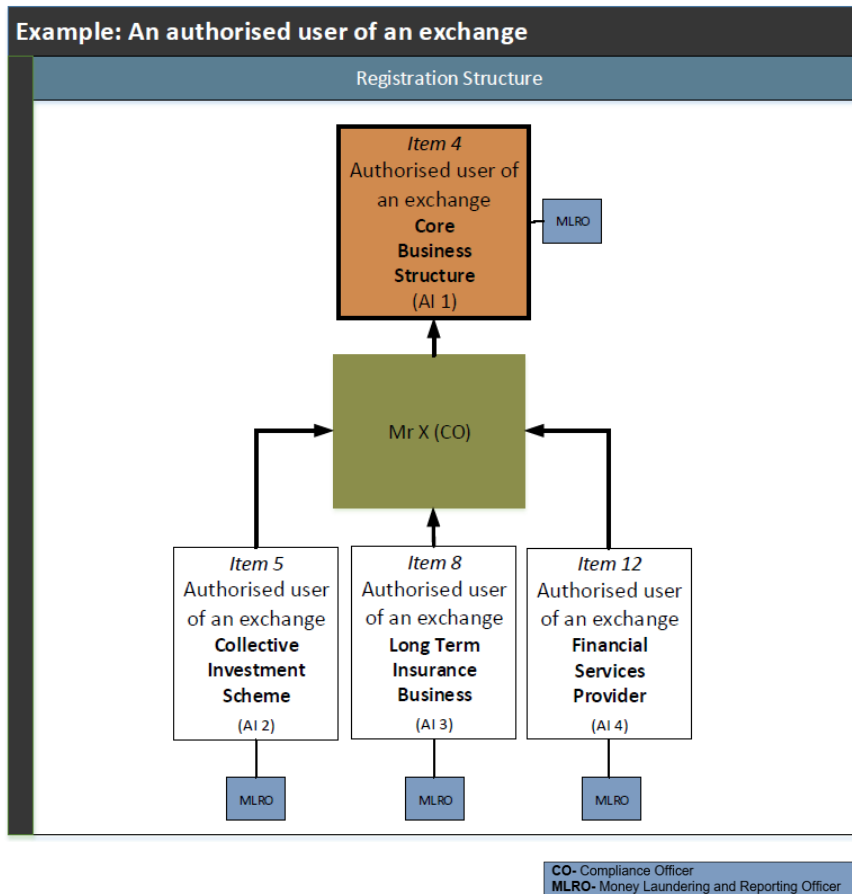
9.5.2 However, in instances where an accountable institution in terms of this item is not a corporate vehicle in its own right, but merely a division within another corporate vehicle,, that would be regarded as an accountable institution, e.g. a bank, such accountable institution must register separately from the other accountable institution(s) in the corporate vehicle .

9.5.3 Where an entity/organisation consists of multiple accountable institutions categorised under different items of Schedule 1, separate registrations per schedule item should occur. An example of such an accountable institution includes the trading desk of a bank and a securities broker, authorized to trade on JSE Limited. The main line of business must be selected during the registration process.

Example 9:

An entity's main line of business is that of an authorised user of an exchange, as defined, and has multiple other business offerings. These include that of a Collective Investment Scheme, long term insurance business and that of a financial services provider.

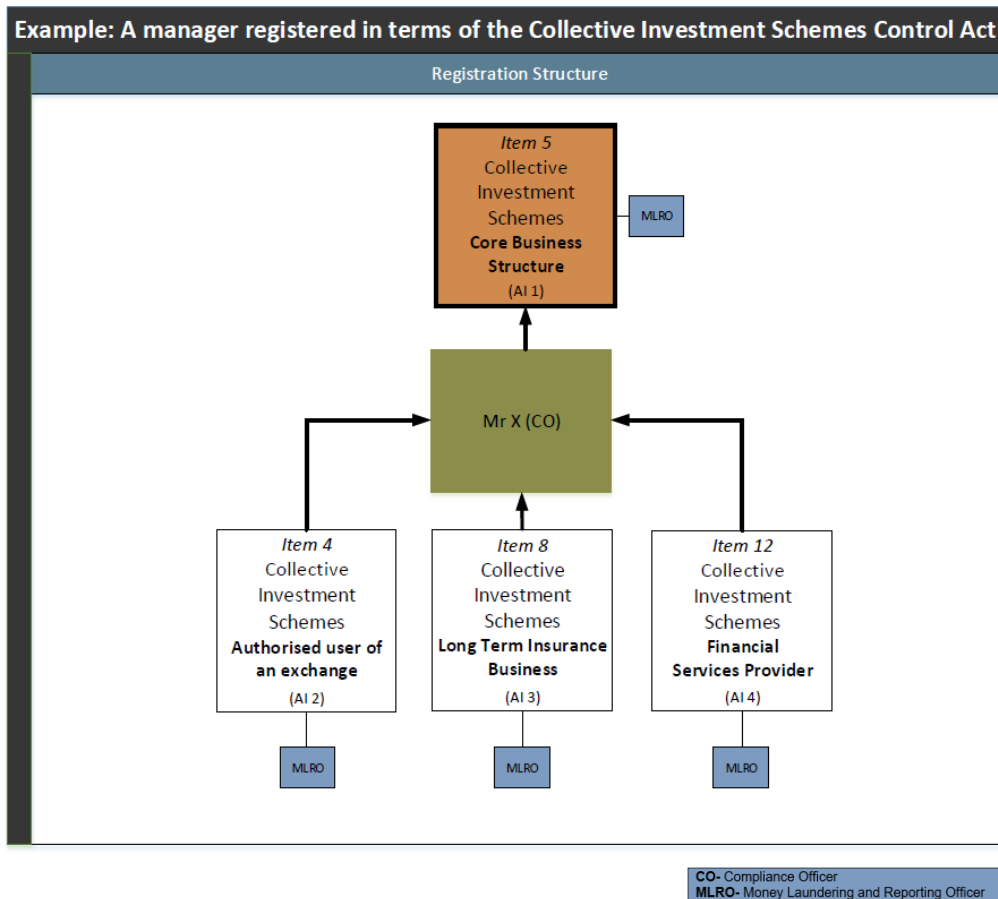
Mr X is the compliance officer for all 4 accountable institutions, see diagram below. It is important to note that reporting to the Centre follows the registration structure of the accountable institution(s). Multiple MLROs can be added per registration structure i.e. per schedule item. If the MLRO is registered under the main line of business he/she can see all registration and reporting information. If the MLRO is registered for an underlying schedule item only he/she can only see reporting and registration information of that schedule item.



- 9.6 **Item 5: A manager registered in terms of the Collective Investment Schemes Control Act, 2002 (Act 45 of 2002), but excludes managers who only conduct business in Part VI of the Collective Investment Schemes Control Act (Act 45 of 2002)**
- 9.6.1 Managers of Collective Investment Schemes are required to register per license in terms of its activity under item 5 of Schedule 1. Where the same license is used by different entities, the license holder and all entities using the license must register separately with the Centre.
- 9.6.2 Where an entity/organisation consists of multiple accountable institutions categorised under different items of Schedule 1, separate registrations per FIC Act Schedule item must occur. The main line of business must be selected during the registration process.

Example 10:

An entity's main line of business is that of collective investment schemes, as defined, and has multiple other business offerings. These include that of an authorised user of an exchange, long term insurance business, and that of a financial services provider. Mr X is the compliance officer for all 4 accountable institutions, see diagram below. It is important to note that reporting to the Centre follows the registration structure of the accountable institution(s). Multiple MLROs can be added per registration structure i.e. per schedule item. If the MLRO is registered under the main line of business he/she can see all registration and reporting information for all the underlying branches. If the MLRO is registered for an underlying schedule item only he/she can only see reporting and registration information of that FIC Act Schedule item.



9.7 **Item 6: A person who carries on the “business of a bank” as defined in the Banks Act, 1990 (Act No 94 of 1990)**

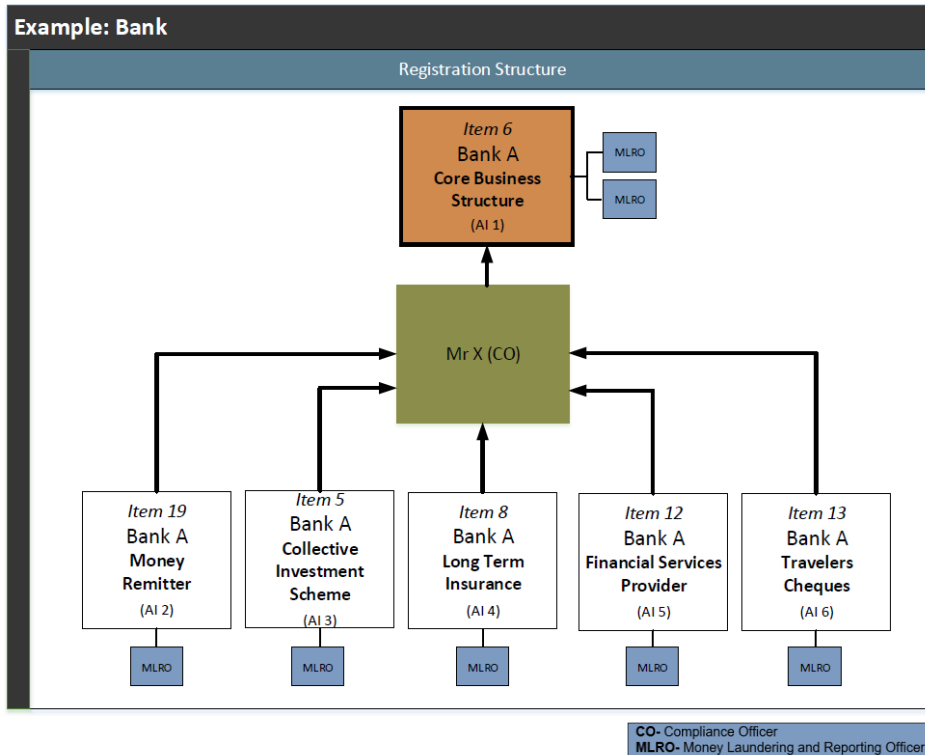
9.7.1 Banks must register per license issued. The business of banks is based on the principle of branch business and a bank consists of all its branches. All the branches of a banking group should be in a position to provide advice and administrative services to its clients. It is therefore not required that each individual branch register on its own.

9.7.2 In the event that an entity/organisation consists of multiple businesses across several schedule items (Bank, Foreign Exchange Agent Or Company, Money Remitter, Trust etc.) separate registrations per schedule item must occur. The main line of business must be selected during the registration process.

Example 11:

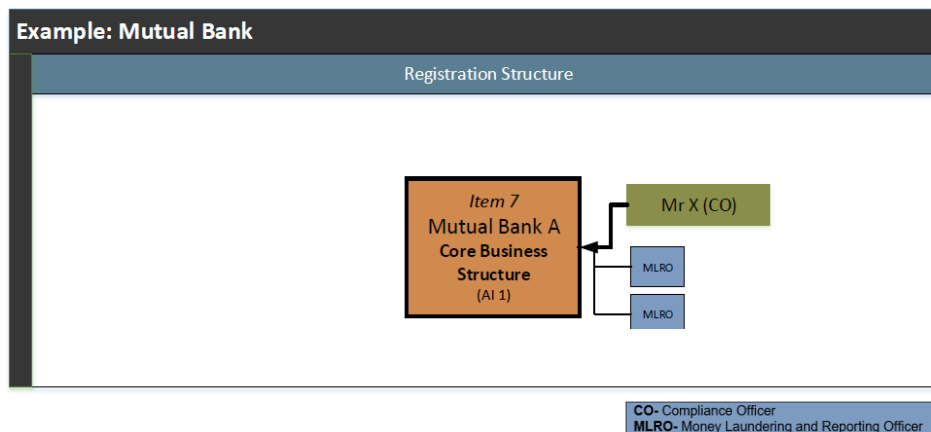
An entity’s main line of business is that of a bank, as defined, and has multiple other business offerings. These include that of a money remitter, collective investment scheme, long term insurance business, a financial services provider and that of the issuing of travellers cheques.

Mr X is the compliance officer for all 6 accountable institutions, see diagram below. It is important to note that reporting to the Centre follows the registration structure of the accountable institution(s). Multiple MLROs can be added per registration structure i.e. per schedule item. If the MLRO is registered under the main line of business he/she can see all registration and reporting information for all the underlying schedule items. If the MLRO is registered for an underlying schedule item he/she can only see reporting and registration information of that schedule item.



9.8 **Item 7: A mutual bank, as defined in the Mutual Banks Act, 1993 (Act No 124 of 1993)**

9.8.1 Mutual banks must register per license issued. The business of a mutual banks is based on the principle of branch business and a mutual bank consists of all its branches. All the branches of a mutual banking group should be in a position to provide advice and administrative services to its clients. It is therefore not required that each individual branch registers on its own.



9.9 **Item 8: A person who carries on a ‘long-term insurance business’ as defined in the Long-Term Insurance Act, 1998 (Act 52 of 1998).**

9.9.1 As is the case with banks, the nature and business of a long-term insurer is such that any branch should be able to provide advice and administrative support on all the products of that specific insurer.

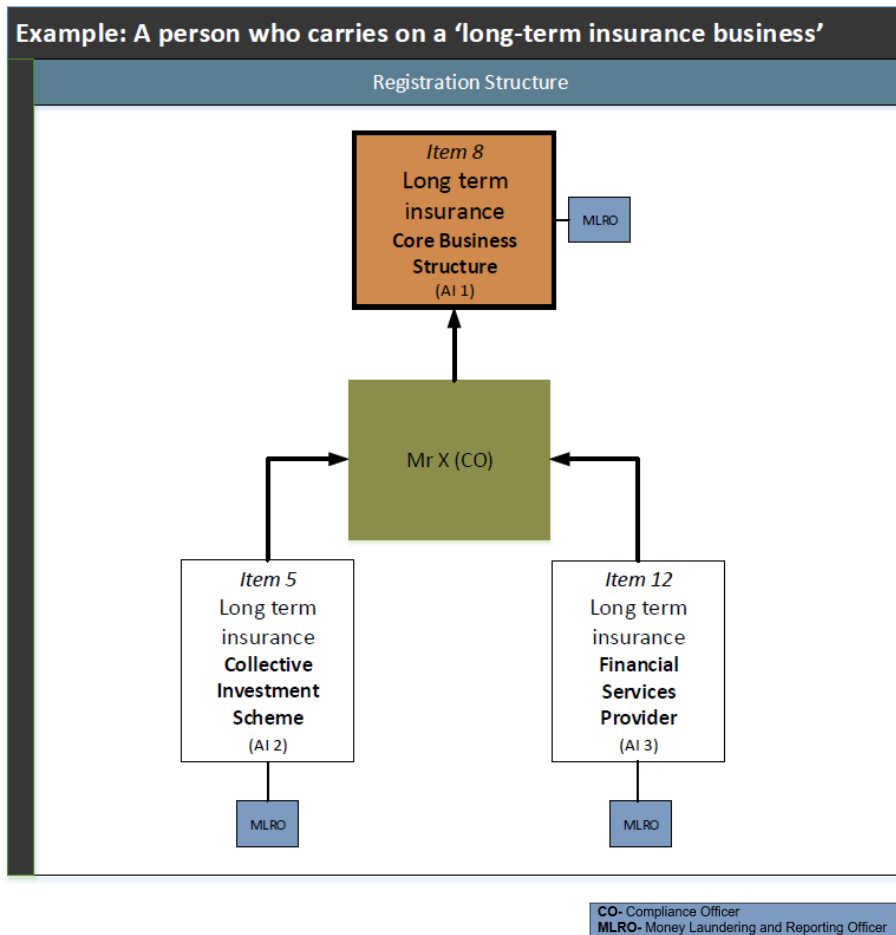
9.9.2 Long term insurers must register per license issued and it is not required that each individual branch register on its own.

9.9.3 In the event that an entity/organisation consists of multiple businesses across several schedule items, example, long-term insurer, financial services provider and collective investments schemes, separate registrations per schedule item should occur. The main line of business must be selected during the registration process.

Example 12:

An entity’s main line of business is that of a long term insurance provider, as defined, and has multiple other business offerings. These include that of financial services provider and collective investments schemes.

Mr X is the compliance officer for all 3 accountable institutions, see diagram below. It is important to note that reporting to the Centre follows the registration structure of the accountable institution(s). Multiple MLROs can be added per registration structure i.e. per schedule item. If the MLRO is registered under the main line of business he/she can see all registration and reporting information for all the underlying FIC Act Schedule items. If the MLRO is registered for an underlying FIC Act Schedule item he/she can only see reporting and registration information of that schedule item.

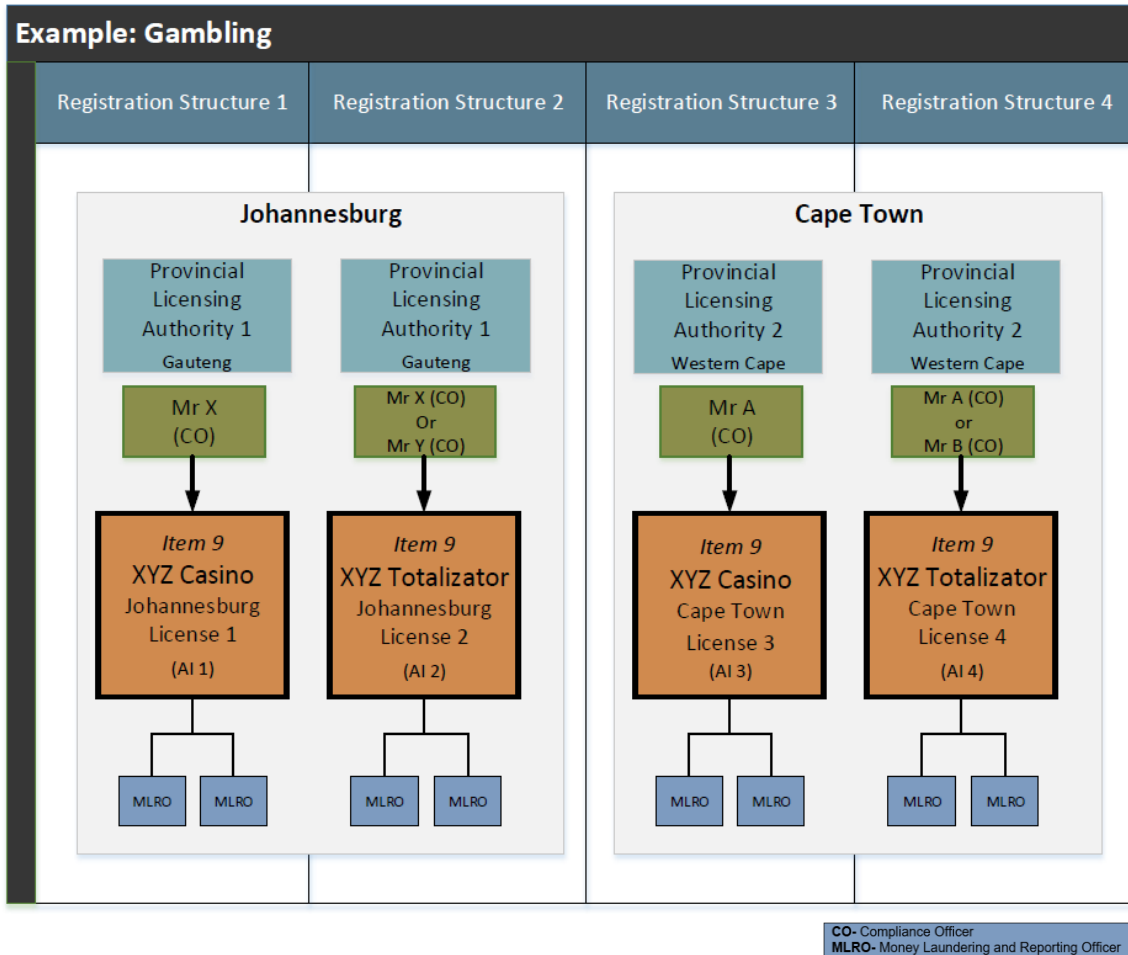


9.10 **Item 9: A person who carries on the business of making available a gambling activity as contemplated in section 3 of the National Gambling Act, 2004 (Act 7 of 2004) in respect of which a license is required to be issued by the National Gambling Board or a provincial licensing authority.**

9.10.1 Gambling institutions that fall within the ambit of item 9 of Schedule 1 must register per provincial licencing authority, per license category issued and also per licenced entity. Where the same license is used by different entities, the license holder and all entities using the license must register separately with the Centre.

Example 13: Casinos Bookmakers & Totalisators

XYZ Casino and XYZ totalisator share a premises in Johannesburg and also in Cape Town. Four licences are issued by the responsible supervisory body being the relevant provincial licencing authority. This means that four registrations must occur. Multiple MLROs can be added per accountable institution. The MLRO will only be able to see reporting and registration information of that accountable institution.



Example 14: Route, Site, and Independent Site Operators

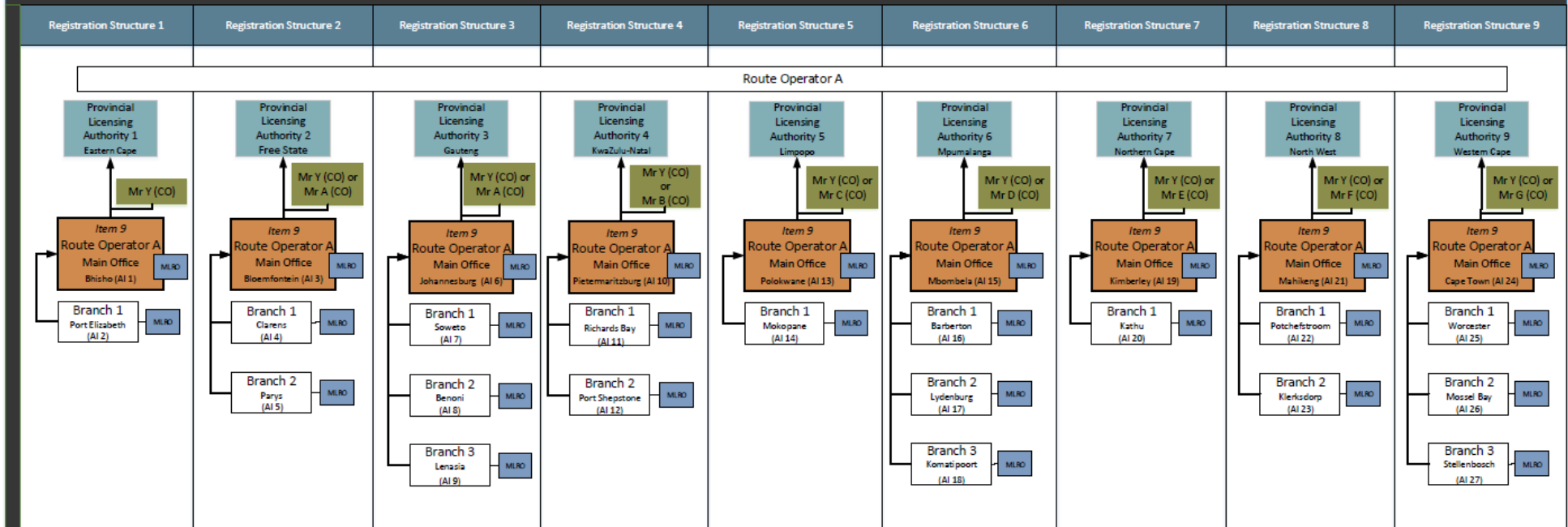
Route Operator A has 27 branches across South Africa. These branches fall within the jurisdiction of 9 different licencing authorities. All branches are separate accountable institutions.

Route Operator A must create 9 independent registration structures. These structures will be based on the jurisdictions of the 9 licencing authorities. Mr Y is the compliance officer of Route Operator A and can register all branches and the main office for Registration Structure 1 as per the diagram (the main office being an Accountable Institution with a licence issued). He can also fulfil the same role for the other structures (that fall within the jurisdictions of the other gambling boards). This means that he can register all 27 accountable institutions if so decided. It is very important to note that only Mr Y can register Main Office 1 and Branch 1. That way only Mr Y can have access to the registration and reporting information in Registration Structure 1.

Alternatively the institution can use more than one person to register the registration structures. This means that registration structures and branches can be registered by different compliance officers (Mr Y, Mr A, Mr B, Mr C, Mr D, Mr E, Mr F, Mr G). Mr Y is responsible for Registration Structure 1. Mr A can register Registration Structure 2 and 3 and Mr B can register Registration Structure 4 etc. In this scenario Mr Y can access registration and reporting information in Registration Structure 1, Mr A can access registration and reporting information in Registration Structure 2 and 3 and Mr B can access registration and reporting information in Registration Structure 4 etc.

It is important to note that reporting to the Centre follows the registration structure of the accountable institution. Multiple MLROs can be added per registration structure i.e. per main office and per branch. If the MLRO is registered at main office level he/she can see all registration and reporting information for all they underlying branch registrations. If the MLRO is registered at branch level, he/she can only see reporting and registration information of that particular branch.

Example: Route, Site and Independent Site Operators



CO- Compliance Officer
MLRO- Money Laundering and Reporting Officer

9.11 **Item 10: A person who carries on the business of dealing in foreign exchange**

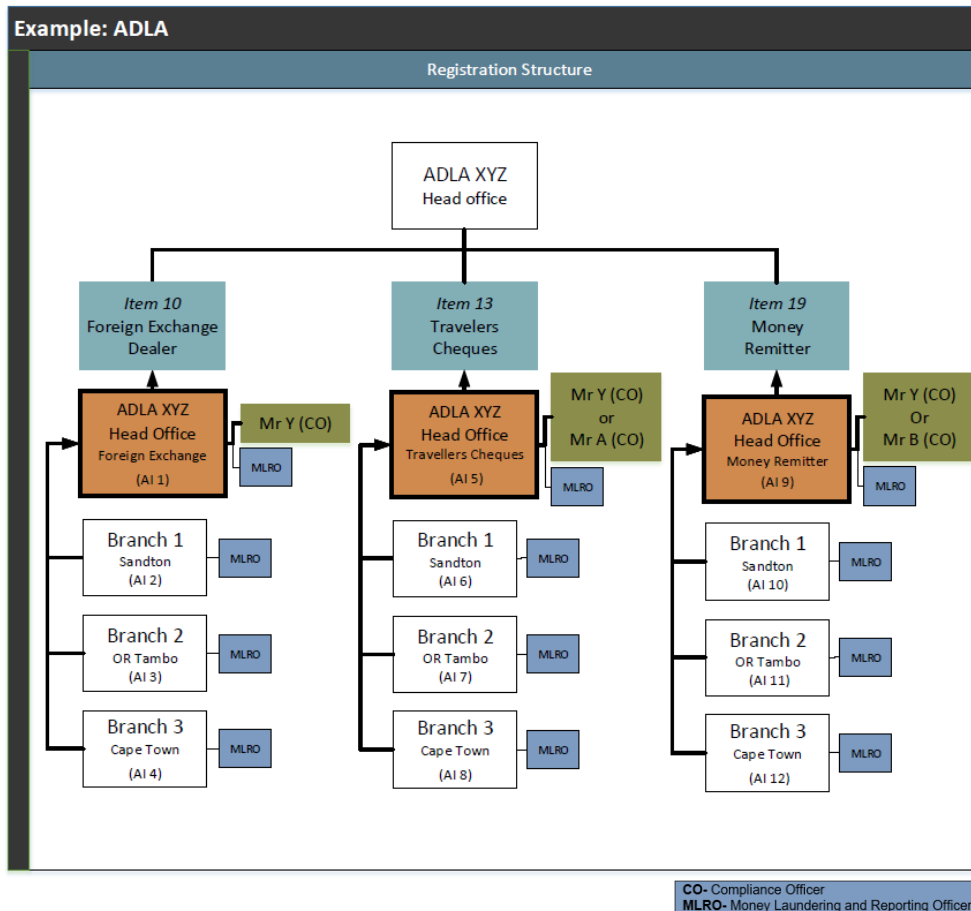
9.11.1 All head offices of authorised dealers with limited authority (ADLA) must register per license issued. The head office and each of its branches will be regarded as separate accountable institutions and will be required to register separately with the Centre.

9.11.2 Where the ADLA conducts business across multiple FIC Act schedule items the ADLA must register its head office and branch network per schedule item (Foreign Exchange Agent Or Company, Issuer of Travellers' Cheque and Money Remitter).

9.11.3 In the event of a bank, one only needs to register the head office of the schedule items without any branches which should be linked to the principal group structure of the bank.

Example 15:

ADLA XYZ has one head office and three branches. It offers products and services as a foreign exchange dealer, issuing, selling and redeeming travelers' cheques, money orders and similar instruments, and also conducts business as a money remitter. It therefore operates across multiple FIC Act schedule items (item 10, 13 and 19 of Schedule 1). ADLA XYZ must register its head office and three branches as accountable institutions separately.



9.12 Item 11: A person who carries on the business of lending money against the security of securities

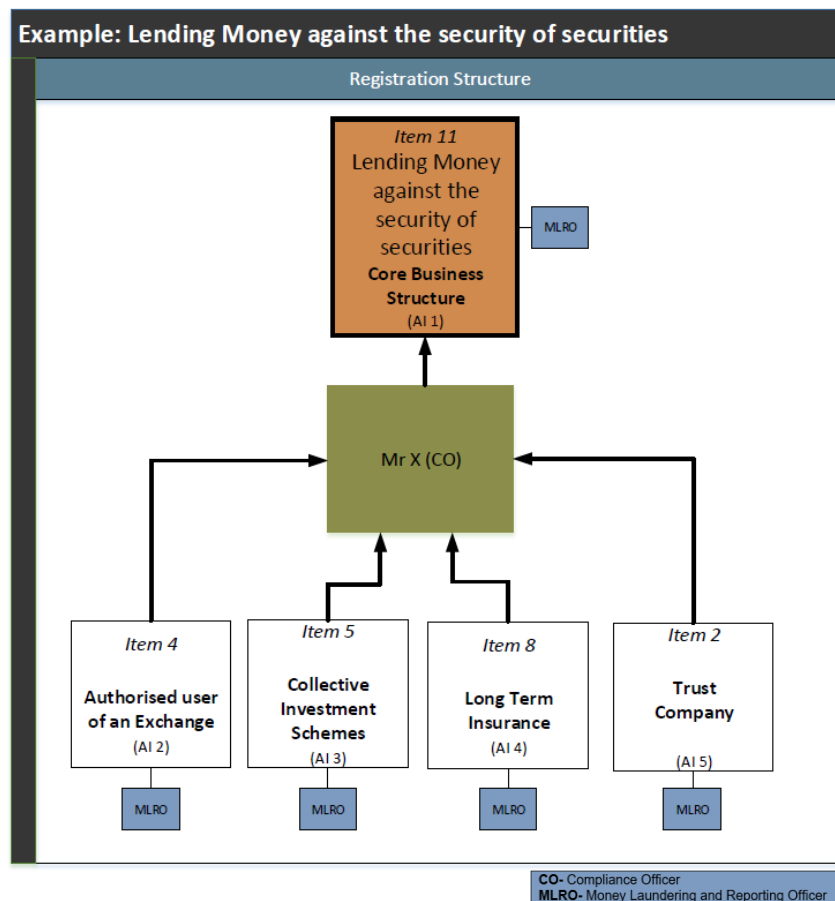
9.12.1 An accountable institution that falls within the scope of item 11 of Schedule 1 must register its institution per license issued against its registered name.

9.12.2 Branches and/or business units will not be regarded as separate accountable institutions and will not be required to register separately.

9.12.3 Where an entity/organisation consists of multiple accountable institutions categorised under different items of Schedule 1 to the FIC Act, separate registrations per FIC Act Schedule item should occur.

Example 16:

An entity with the main business offering of lending money against the security of securities has a further 4 business offerings. These included services as an authorised user of exchange, collective investment schemes, long term insurance and trust company. It therefore operates across multiple FIC Act schedule items (item 2, 4, 5 and 8 of Schedule 1). This entity must register its main business and link the 4 accountable institutions by means of delegation. Mr X will be the Compliance Officer for all 5 accountable institutions, see diagram below. It is important to note that reporting to the Centre follows the registration structure of the accountable institution(s). Multiple money laundering reporting officers, also referred to as MLROs on the system, can be added per registration structure i.e. per schedule item. If the MLRO is registered under the main line of business he/she can see all registration and reporting information for all the underlying FIC Act Schedule items. If the MLRO is registered for an underlying FIC Act Schedule item he/she can only see reporting and registration information of that schedule item.



9.13 Item 12: A person who carries on the business of a financial services provider requiring authorisation in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002), to provide advice and intermediary services in respect of the investment of any financial product (but excluding a short term insurance contract or policy referred to in the Short-term Insurance Act, 1998 (Act 53 of 1998) and a health service benefit provided by a medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (Act 131 of 1998))

9.13.1 Financial services providers that are, in terms of their license conditions under the Financial Advisory and Intermediary Services Act, 2002 (Act No 37, 2002), (FAIS Act), limited to the provision of advice and intermediary services on short-term insurance and medical aid membership only are excluded from the requirement to register with the Centre. Public accountants and auditors fall within the category of item 12 of Schedule 1 provided they are licensed in terms of the FAIS Act.

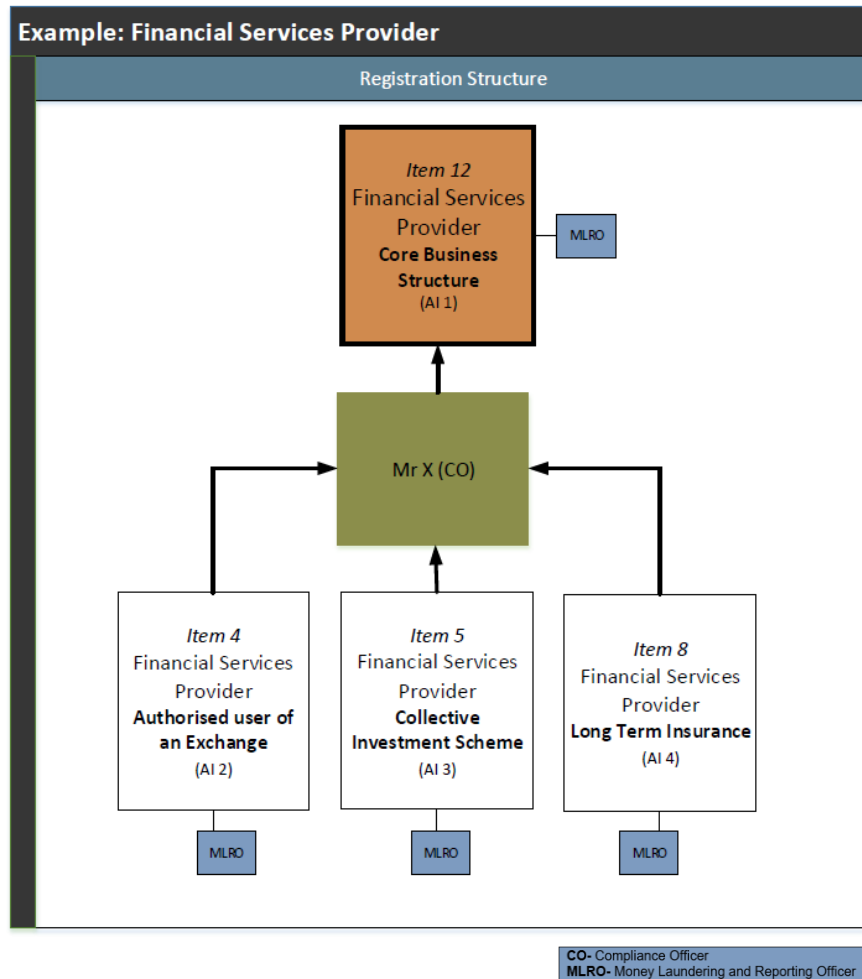
9.13.2 An accountable institution that falls within the scope of item 12 of Schedule 1 must register its institution per license issued against its registered name.

9.13.3 Where the same license is used by different entities/organisations, the license holder and all entities/organisations using the license must register separately with the Centre.

Example 17:

An entity with the main business as that of a financial services provider, has a further 3 business offerings. These included services as an authorized user of exchange, collective investment schemes and long term insurance. It therefore operates across multiple FIC Act schedule items being item 4, 5 and 8 of Schedule 1 to the FIC Act. This entity must register its main business and link the 3 accountable institutions by means of delegation. Mr X will be the CO for all 4 accountable institutions, see diagram below. It is important to note that reporting to the Centre follows the registration structure of the accountable institution(s). Multiple MLROs can be added per registration structure i.e. per schedule item. If the MLRO is registered under the main line of business he/she can see all registration and reporting information for all the

underlying FIC Act Schedule items. If the MLRO is registered for an underlying FIC Act Schedule item he/she can only see reporting and registration information of that schedule item.



9.14 Item 13: A person who issues, sells or redeems travellers' cheques, money orders or similar instruments

9.14.1 An accountable institution that falls within the scope of item 13 of Schedule 1 must register its institution per license issued against its registered name. The head office and each of its branches will be regarded as separate accountable institutions and will be required to register separately with the Centre.

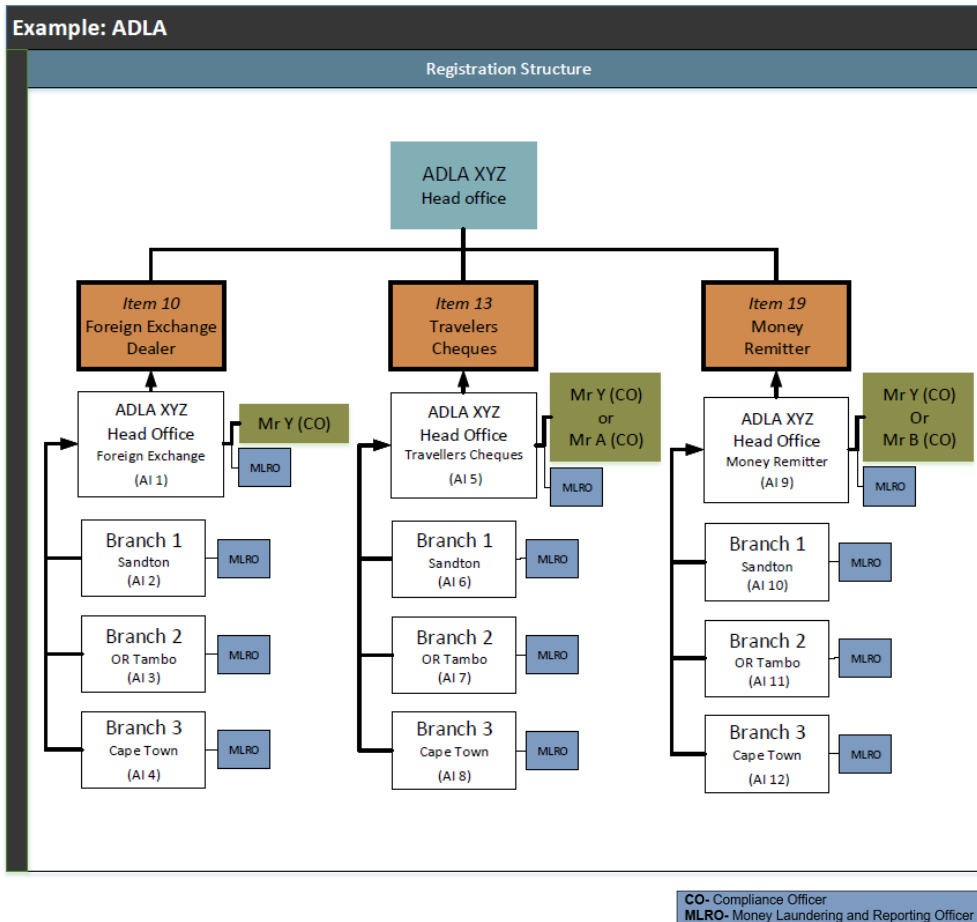
9.14.2 Where the accountable institution conducts business across multiple schedule items the accountable institution will have to create separate registration structures per FIC Act Schedule item and register all branches per registration structure respectively.

9.14.3 In the event of a bank, one only needs to register the head office of the schedule items without any branches which should be linked to the registration structure of the bank.

Example 18:

ADLA XYZ has one head office and three branches. It offers products and services as a foreign exchange dealer, issuing, selling and redeeming travellers' cheques, money orders and similar instruments, and also conducts business as a money remitter.

It therefore operates across multiple FIC Act schedule items (item 10, 13 and 19 of Schedule 1). ADLA XYZ must register its head office and three branches as accountable institutions separately. Kindly refer to the diagram below.



9.15 Item 14: The Postbank referred to in section 51 of the Postal Services Act, 1998 (Act No 124 of 1998)

9.15.1 The activities of the Postbank are limited and are standard throughout all the branches in South Africa. While the Postbank must register, it is not a requirement for each branch of the Postbank to register with the Centre.

9.16 Item 15:

9.16.1 Item 15 of Schedule 1 is deleted from Schedule 1 to the FIC Act. The new wording of item 4 of Schedule 1 includes all accountable institutions previously included under item 15 of Schedule 1. These accountable institutions must therefore register under item 4 of Schedule 1.

9.17 **Item 16: The Ithala Development Finance Corporation Limited**

9.17.1 The Ithala Development Finance Corporation Limited is a single accountable institution and should register as such. It is not a requirement for each branch of the institution to register with the Centre.

9.18 **Item 17**

19.8.1 Item 17 of Schedule 1 is deleted from Schedule 1 to the FIC Act. The new wording of item 12 of Schedule 1 includes all accountable institutions previously included under item 17 of Schedule 1. These accountable institutions must therefore register under item 12 of Schedule 1.

9.19 **Item 18**

9.19.1 Item 18 of Schedule 1 is deleted from Schedule 1 to the FIC Act. The new wording of item 12 of Schedule 1 includes all accountable institutions previously included under item 18 of Schedule 1. These accountable institutions must therefore register under item 12 of Schedule 1.

9.20 **Item 19: A person who carries on the business of a money remitter**

9.20.1 An accountable institution that falls within the scope of item 19 of Schedule 1 must register its institution per license issued against its registered name. The head office and each of its branches will be regarded as separate accountable institutions and will be required to register separately with the Centre.

9.20.2 In the event of a bank, one only needs to register the head office of the schedule items without any branches which should be linked to the registration structure of the bank.

10 Registration of reporting institutions listed in Schedule 3 to the FIC Act

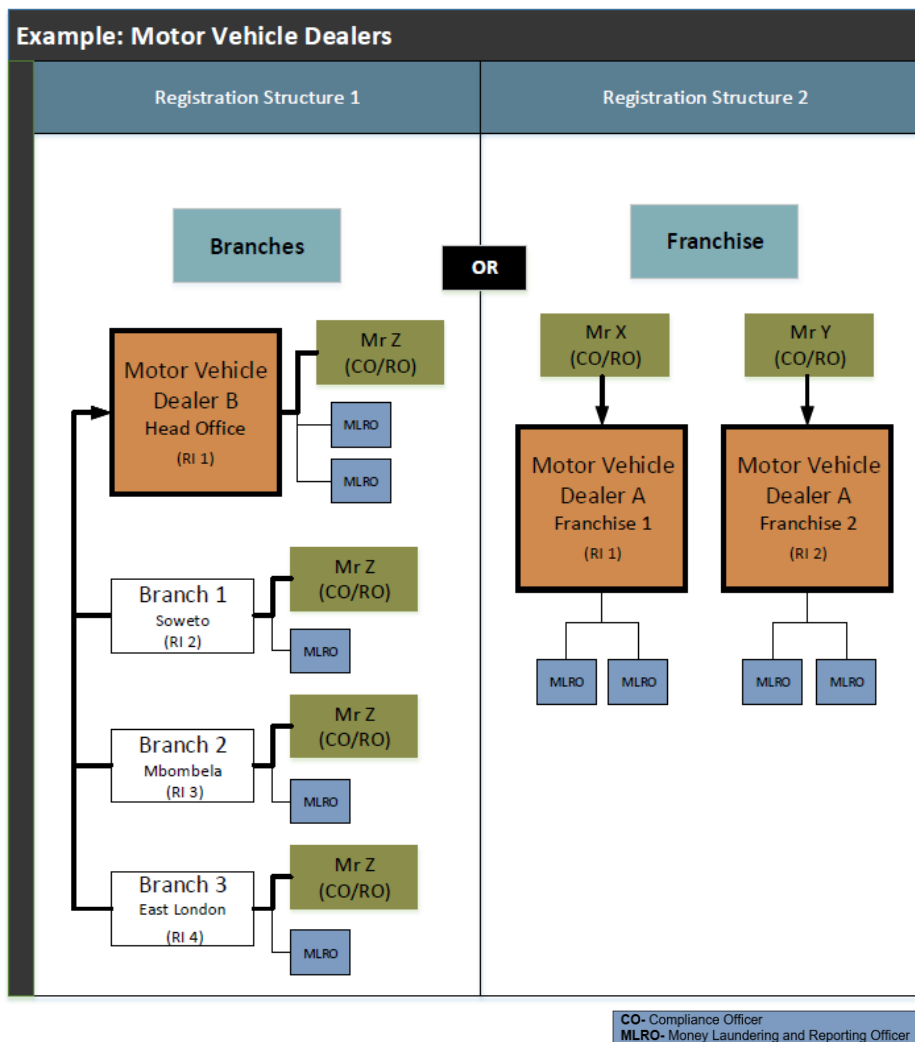
10.1 Item 1: A person who carries on the business of dealing in motor vehicles

10.1.1 The head office and each of its branches and each franchise holder of a motor vehicle dealer will be regarded as separate reporting institutions and will be required to register separately with the Centre.

Example 20:

It is important to note that the head office and branches are separate reporting institutions and can be registered separately by the reporting officer responsible for the head office or branch. This also applies to franchises.

The registration platform also allows for an instance where one reporting officer is appointed for all branches. A motor vehicle dealer has one head office and three branches in South Africa. Mr Z is the reporting officer responsible for the head office and all three branches. It is important to note that only Mr Z can register the head office and branches and only Mr Z will have access to the registration and reporting information. It is furthermore important to note that reporting to the Centre follows the registration structure of the accountable institution. Multiple MLROs can be added per registration structure i.e. per head office and per branch. If the MLRO is registered at head office level he/she can see all registration and reporting information. If the MLRO is registered at branch level, he/she can only see reporting and registration information of that particular branch. Kindly refer to the diagram below.



10.2 Item 2: A person who carries on the business of dealing in Kruger rands

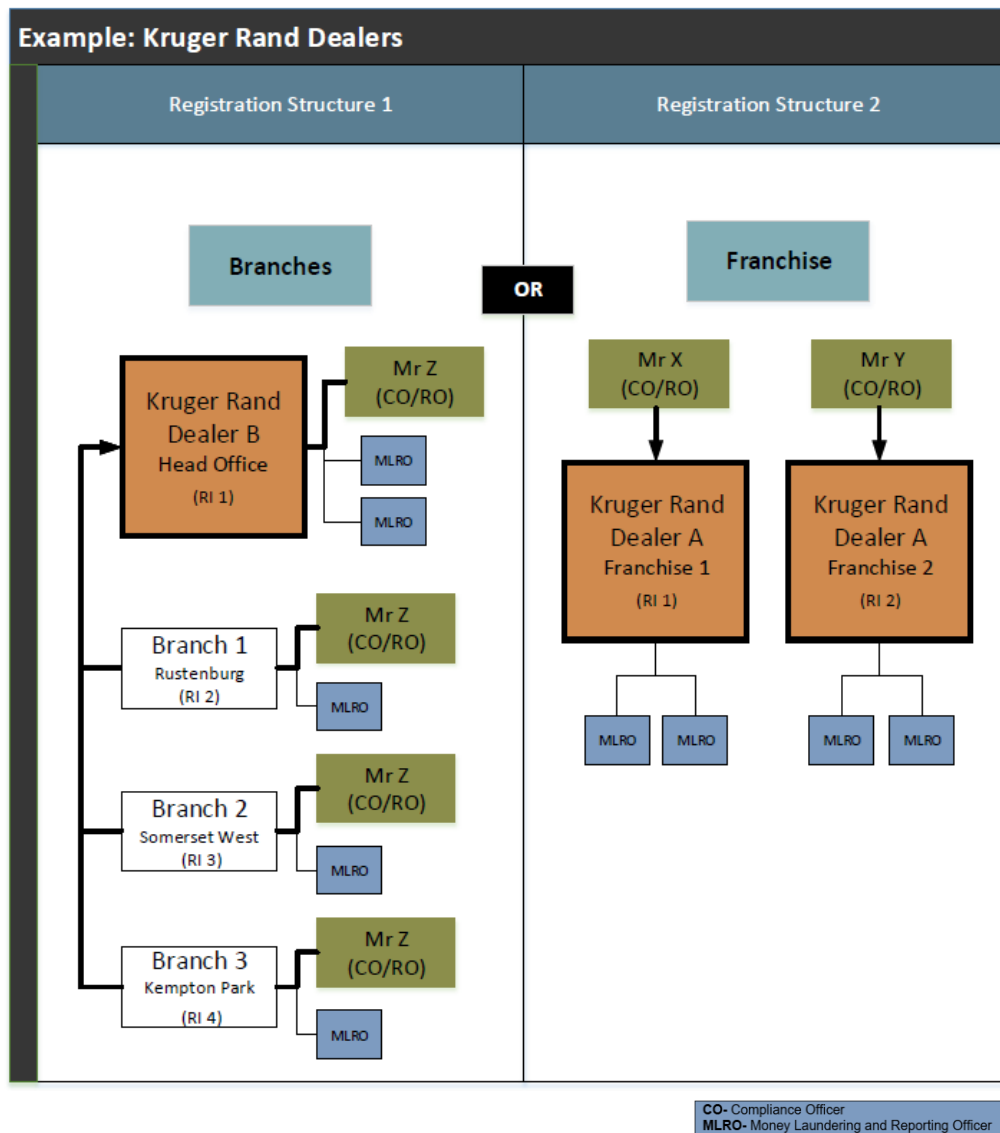
10.2.1 The head office and each of its branches and each franchise holder of a Kruger rand dealer will be regarded as separate reporting institutions and will be required to register separately with the Centre.

Example 21:

It is important to note that the head office and branches are separate reporting institutions and can be registered separately by the reporting officer responsible for the head office or branch. This also applies to franchises.

The registration platform also allows for an instance where one reporting officer is appointed for all branches. A Kruger Rand dealer has one head office and three

branches in South Africa. Mr Z is the reporting officer responsible for the head office and all three branches. Only Mr Z can register the head office and branches and only Mr Z will have access to the registration and reporting information. It is furthermore important to note that reporting to the Centre follows the registration structure of the accountable institution. Multiple money laundering reporting officers, also referred to as MLROs on the system, can be added per registration structure i.e. per head office and per branch. If the MLRO is registered at head office level he/she can see all registration and reporting information. If the MLRO is registered at branch level, he/she can only see reporting and registration information of that particular branch.



11 Method of registration

In terms of section 43B (1) of the FIC Act, registration must take place within the prescribed period and in the prescribed manner. The method of registration is:

11.1 Web based registration

11.1.1 All registrations must be completed and submitted to the Centre electronically using the user friendly interface on the Centre's website at www.fic.gov.za

11.1.2 Electronic submissions are required in terms of Regulation 27A(4) of the Regulations.

“27A(4) The registration of an accountable institution and a reporting institution contemplated in subregulation (1), (2) and (3) must be in accordance with the format specified by the Centre and must be submitted to the Centre electronically by means of the internet-based reporting portal provided by the Centre for this purpose at the following internet address: <http://www.fic.gov.za>.”

11.1.3 This process involves the submission of the required information of an accountable institution and reporting institution into mandatory fields on the Centre's website. Accountable institutions and reporting institutions need to ensure that they populate the required fields on both the institution and user forms during the registration process.

11.1.4 In exceptional circumstances an accountable institution or reporting institution may make use of a paper-based mechanism to register. If a person wishing to register and does not have a proven technical capability to do so in accordance with Regulation 27A (4) that person must submit the registration to the Centre on a form that is available from the Centre. Kindly contact the Centre at the following number to obtain a copy of the manual registration form: 012 641 6000.

12 Processing time

12.1 The registration process (both manual and electronic) takes approximately 30 (thirty) minutes to complete. All registration information submitted to the Centre will be verified and the finalisation of such requests takes approximately 5 (five) days.

13 Person responsible for registering an accountable or reporting institution

- 13.1 The person who is required to initiate the registration process on behalf of the institution is the compliance officer for an accountable institution or the reporting officer for a reporting institution. The compliance officer or the reporting officer will be required to complete an online form. This will require the compliance officer or the reporting officer to submit and/or verify the registration details of the institution, as well as the user information (i.e. capture a username and password), and submit the required supporting documentation.

14 Registration Details

- 14.1 It is important that the registration forms are completed as comprehensively as possible. The registration process requires compulsory information to be provided without which the registration will not be accepted. Each accountable or reporting institution will be allocated a unique registration reference number once registration is completed successfully.
- 14.2 Accountable or reporting institutions should inform the Centre of any changes to their details by updating their registration profile within 90 (ninety) days after such change, as required in terms of section 43B(4) of the FIC Act.

15 The registration process

- 15.1 The compliance officer or reporting officer must complete an online form which can be found at www.fic.gov.za.
- 15.2 The registration processes must be successfully completed before the accountable or reporting institution will be able to submit a report on the Centre's registration and reporting platform. In the event that the accountable or reporting institution has to submit a report, but the registration process hasn't been completed, they are advised to notify the Centre immediately.
- 15.3 Accountable and reporting institutions are required to register the institutions including the associated users who need to access the registration and reporting platform.

- 15.4 Should an accountable or reporting institution require assistance with the set-up and maintenance of a delegation structure they should contact the Centre accordingly.
- 15.5 A certified copy of the Compliance or reporting Officer's identity document or passport document must be attached and submitted to the Centre for approval in order to gain access to the registration platform.
- 15.6 Note that any subsequent users (MLRO's) that register against their accountable or reporting institutions profiles must attach a certified copy of their identity/passport documents.
- 15.7 All certified copies of identity/passport documents must be clear and visible, and the identification document should still be valid (e.g. the Centre will not accept a certified copy of a passport document when the passport has already expired). All copies of identity/passport documents should be attached and submitted on the Centre's registration and reporting platform during the registration process.
- 15.8 All users of the platform are required to attach an authorisation letter from the accountable or reporting institution indicating the user name and surname, ID/passport number, occupation of the user and the role of the user to be allocated on the Centre's registration and reporting platform. This letter must signed by an authorised person and attached and submitted on the Centre's registration and reporting platform during the registration process.
- 15.9 The processing and approval of registration by the Centre can take up to 5 (five) working days.
- 15.10 For any enquiries or problems experienced throughout the registration process, please contact the Centre on 012 641 6000, or alternatively a query can be logged at <http://www.fic.gov.za/Secure/Queries.aspx>

16 Fields to be completed

- 16.1 The Centre has issued a user manual to assist accountable and reporting institutions with the registration process. The Registration Guideline for Accountable and Reporting

Institutions contains the different fields to be completed and is attached to this PCC as “Annexure D”.

16.2 The Centre requests that all information must be completed with all information as readily available. In the event of existing institution profiles, accountable and reporting institutions are instructed to verify all the available information and make the required changes and updates accordingly.

17 Removal from the register

17.1 An accountable or reporting institution whose name is on the registration register can request in writing that the Centre remove same from the register. This will only be done in instances where the entity has ceased conducting the business of an accountable or reporting institution or in the event where registration is not required.

17.2 An accountable or reporting institution whose name is on the registration register needs to advise the Centre in writing should they have sold (partially or in full) their business. The Centre would need information regarding the change in ownership, date of sale and contact details of the new owners accordingly.

18 Access to the Register

18.1 The register of accountable and reporting institutions will not be available to the public.

19 Failure to register with the Centre

19.1 The Centre or applicable supervisory body may, in terms of section 45C(1) read with section 45C(3) of the FIC Act, impose an administrative sanction on any accountable institution, reporting institution, or other person to whom the FIC Act applies, for a failure to comply with any provision of the FIC Act, such as the failure to register with the Centre.

20 Commencement and effect of PCC05C

20.1 This PCC05C takes effect on Wednesday, 9 May 2018. PCC05B remains in effect for the period prior to and up to Tuesdays, 8 May 2018.

21 Enquiries

For any further enquiries regarding this PCC05C, please contact the Centre on **012 641 6000**, or a query can be logged at <http://www.fic.gov.za/Secure/Queries.aspx>

Issued By:

The Director

Financial Intelligence Centre

9 May 2018

Glossary

Section 43B of the FIC Act: Registration by accountable institution and reporting institution—

- (1) Every accountable institution referred to in Schedule 1 and reporting institution referred to in schedule 3 must, within the prescribed period and in the prescribed manner, register with the Centre.
- (2) The registration of an accountable institution and a reporting institution contemplated in subsection (1) must be accompanied by such particulars as the Centre may require.
- (3) The Centre must keep and maintain a register of every accountable and reporting institution registered in terms of subsection (1).
- (4) A registered accountable institution or reporting institution must notify the Centre, in writing, of any changes to the particulars furnished in terms of this section within 90 days after such a change.

Section 45C(1) of the FIC Amendment Act: Responsibility of supervision of accountable institutions –

(1) The Centre or a supervisory body may impose an administrative sanction on any accountable institution, reporting institution or other person to whom this Act applies when satisfied on available facts and information that the institution or person –

- (a) has failed to comply with a provision of this Act or any order, determination or directive made in terms of this Act;
- (b) has failed to comply with a condition of a licence, registration, approval or authorisation issued or amended in accordance with section 45(1B)(e);
- (c) has failed to comply with a directive issued in terms of section 34(1) or 43A(3); or
- (d) has failed to comply with a non-financial administrative sanction imposed in terms of this section.

Section 61A of the FIC Amendment Act: Failure to register with the Centre – Any accountable institution or reporting institution that –

- (a) fails to register with the Centre in terms of section 43B; or
 - (b) fails to provide information in terms of section 43B,
- is non-compliant and is subject to an administrative sanction.

Regulation 27A - “Period for and manner of registration by accountable institutions and reporting institutions

27A. (1) Every accountable institution referred to in Schedule 1 of the Act and every reporting institution referred to in Schedule 3 of the Act must register with the Centre in terms of section 43B of the Act on 1 December 2010.

(2) Any person or category of persons added to the list in Schedule 1 or Schedule 3 of the Act after the commencement of this regulation must register with the Centre within 90 days after the amended Schedule 1 or Schedule 3 is published by notice in the *Gazette*.

(3) Any person or category of persons who, on commencing a new business, fall within the list of accountable institutions or reporting institutions in Schedule 1 and Schedule 3 respectively must, within 90 days of the day the business opened, register with the Centre.

(4) The registration of an accountable institution and a reporting institution contemplated in subregulation (1), (2) and (3) must be in accordance with the format specified by the Centre and must be submitted to the Centre electronically by means of the internet-based reporting portal provided by the Centre for this purpose at the following internet address: <http://www.fic.gov.za>

(5) If a person does not have the technical capability to register in accordance with subregulation (4) that person must submit the registration on a form specified by the Centre at the contact particulars specified by the Centre from time to time for this purpose.

(6) The registration of an accountable institution or a reporting institution is not a licensing process and no license will be issued on the completion of a registration contemplated in subregulation (1), (2) and (3).

(7) No fee is payable for a registration contemplated in subregulation (1), (2) or (3).”

“Annexure A”

Schedule 1

List of Accountable Institutions

- 1 A practitioner who practices as defined in section 1 of the Attorneys Act, 1979 (Act 53 of 1979).
- 2 A board of executors or a trust company or any other person that invests, keeps in safe custody, controls or administers trust property within the meaning of the Trust Property Control Act, 1988 (Act 57 of 1988)
- 3 An estate agent as defined in the Estate Agency Affairs Act, 1976 (Act 112 of 1976).
- 4 An authorised user of an exchange as defined in the Securities Service Act, 2004 (Act 36 of 2004).
- 5 A manager registered in terms of the Collective Investment Schemes Control Act, 2002 (Act 45 of 2002), but excludes managers who only conduct business in Part VI of the Collective Investment Schemes Control Act (Act 45 of 2002).
- 6 A person who carries on the ‘business of a bank’ as defined in the Banks Act, 1990 (Act 94 of 1990)
- 7 A mutual bank as defined in the Mutual Banks Act, 1993 (Act 124 of 1993)
- 8 A person who carries on a ‘long-term insurance business’ as defined in the Long-Term Insurance Act, 1998 (Act 52 of 1998).
- 9 A person who carries on the business of making available a gambling activity as contemplated in section 3 of the National Gambling Act, 2004 (Act 7 of 2004) in

respect of which a license is required to be issued by the National Gambling Board or a provincial licensing authority.

- 10 A person who carries on the business of dealing in foreign exchange.
- 11 A person who carries on the business of lending money against the security of securities
- 12 A person who carries on the business of a financial services provider requiring authorisation in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002), to provide advice and intermediary services in respect of the investment of any financial product (but excluding a short term insurance contract or policy referred to in the Short-term Insurance Act, 1998 (Act 53 of 1998) and a health service benefit provided by a medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (Act 131 of 1998).
- 13 A person who issues, sells or redeems travellers' cheques, money orders or similar instruments.
- 14 The Postbank referred to in section 51 of the Postal Services Act, 1998 (Act 124 of 1998).
- 15
- 16 The Ithala Development Finance Corporation Limited.
- 17
- 18
- 19 A person who carries on the business of a money remitter.

“Annexure B”

Schedule 2

List of Supervisory Bodies

- 1 The Financial Services Board established by the Financial Services Board Act, 1990 (Act 97 of 1990).
- 2 The South African Reserve Bank in respect of the powers and duties contemplated in section 10(1)(c) in the South African Reserve Bank Act, 1989, (Act 90 of 1989) and the Registrar as defined in sections 3 and 4 of the Banks Act, 1990, (Act 94 of 1990) and the Financial Surveillance Department in terms of Regulation 22.E of the Exchange Control Regulations, 1961.
- 3
- 4 The Estate Agency Affairs Board established in terms of the Estate Agency Affairs Act, 1976, (Act 112 of 1976).
- 5 The Independent Regulatory Board for Auditors established in terms of the Auditing Professions Act, 2005 (Act 26 of 2005).
- 6 The National Gambling Board established in terms of the National Gambling Act, and retained in terms of the National Gambling Act, 2004 (Act 7 of 2004).
- 7
- 8 A law society as contemplated in section 56 of the Attorneys Act, 1979 (Act 53 of 1979).
- 9 A provincial licensing authority as defined in section 1 the National Gambling Act, 2004 (Act 7 of 2004).

“Annexure C”
Schedule 3
Reporting Institutions

1. A person who carries on the business of dealing in motor vehicles.

2. A person who carries on the business of dealing in Krugerrands.

“Annexure D”

goAML Registration Guideline for Accountable and Reporting Institutions

Click the below link to access the Guideline:

**[http://www.fic.gov.za/Documents/160712%20goAML%20Registration%20AIRI
w.pdf](http://www.fic.gov.za/Documents/160712%20goAML%20Registration%20AIRI%20Guideline.pdf)**

“Annexure E”

Directive 1

Click the below link to access the Directive:

<http://www.fic.gov.za/Documents/Directive%2001.pdf>