

CREDIT PROVIDERS: REGISTER WITH THE FINANCIAL INTELLIGENCE CENTRE

The Financial Intelligence Centre (FIC) calls upon all credit providers to register without further delay, with the FIC and to comply with all their risk and compliance obligations in terms of the Financial Intelligence Centre Act (FIC Act).

Listed as accountable institutions under item 11 of Schedule 1 to the FIC Act, credit providers must meet compliance obligations which will help assist in identifying the proceeds of crime and combating money laundering, terrorist financing and proliferation financing.

Among these obligations are customer due diligence, record-keeping, appointing a person responsible for compliance, developing and implementing a risk management and compliance programme (RMCP), training employees on FIC Act compliance and the institution's RMCP and submitting various regulatory reports to the FIC. The first step accountable institutions must take, however, before they can file a regulatory report, is to register with the FIC.

What does registration entail?

Registration with the FIC is free and must be completed and submitted electronically using the FIC's online registration system called [goAML](#), which is accessible on www.fic.gov.za.

All registrations must be accompanied by supporting documentation including the certified identity documents and an authorisation letter of the compliance officer, on the credit provider's letterhead. Refer to the [goAML accountable institutions registration guide](#), as well as [draft public compliance communication 5D](#) (PCC 5D) for guidance on how to register.

Risk management and compliance programme

Key among the FIC Act obligations is the requirement to develop and document a risk management and compliance programme (RMCP).

Section 42 of the FIC Act prescribes all the elements that must be covered in an accountable institution's RMCP. The FIC Act requires accountable institutions to apply a risk-based approach as a preventive measure against money laundering, terrorist financing and proliferation financing (ML, TF and PF).

The RMCP document must set out the institution's governance controls, the ML, TF, and PF risk assessments as well as aspects including a risk-rating framework, customer due diligence, targeted financial sanctions aimed at terrorist and proliferation financing, prominent influential person controls, account monitoring, reporting and record-keeping controls. The development and implementation of RMCPs are considered dynamic exercises as opposed to rule-based policies and procedures manuals.

Section 42 of the FIC Act was recently amended by the General Laws (Anti-Money Laundering and Combating of Terrorist Financing) Amendment Act, 2022 (Act 22 of 2022) (GLA Act). Included in the amendments is the requirement that RMCPs also provide for group-wide programmes for all of an accountable institution's branches and majority-owned subsidiaries situated in South Africa. This includes how branches or subsidiaries will exchange information relating to customer due diligence and the analysis of transactions which may be suspicious or unusual in terms of section 29 of the FIC Act. The accountable institution must have adequate safeguards to protect the confidentiality of information exchanged.

The FIC published [PCC 53](#) guides accountable institutions in enhancing their risk understanding and application through their RMCPs. In addition, PCC 53 offers guidance on how to adequately draft the RMCP document. Although PCC 53 is yet to be updated in line with the GLA Act,

accountable institutions must ensure full compliance with the FIC Act as amended by the GLA Act.

PCC 53 emphasises the importance of an accountable institution documenting its inherent ML, TF and PF risks, its understanding flowing from the risk assessment, and the risk mitigation measures, monitoring and management measures in the RMCP. The risk-based approach must provide for business-level, new products and processes, as well as client-level risk assessments.

For more information and guidance refer to the FIC website, www.fic.gov.za, for various guidance notes and public compliance communications. Alternatively, contact the FIC's compliance contact centre on +27 12 641 6000 or log an online compliance query on the FIC website.