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# FIC Compliance Awareness Webinar SAICA members

11 October 2022

# AGENDA

10:10 – 10:30 Background and international & SA legislative framework

10:30 – 11:15 FIC Act awareness

- Risk-based approach
- FIC Act obligations

11:15 – 11:45 Registration and goAML reporting

11:45 – 12:00 Questions and Answers session

# AML/CFT CONTEXT

**Presented by Compliance and Prevention**

**Ashleigh Mooij, Manager: Guidance and Prevention**

# Financial Action Task Force (FATF)

- Inter-governmental, body for setting international standards and measures for combating money laundering and financing of terrorism (AML/CFT)
- FATF 40 Recommendations
- South Africa is the only African member
- Is bound to apply principles of the Recommendations through and within SA legislative constructs
- Must ensure alignment to updates to Recommendations
- FATF inclusion of Designated Non Financial Businesses and Persons (DNFBP)

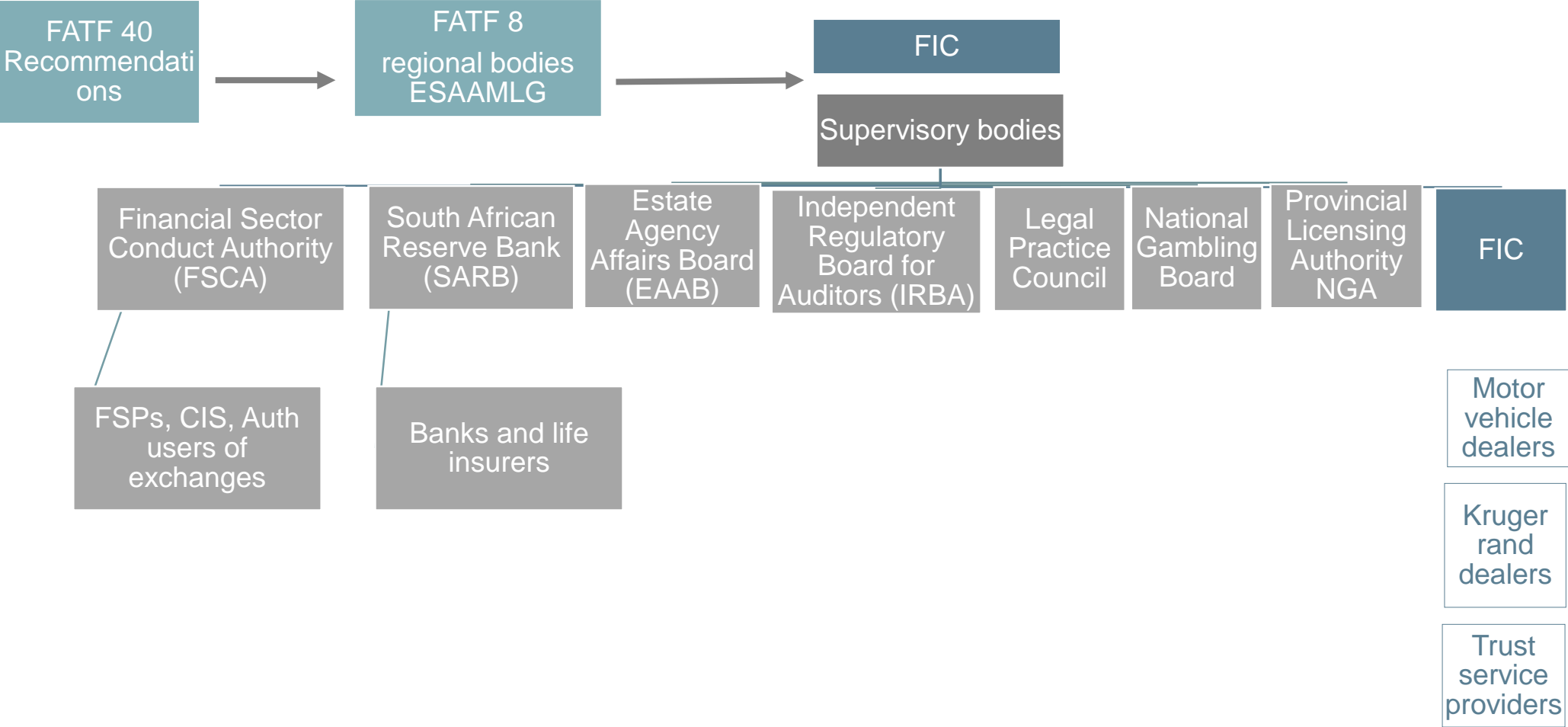




# 2019 mutual evaluation of South Africa

- South Africa's mutual evaluation was undertaken by two of the organisations of which the country is a member, namely the FATF and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).
- The two organisations each undertake peer reviews of their members and South Africa's evaluation is part of this process. International Monetary Fund is the third member of the 2019 mutual evaluation team.

# Global and national footprint for AML regulations





# FIC background

## 2003

- Commencement of Financial Intelligence Centre Act, 2001 (Act 38 of 2001)

## 2010

- Amendments to the FIC Act and the commencement of cash threshold reporting obligations

## 2017

- Amended by the Financial Intelligence Centre Amendment Act, 2017 (Act 1 of 2017)
- As a result of the 2009 mutual evaluation, to align to FATF requirements and United Nations obligations
- Rules based changed to risk-based approach risk management and compliance programme (RMCP) introduced

## 2019

- Implementation of targeted financial sanctions



# FIC background (cont.)

- FIC Act supplemented by Money Laundering and Terrorist Financing Control Regulations and Directives 1, 2, 3, 4 and 5
- Guidance Notes
  - GN 4B STR
  - GN 5B CTR
  - GN 6A TPR
  - GN 7 CDD
- Public compliance communications (PCCs) – 54 issued





# FIC Act supervisory bodies

## **FIC functions**

- Process, analyse and interpret information reports
- Monitor and give guidance to accountable institutions
- Supervise and enforce compliance with the FIC Act

## **Section 45 supervisory bodies' functions**

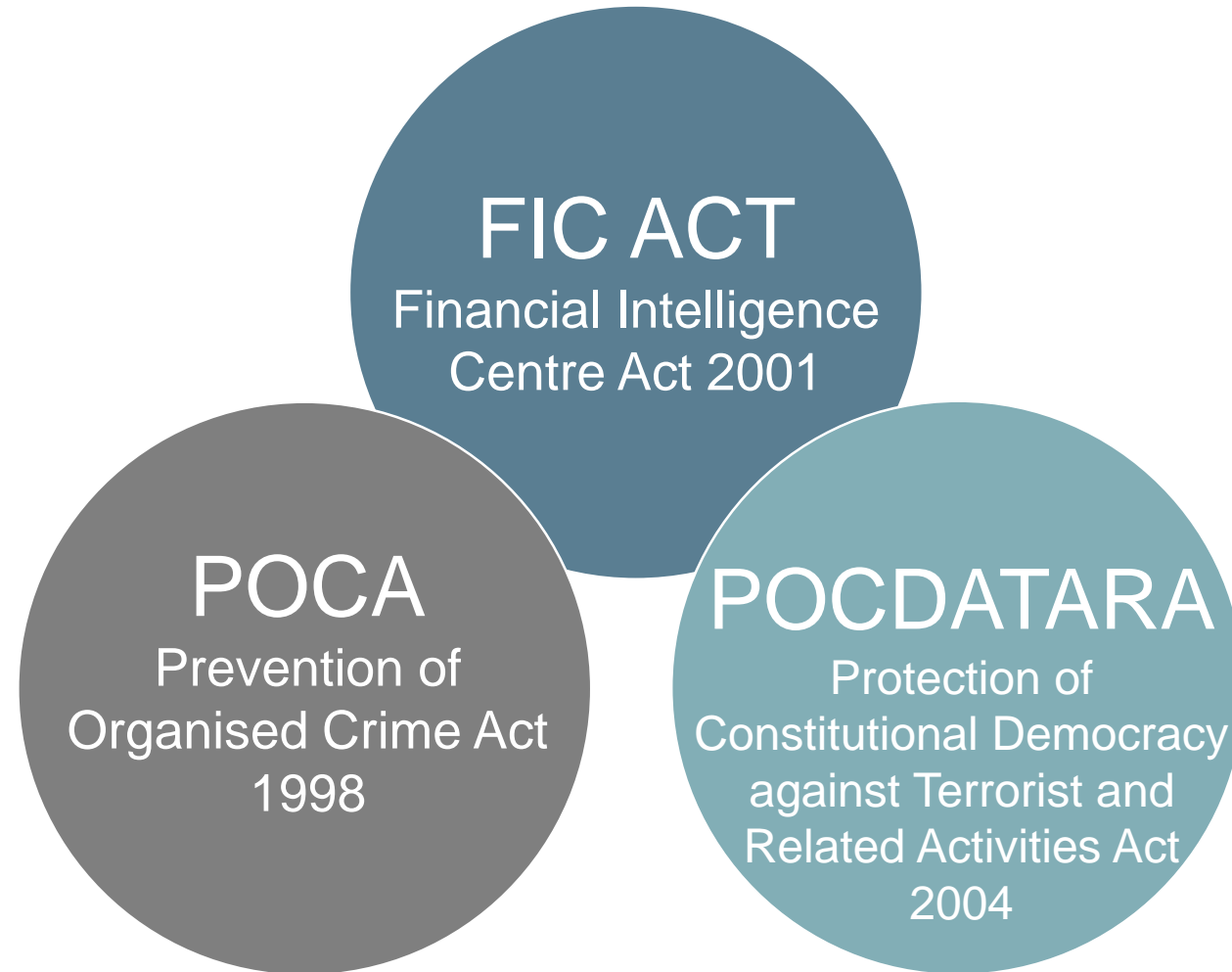
- Supervise and enforce compliance with the FIC Act
- Supervisory bodies listed in Schedule 2 of the FIC Act

## **Supervisory body**

- National Gambling Board
- Financial Sector Conduct Authority
- South African Reserve Bank

# FIC – background (Cont)

Applies in conjunction with two other laws





## MONEY LAUNDERING

- Illegal sources – proceeds of crime
- 3 stages – **placement, layering, integration**
- Process where the **origin**, nature and source of illegally **obtained funds** are **concealed** through the disposing or movement of funds
- Goal is to **conceal** the **illegal nature** of the **source of funds**

## TERRORIST FINANCING

- Illegal and legal sources
- 3 stages – **attracting funds, moving funds and using funds**
- Intention is to **use funds** to support terrorist acts, terrorist organisations and individual terrorists
- Goal – to **conceal financing** and **nature of activity** being financed

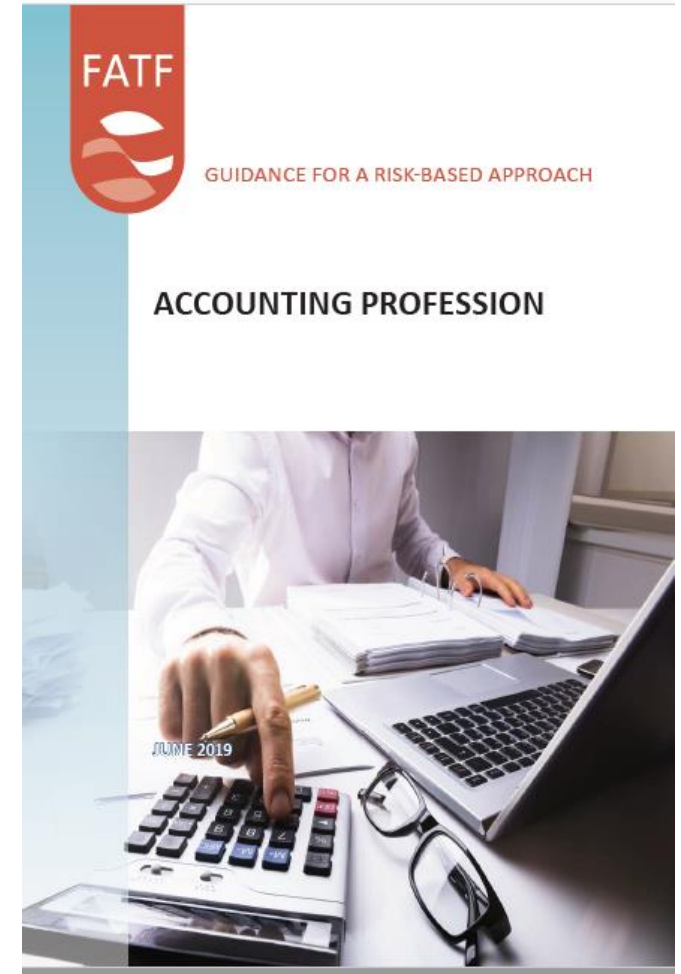


# ML/TF risk relating to accounting profession

- Considered to be “gatekeepers”
- Provide gateway into financial system
- Risks lie in the creation, operation and management of companies/trusts/ other corporates
- Use of their expertise
- Use as an intermediary that could provides legitimacy/distance the ownership of funds
- Can be used to falsify accounts/conceal source of funds – creates legitimacy

# ML/TF risk relating to accounting profession

- Financial and tax advice
- Company and trust formation
- Buy & sell property
- Performing financial transactions
- Introductions/intermediaries
- Maintenance of incomplete records



<https://www.fatf-gafi.org/media/fatf/documents/reports/RBA-Accounting-Profession.pdf>



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# RISK-BASED APPROACH AND RISK ASSESSMENT

# FATF Recommendation 1

## **Recommendation 1 – Assessing risks & applying a risk-based approach**

- Countries should understand ML and TF risks, apply a risk-based approach and allocate resources in accordance with risks
- Financial institutions to identify, assess and take effective action to mitigate their ML/TF risks
- Applying a risk-based approach (RBA) is an effective way to combat ML/TF
- Must understand the ML/TF risk relating to the particular industry



# Risk-based approach

- Accountable institutions must follow a risk-based approach (RBA) when managing risks related to money laundering (ML) and terrorist financing (TF)
- Risk that clients may **misuse products and services** offered by accountable institutions for ML and/or TF purposes
- **Threats and vulnerabilities** of accountable institutions being **abused** by clients in order to **facilitate** ML and TF
- Applying RBA ensures that accountable institutions are able to implement **measures** that are **proportionate** with the ML/TF **risks** identified.



# Risk-based approach (cont.)

## Accountable institutions must:

- Identify
- Assess
- Monitor
- Mitigate
- Manage



The **risk** that the **provision of goods and services** by the accountable institution may **involve** or **facilitate ML** and/or **TF**.

# Risk-based approach: Risk identification

Risk identification - Evaluate the following:

Products and services	Delivery Channels	Location	Client type	Other factors
<ul style="list-style-type: none"><li>• Third party payments</li><li>• Cash / EFT</li><li>• Cross border flow of money</li><li>• Duration of relationship / transaction</li></ul>	<ul style="list-style-type: none"><li>• Direct relationship</li><li>• Working through intermediary</li><li>• Face to face or non-face to face</li></ul>	<ul style="list-style-type: none"><li>• SA / foreign jurisdiction</li><li>• High risk countries</li><li>• Client confidentiality in foreign jurisdiction</li><li>• Weak regulatory oversight</li></ul>	<ul style="list-style-type: none"><li>• Natural / Legal person</li><li>• Complex structures</li><li>• Politically exposed</li><li>• Prominence</li><li>• Adverse information</li><li>• Negative media</li><li>• ML findings</li><li>• Transactional pattern</li></ul>	<ul style="list-style-type: none"><li>• ML approach</li><li>• Sanctions</li><li>• Strategy of entity</li><li>• Regulatory fines in similar industries</li><li>• Learnings / typologies</li></ul>

In order to Identify the possible ML/TF risk each poses

# Risk-based approach: Risk assessment

## Risk assessment – risk rating

- Assign **different ratings** (categories) to **different levels** of risk.  
i.e. high, medium or low risk from a ML / TF risk perspective.
- No “**one size fits all**” approach.
- Consider the consequence and impact of the ML / TF risk occurring? Huge negative impact?
- Consider the likelihood of ML / TF risk occurring? Highly likely to occur?
- **Risk scale tailored** to size of an accountable institution and range of products offered.
- **Risk rating may change**, re-evaluation of risk rating is critical.
- Risk rating methodology must be documented in **RMCP**.



# Risk-based approach: Risk matrix

## Risk matrix

- i.e.: Higher risk (21-30), Medium risk (11-20), Low risk (1-10)
- Risk rate at onboarding and ongoing due diligence stages

Client type		Product/Service type		Jurisdiction		Delivery channel		Occupation		Overall rating
Natural Person	1	Intermediary services (transaction processing)	6	Iran	6	Non face to face	6	Unemployed	6	25 – High risk
Complex legal entity	3	Consulting	1	South Africa	3	Face to face	1	Technology company	2	10 – Low Risk

- Useful reference:  
<https://www.cimaglobal.com/Documents/Member%20docs/mips/CCAB%20Guidance%20Clean.pdf>

# Risk-based approach: Treatment of risk

## Risk monitoring, mitigation and management - treatment of risk

- Controls includes:
  - Processes, systems, resources, monitoring, reporting and training etc.
- The control must be in proportion to the risk, i.e.
  - **Higher risk** – enhanced due diligence
  - **Medium risk** – additional due diligence
  - **Lower risk** – simplified due diligence.
- Risk will be adequately treated = level of residual risk is acceptable and within the risk appetite of the accountable institution.



# FIC ACT COMPLIANCE OBLIGATIONS

**Presented by Compliance and Prevention**

**Ashleigh Mooij, Manager: Guidance and Prevention**

# FIC Act – regulatory framework

Accountable institutions' **seven** compliance obligations





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# RISK MANAGEMENT AND COMPLIANCE PROGRAMME



# Risk management and compliance programme

WHO

- All accountable institutions
- Approved by, and responsible party are the board of directors

WHAT

- Policies, procedures, systems and controls for RBA, AML / CTF

WHEN

- Current, and ongoing reviews

WHERE

- All branches of an accountable institution
- International application as the minimum standard

WHY

- To understand ML & TF risk facing the entity, and to allocate the appropriate time and resources



# RMCP

SECTION 42

- Risk identification
- Customer due diligence
- Transactional monitoring
- Targeted financial sanctions
- Reporting to the FIC
- Record keeping
- Extended registration model of entity
- Implementation of RMCP



# Compliance officer and training

## Section 42A

- Accountable institution must:
  - Have a compliance function
  - Assign a person with sufficient competence and seniority to ensure the effectiveness of the compliance function

## Section 43

- Accountable institution must provide ongoing training to their employees on compliance with the FIC Act and their RMCP
- Training levels and intervals to be specified in the RMCP.



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# CUSTOMER DUE DILIGENCE CHAPTER 3 PART 1 of the FIC ACT

# Customer due diligence

## No anonymous clients

- Accountable institutions may not do business with an anonymous client or client with apparent false or fictitious name
- Obtain and record client information
- Section 20A

## Single transaction

- Single transaction = transaction where amount is more than R5 000.
- Concluded on a once off basis – no expectation that it will occur again
- Identify and verify clients
- MLTFC Regulation 1A



# Customer due diligence (cont.)

Accountable institutions must

- Identify all its prospective **clients**
- Identify all persons **authorised to act** on behalf of clients
- Verify identities
- In line with the accountable institutions RMCP.



Accountable institutions must understand and obtain information on business relationship

- The **nature** of a business relationship
- The intended **purposes** of a business relationship
- **Source of funds**
- In line with the accountable institution's RMCP.

# Customer due diligence (cont.)

## Identification and verification

- Client information **obtained** during the **take on stage or part of the client engagement process**.
- **Verification** - corroboration of the information by comparing it against the **original source, electronic data issued or reliable third party**. Information must be accurate.
- **Flexibility** to choose the type of information to establish the client's identity and the means to verify information obtained.
- The **nature and extent** of the verification to be determined on the **assessed risk** and in terms of RMCP.
- Verification must occur during the course of conducting the single transaction or business relationship but must complete the verification **before a transaction is concluded**



# Additional due diligence part of CDD

When dealing with legal persons, trust and partnerships additional due diligence measures apply.

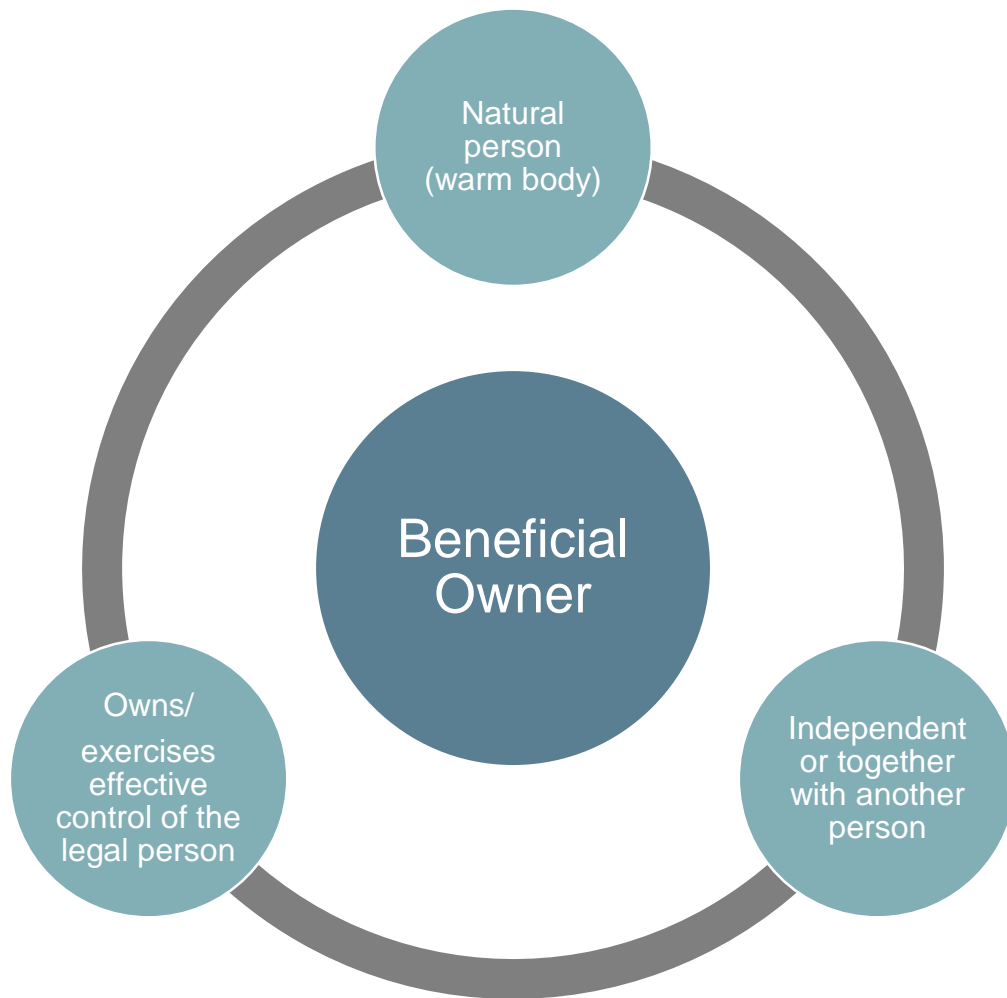
Accountable institutions must obtain information on:

- The **nature** of the **client's business**
- The **ownership** and **control structure** of the client
- In line with the accountable institutions RMCP.

The FIC Act defines a “**beneficial owner**” in respect of a legal person as the natural person who, independently or together with another person, owns the legal person or exercises effective control of the legal person.



# Additional due diligence part of CDD (cont.)



## Legal Person – Beneficial Ownership

- Identify each natural person who has **controlling interest** in the legal person (e.g. shareholding); failing which,
- Identify each natural person who **exercises control over** that legal person (e.g. proxy); failing which,
- Identify each natural persons who **exercise control of the management** of that legal person (management, directors).
- Take reasonable steps to verify the identity of the beneficial owners.
- In line with the accountable institutions RMCP.

# Additional due diligence part of CDD (cont.)



Company X's authorised representative wants to buy a property on behalf of Company X.



Company E owns 100% voting rights in company X.



Mr S owns 100% voting rights in Company E.

Mr S therefore owns 100% of Company X voting rights.

## **Accountable institutions must identify and verify:**

- Company X's authorised representative
- Company X
- Mr S – because Mr S is the beneficial owner of 100% of Company X.



# Additional due diligence part of CDD (cont.)

Legal persons, partnerships and trusts = vulnerable to be used for money laundering

**The lack of adequate, accurate and timely beneficial ownership information facilitates ML and TF by disguising:**

- The identity of known or suspected criminals
- The true purpose of an account or property held by the legal entity
- The source or use of funds or property associated with the legal entity.

**The establishment of beneficial ownership is important for two reasons:**

- Understand the customer profile to properly assess the ML and TF risks associated with the business relationship
- Take appropriate steps to mitigate the risks.



# Additional due diligence part of CDD (cont.)

Accountable institutions must obtain the following information when dealing with a PARTNERSHIP

- Name of the partnership
- Identify every partner
- Identify the person who exercises control over the partnership
- Identify the person who is authorised to transact on behalf of the partnership
- Verify the information and identities as obtained, taking reasonable steps to do so.

# Additional due diligence part of CDD (cont.)

Accountable institutions must obtain the following information when dealing with a TRUST

- Name and number of trust
- Address of the Master of the High Court where trust is register
- Identify the founder
- Identify the trustees
- Identify the person who is authorised to transaction on behalf of the trust
- Identify each beneficiary named in the trust deed
- Where no beneficiaries are named, obtain the particulars of how beneficiaries are determined
- Take reasonable steps to verify the information and identities as obtained.

The requirements that apply to legal persons, partnerships or trust regardless even where incorporated or originated in South Africa or elsewhere.



# Inability to conduct CDD, ADD, ODD

## Inability to conduct

- Customer due diligence
- Obtain additional due diligence information or
- Conduct ongoing due diligence.

## then the accountable institution must:

- Not establish the business relationship or conduct a single transaction
- Must terminate an existing client relationship
- Consider filing a suspicious and unusual transaction report (section 29).



# CDD: Foreign prominent public officials and domestic prominent influential persons

When dealing with a foreign prominent public official, a high risk domestic prominent influential person and/or family members or know close associates of these persons an accountable institution must:

- Obtain senior management approval to establish a business relationship
- Establish their source of wealth
- Enhanced due diligence monitoring.

Foreign prominent public officials – schedule 3B of the FIC Act

Domestic prominent influential persons – schedule 3A of the FIC Act



# Transaction monitoring

An accountable institution must:

- Monitor transactions
- Source of funds to ensure consistent with client's business and risk profile
- Background and purpose of all complex transactions.

Doubts about veracity

Where an accountable institution doubts veracity or adequacy of previously obtained information, the accountable institution must repeat the identification and verification steps taken.





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# TARGETED FINANCIAL SANCTIONS



# Targeted financial sanctions

## S28A

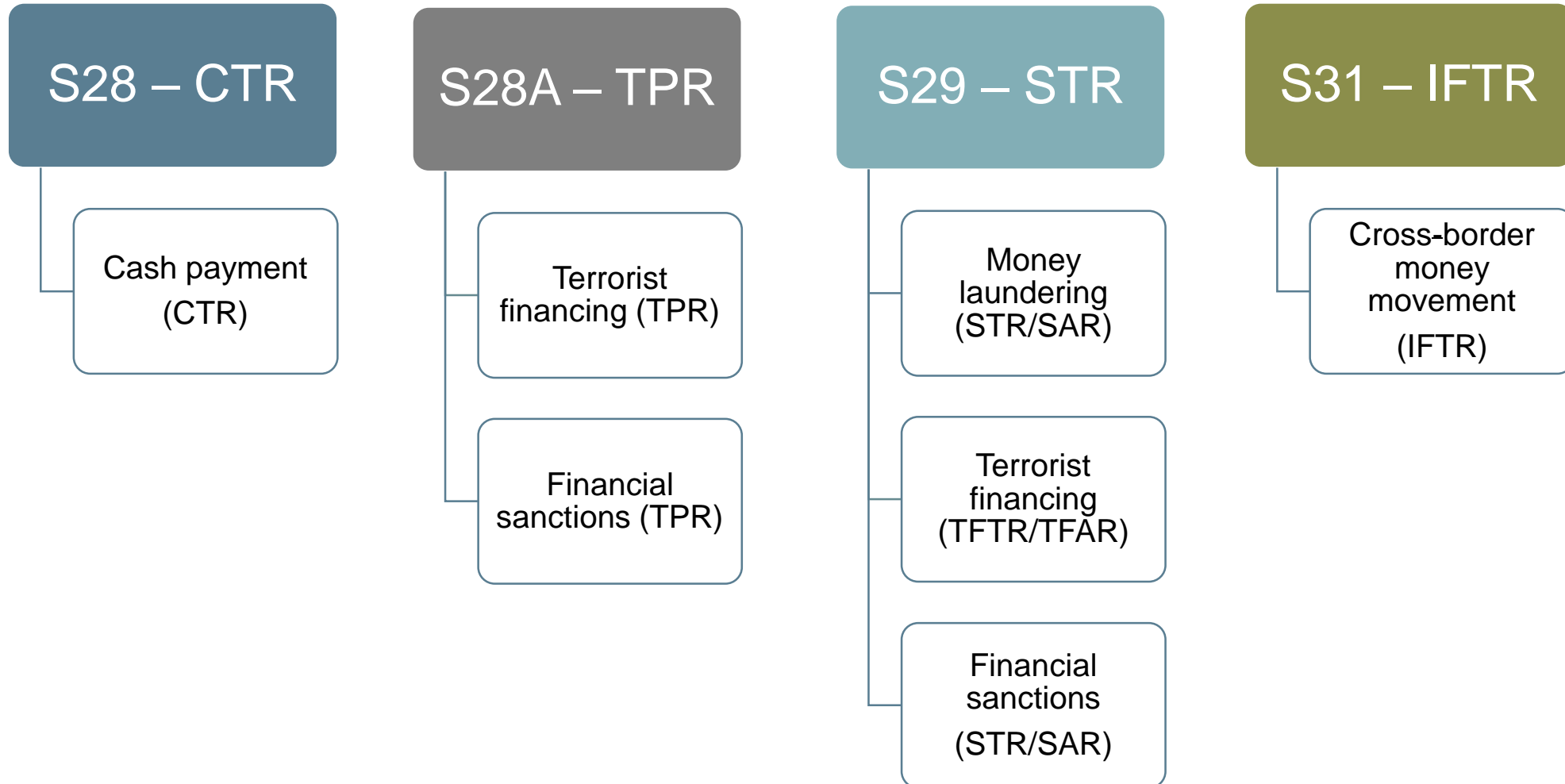
- An accountable institution must scrutinise client information against the targeted financial sanctions lists published in terms of:
  - Section 26A of the FIC Act
  - Section 25 of POCDATARA Act
- Accountable institutions may not establish business relationships with and/or conduct single transactions on behalf of sanctioned persons.



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REPORTING

# Reporting



# Cash threshold reporting (CTR)

## S28 FIC Act

- An accountable institution must report cash transactions of R24 999.99 [R49 999.99] and above
- Cash, coins, paper money and travellers' cheques (not an EFT)
- Within two [three] days of the transaction (pending regulatory update).





# Terrorist property reporting (TPR)

## **S28A FIC Act**

- An accountable institution which has in its possession or under its control property owned or controlled by or on behalf of, or at the direction of
- A terrorist, and/
- A sanctioned person must within the 5 days of becoming aware report that fact and the prescribed particulars to the FIC
- An accountable institution must scrutinise its client information to determine whether such person is a terrorist, and or a sanctioned person.

## Guidance note 6A

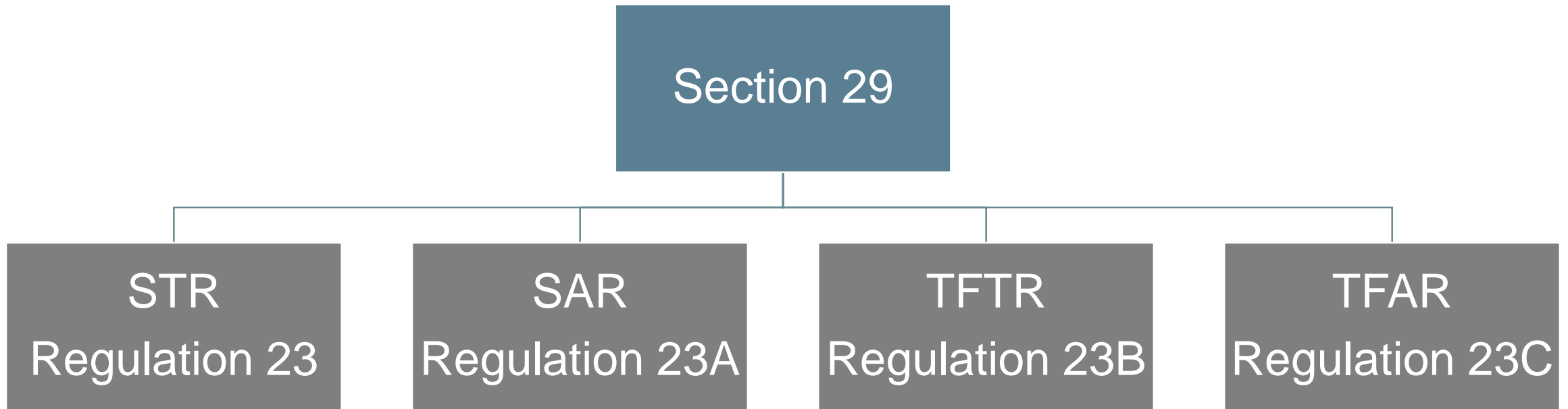
# Terrorist property reporting (TPR) (cont.)

## **S28A FIC Act, cont.**

- An accountable institution must scrutinise its client information to determine whether such person is a terrorist, and or a sanctioned person
- Accountable institutions must be able to identify sanctioned individuals
- Screening of existing clients and prospective clients against sanctions list
- When?
  - Client take on process.
  - When new lists are adopted and published.



# Suspicious and unusual transaction reporting (STR)







# Suspicious and unusual transaction reporting

**When filing STRs, SARs, TFTRs, TFARs the suspicion or knowledge relates to:**

- The proceeds of unlawful activity
- Unlawful activity
- Facilitating the transfer of proceeds of unlawful activity
- Has no apparent business or lawful purpose
- May be relevant to the investigation of an evasion or attempted evasion of a duty to pay tax evasion or attempted tax evasion
- An offence relating to the financing of terrorist and related activities
- The contravention of a prohibition under section 26B of the FIC Act and/or
- Any structuring of a transaction or activity which is conducted for the purpose of avoiding giving rise to a reporting duty under the FIC Act.



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RECORD KEEPING

# Record keeping

## Accountable institutions must keep records of:

- Client information and transaction information
- Business relationship
- Reports submitted to the FIC
- The client, five years from date of termination of relationship, conclusion of transaction and or submission of a report
- Electronic and hard copies
- The accountable institution can make use of third party storage providers
- Records must be accessible and kept safe.



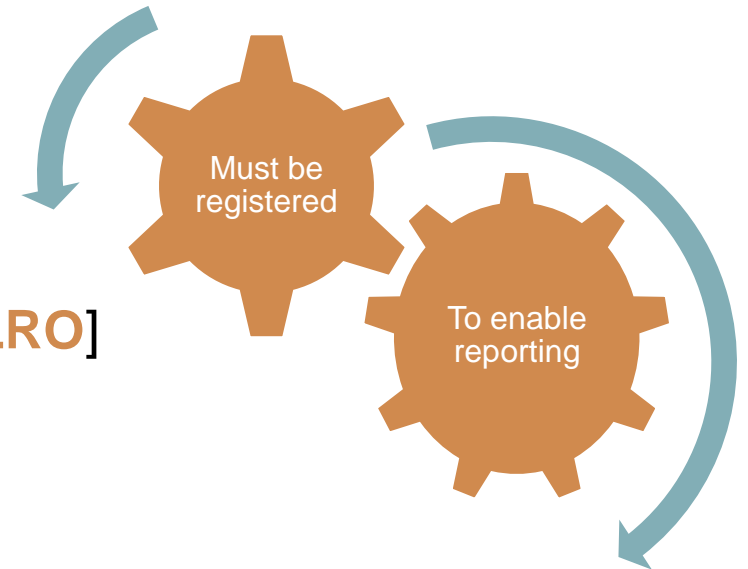
# REGISTRATION AND REPORTING

# AGENDA

- Part 1 – Registration
  - ✓ Registration process on goAML
- Part 2 – Reporting
  - ✓ General goAML functionality
  - ✓ Reporting on goAML

# Registration in terms of the FIC Act

- Section 43(B) of the FIC Act - all accountable institutions and reporting institutions must register with the FIC
  - ✓ How? On the new registration platform ([https://goweb.fic.gov.za/goAMLWeb\\_PRD](https://goweb.fic.gov.za/goAMLWeb_PRD))
  - ✓ New FIC website – easy access ([www.fic.gov.za](http://www.fic.gov.za))
- Who needs to submit the registration information?
  - ✓ First person – compliance officer [**CO**] or reporting officer
  - ✓ Additional users – money laundering reporting officer(s) [**MLRO**]
  - ✓ Sole proprietors [who will take on the role of CO]
- This registration must contain the particulars as required by the FIC (see **PCC 05B**)



# Registration process on goAML – documents required

ABC Estate Agents  
Tel: 012 641 6000  
Homes Park Office Suit 10B  
Number 25 Baker Avenue  
Centurion  
0157  
01 April 2016

## AUTHORISATION LETTER FOR GOAML SYSTEM

Please note that that this letter serves to confirm that I, Mtuzimele Ndzima, RSA ID Number 9007263637083 am the sole proprietor of ABC Estate Agents.

I will therefore be acting as the Compliance Officer of ABC Estate Agents.

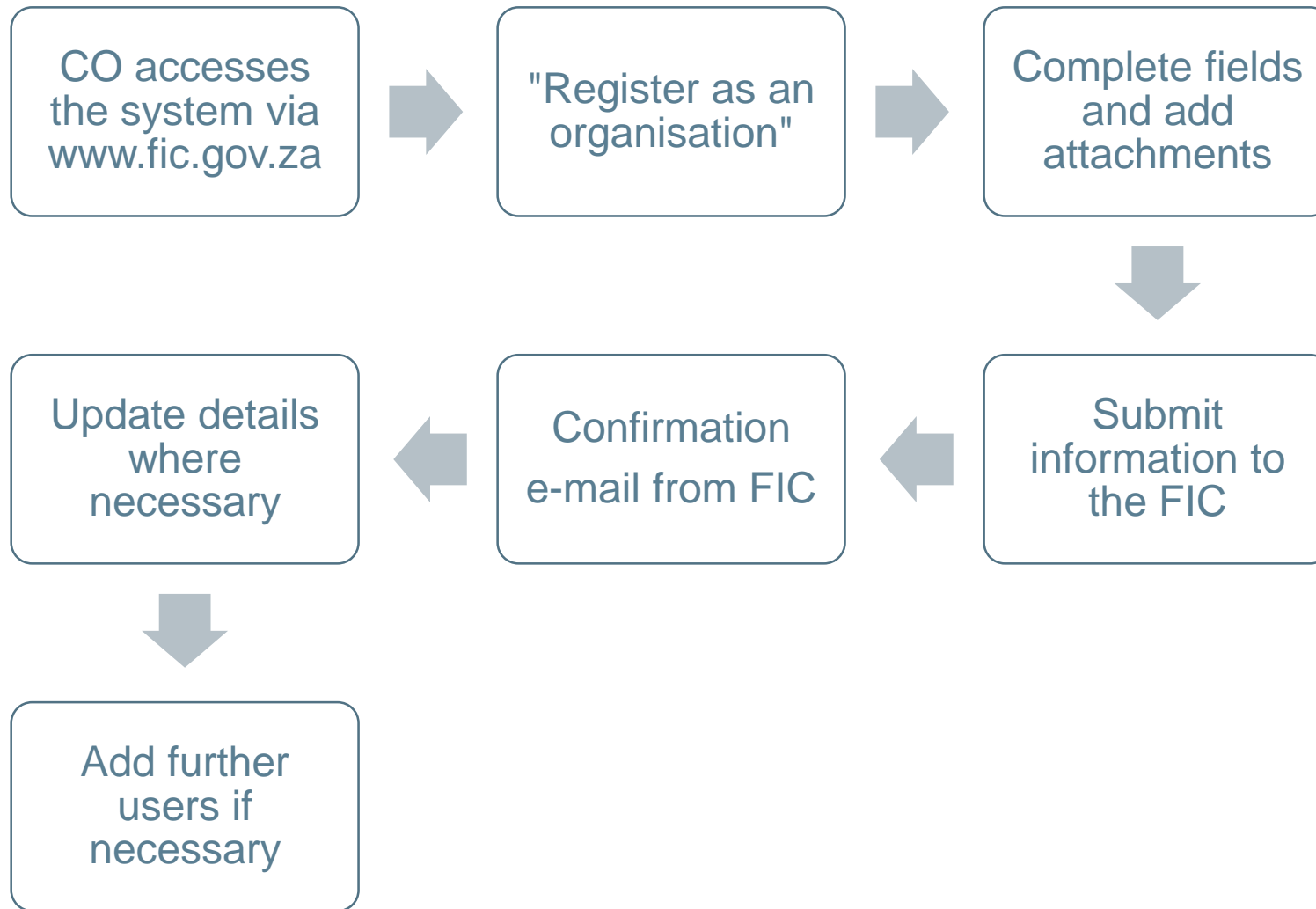
Trust that you find it in order.

Regards,

Mtuzimele Ndzima |

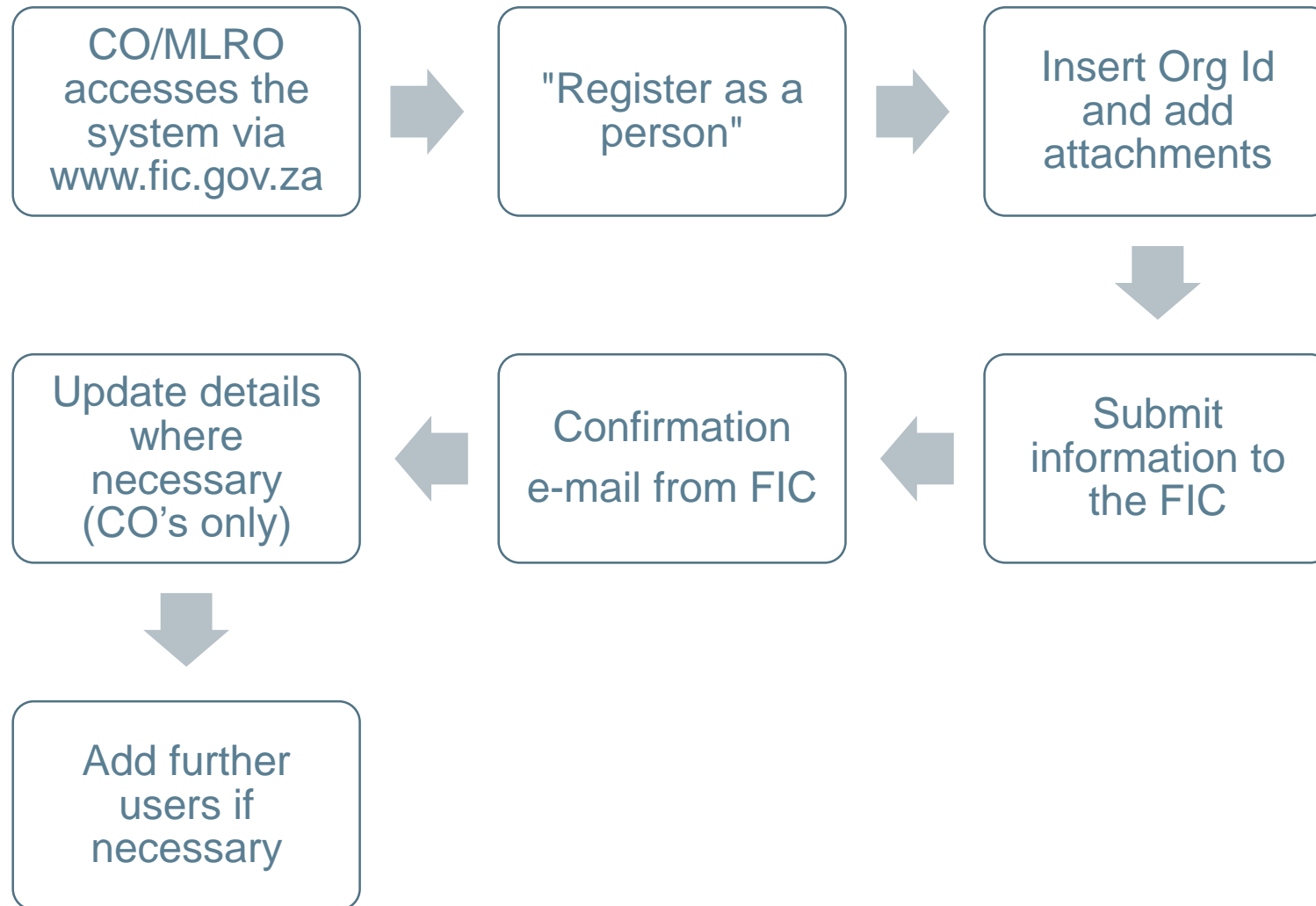


# Registration Process – registering a new entity

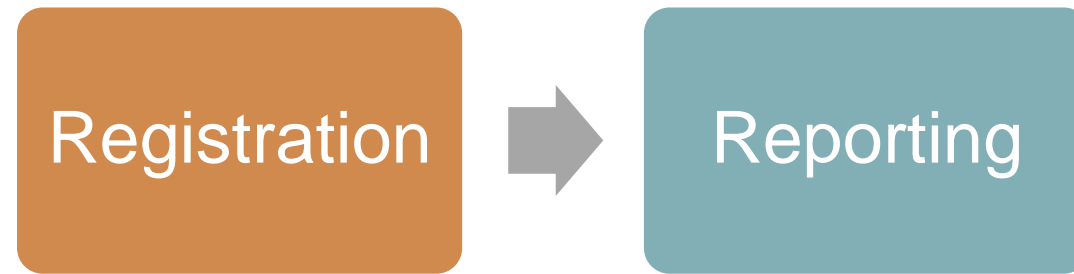




# Registration process – adding a new/additional user



# Reporting on goAML



## Reporting entities are able to report to the FIC in the following methods:

- Individual reporting (**Web Reports**) - Online web form. This reporting mechanism is aimed at low volume reporters.
- Batch reporting (**XML Uploads**) - High volumes of reports on a regular basis. To be able to access this facility, reporters must contact the FIC
- System-to-System reporting (**B2B**) - Accommodates both the individual and batch reporting mechanism. Only high to very high volume reporters should consider this option.

# Reporting to the FIC

Reports that can be submitted

Suspicious and unusual transaction report (STR)

- **Section 29**
  - Suspicious and unusual transaction report (STR)
  - Suspicious or unusual activity report (SAR)
  - Terrorist financing activity report (TFAR)
  - Terrorist financing transaction report (TFTR)

Cash threshold report (CTR)

- **Section 28**
  - Cash threshold report (CTR)
  - Cash threshold report aggregation (CTRA)

Terrorist property report (TPR)

- **Section 28A**
  - Terrorist property report (TPR)
  - Accountable institutions only



# Reporting feedback

- All reports must be submitted on goAML
- Each user must login with their own user credentials to submit reports
- Ensure that the correct report type is selected
- Ensure that reports are submitted under the correct branch and the correct schedule item
- Reports must be completed as comprehensively as possible
- Reports must be reviewed before being submitted – NO changes can be done once a report has been successfully processed
- The message board must be constantly monitored for report receipts.



# Information required for reporting

## Parties Involved

- **Two parties** for every transaction – payer and receiver of funds
- **Type of party – natural person or entity or account**
- For a transaction one of the parties should be “**my client**” which means the full client details must be provided.

## Transaction/Activity Information

- If reporting a transaction then the **full details** of the **transaction** must be reported e.g. amount, transaction date, transaction location
- If reporting an activity then the full details of the activity must be reported e.g. date occurred, what happened etc.

**Goods and Services** involved if there are any.

# Transaction Reports

## Transaction Report Structure:

1. Report Type	The type of report (i.e. CTR, CTRA, STR & TFTR)
2. Reporting Person	Linked to the logged in user details, this is the person uploading the regulatory report
3. Location	Describes the actual geographical area / branch where the transaction, series of transactions or reportable event occurred
4. Indicators	An indicator in relation to CTR/CTRA means the type of report submission. OR In relation to STR/TFTR indicators are used to specify the nature or type of suspicious or unusual transactions, series of transactions or reportable event that the institution is reporting to the FIC
5. Transactions	<ul style="list-style-type: none"><li>• From Type = Person / Entity / Account</li><li>• To Type = Person / Entity / Account</li><li>• Goods and Services = this information is required to further describe the physical assets that are linked to the report submitted</li></ul>

1. Report Type

2. Reporting Person

3. Location

4. Indicators

5. Transactions:  
5.1 From Type  
5.2 To Type  
5.3 Goods and Services

# Transaction Reports

## Report Layout


1. Report Type
2. Reporting Person
3. Location
4. Indicators
5. Transactions

Report Type: CTR ID: 3559698-0-0

Entity: ABC Estate Agents- RI/100101/00001 Reporting Entity Branch: Centurion



Type\*: Cash Threshold Report (CTR) Reporting Entity Reference:


Submission Date\*:  FIC Ref Number:


**Reporting Person \*** 


First Name	Surname/Last Name	Birth Date	RSA ID Number	Passport/Foreign ID/Permit/Refugee/Residence Number
Mtuzimele	Ndzima	1990/07/26	9007263637083	



**Location \***

Address	City	Province/State	Postal/Zip	Country
Homes Park Office Suit 10B, Number 25 Baker Street	Centurion	Gauteng	0157	SOUTH AFRICA  

**Indicators \* **

Indicator
Cash Threshold Report (CTR) in terms of Section 28 of the FIC Act 38 of 2001 when the report contains unrelated transactions whereby each transaction on its own has exceeded the threshold and no aggregation is demonstrated 

**Transactions \* **

#	Number	Date	Local Amount	Transmode Code	Status
1	TRNW-171112-0000001	2017/11/09	24999.99	Cash (received by AI/RI)	Complete  

# Transaction Reports

## Report Layout (Continued)

### 5. Transaction

- a) From Type
- b) To Type
- c) Goods and Services

5.

a.

b.

c.

### Transaction

Number*	TRNW-171112-0000001	Internal Reference Number	171110-00005
Transmode Code*	Cash (received by AI/RI)	Transmode Comment	
Local Amount*	24999,99	Date*	2017/11/09
Late Deposit?	<input type="radio"/> Yes <input checked="" type="radio"/> No	Authorised	
Teller			
Location*	Centurion		
Description	Cash paid for deposit on property purchase		
Comments			
From Type	<input checked="" type="radio"/> My Client <input type="radio"/> Not My Client		
From My Client *			
Person / Account / Entity	Name	Identification	Date
Person	Clarke Kent	RSA ID Number: 7007174005089	DoB: 1970/07/17
To Type	<input checked="" type="radio"/> My Client <input type="radio"/> Not My Client		
To My Client *			
Person / Account / Entity	Name	Identification	Date
Entity	ABC Estate Agents	Reg No:	Reg:
Goods and Services +			
Item Type	Description	Estimated Value	Currency
Property	Planet Krypton Park	150000	

Save Cancel



# Activity Reports

## Activity Report Structure:

1. Report Type	The type of report (i.e. SAR, TFAR or TPR)
2. Reporting Person	Linked to the logged in user details, this is the person <b>uploading</b> the regulatory report
3. Location	Describes the actual geographical area / branch where the proposed, cancelled or attempted transaction or series of transaction or suspicious and unusual activity occurred (when reporting <b>SAR &amp; TFAR</b> ) <b>OR</b> Describes the actual geographical area / branch where the transaction or series of transactions occurred ( <b>TPR</b> )
4. Indicators	In relation to SAR/TFAR indicators are used to specify the nature or type of suspicious or unusual activity that the institution is reporting to the FIC. <b>OR</b> An indicator in relation to TPR means the type of report submission
5. Activity	<ul style="list-style-type: none"><li>• <b>Report Parties</b> = Person / Entity / Account</li><li>• <b>Goods and Services</b> = this information is required to further describe the physical assets that are linked to the report submitted</li></ul>



# Activity Reports

## Report Layout

### 1. Report Type

### 2. Reason for Reporting- NB for SAR, TFAR & TPR

(applies to transaction reports as well!)

### 3. Action- NB for SAR & TFAR!

### 4. Reporting Person

### 5. Location

### 6. Indicators

### 7. Activity

Report Type: SAR ID: 3574878-0-0

Entity: ABC Estate Agents- RI/100101/00001 Reporting Entity Branch: Centurion

Type\*: Suspicious and Unusual Activity Report (SAI) Reporting Entity Reference: 171110\_001

Submission Date\*: FIC Ref Number:

**Reason for Reporting**

Prospective client Mr Wayne made inquiries about purchasing a property in cash and whether it was possible to register the property in his cousin's name. He indicated that he was going through a bad divorce and did not want his wife to know about the purchase. Mr Wayne is a well known entrepreneur and this may relate to tax evasion it has become known from other estate agents that he has made several purchases in the past and registered it in the names of family members.

**Action**

Reported to the FIC

**Reporting Person \***

First Name	Surname/Last Name	Birth Date	RSA ID Number	Passport/Foreign ID/Permit/Refugee/Residence Number
Mtuzimele	Ndzima	1990/07/26	9007263637083	

**Location \***

Address	City	Province/State	Postal/Zip	Country
Homes Park Office Suit 10B, Number 25 Baker Street	Centurion	Gauteng	0157	SOUTH AFRICA

**Indicators \* +**

Indicator
Suspicious Activity Report (SAR) in terms of Section 29 of the FIC Act 38 of 2001
Tax evasion

**Activity \***

Number of Report Parties	Number of Goods and Services
1	1

Submit Report Save Report Show Attachments x 0 Preview

# Activity Reports

## Report Layout (Continued)

### 7. Activity

- a) Report Parties
- b) Goods and Services

7.

a.



b.

#### Activity

**Report Parties \* +**

Person / Account / Entity	Name	Indentification	Date	
Person	Bruce Wayne	RSA ID Number:	DoB:	 


**Goods and Services +**

Item Type	Description	Estimated Value	Currency	
Property	Bat Caves	5500000		 

**Save** **Cancel**

# General goAML functionality

- Submit **new regulatory reports**
- Access **draft reports**
- View previously **submitted regulatory reports** and processing statuses
- Access the **Message Board**
- Update **user** and **entity** details (My goAML)
- View related **user details** and **statistical information**




Financial Intelligence Centre

(Mtuzimele01) ABC Estate Agents

NEW REPORTS ▾ DRAFTED REPORTS ▾ SUBMITTED REPORTS ▾ MESSAGE BOARD MY GOAML ▾ ADMIN ▾ ? LOGOUT

The Financial Intelligence Centre Act 38 of 2001 (the FIC Act) mandates all accountable institutions to submit Cash Threshold Reports (CTR). Furthermore the FIC Act mandates all accountable and reporting institutions to submit Terrorist Property Reports (TPR) and requires all businesses (which include accountable and reporting institutions) to submit Suspicious Transaction Reports (STR) to the Centre in terms of section 28; 28A and 29 respectively. The manner of reporting is prescribed by the Regulations to the Act under section 22. The reporting must be done electronically by means of the Centre's web-based portal or a batch reporting method.



The Centre has chosen goAML as its preferred IT platform to handle all its reporting, data collection, analysis, and case management and secure communications required for the Centre's daily operational functions and requirements. The goAML system will in future standardise all report types and also clearly distinguish between activity reports and bi-party ("to" and "from") transaction reports, and the batch reporting method will be limited to transaction reporting which includes the current CTR, TPR and STR reports. The goAML XML Schema will be utilised by the Centre for all future batch and electronic web-based portal reporting and will have to be adapted and implemented by all of the Reporting entities that file intelligence reports with the Centre.

goAML is an integrated software solution developed and maintained by the United Nations Office of Drugs and Crime (UNODC) specifically for use by financial intelligence units (FIUs) internationally and has to date been deployed to twenty one (21) other FIUs. goAML is specifically designed to meet the data collection, management, analytical, document management, workflow and statistical needs of any FIU irrespective of its size. Please refer to [UNODC](#) website for further information in relation to the system and related products and services.

Please note that FIC has undertaken its pilot testing phase and the reporting mechanisms is purely for testing purposes and should not be used for reporting as per the prescription of the FIC Act. Please note that all queries relating to the goAML EE Pilot should be directed to the dedicated communication channel [EnhanceFic@fic.gov.za](mailto:EnhanceFic@fic.gov.za)

Click [here](#) to download goAML specifications and related documents.

# General goAML functionality - new reports

- New Reports - used to submit new regulatory reports (**web** or **XML batch**)
- Select the applicable report type (e.g. CTR, STR, TPR etc.)
- Complete all the required regulatory fields and submit (i.e. **all readily available information**)
- **See user guides for further information**

NEW REPORTS ▾ DRAFTED REPORTS ▾ SUBMITTED REPORTS ▾ MESSAGE BOARD MY GOAML ▾ ADMIN ▾ ? LOGOUT

Report Type: CTR ID: 1244-0-0

Entity: ABC Estate Agents Reporting Entity Branch: Centurion

Type\*: Cash Threshold Report (CTR) Reporting Entity Reference: 160819\_0002

Submission Date\*: FIC Ref Number:

Reporting Person \*

First Name	Surname/Last Name	Birth Date	RSA ID Number	Passport/Foreign ID/Permit/Refugee/Residence Number
Mtuzimele	Ndzima	1990/07/26	9007263637083	

Location \*

Address	City	Province/State	Postal/Zip	Country
Homes Park Office Suit 10B, Number 25 Baker Avenue	Centurion			SOUTH AFRICA

Indicators \* +

Indicator
Cash Threshold Report (CTR) in terms of Section 28 of the FIC Act 38 of 2001 when the report contains unrelated transactions whereby each transaction on its own has exceeded the threshold and no aggregation is demonstrated

Transactions \* +

#	Number	Date	Local Amount	Transmode Code	Status
1	TRNW-160819-0000001	2016/08/18	10000	Cash (received by AI/RI)	Complete

Submit Report Save Report Show Attachments x 0 Preview

# General goAML functionality - new reports

- Once the regulatory report has been submitted the system will generate
  - a notification
  - and unique reference number
- Reports will be processed and users will receive **regulatory report receipt** to advise of the final statuses (see **submitted reports** and **message board**)

The screenshot displays the goAML system interface. At the top, a navigation bar includes 'NEW REPORTS', 'DRAFTED REPORTS', 'SUBMITTED REPORTS', 'MESSAGE BOARD', 'MY GOAML', 'ADMIN', and 'LOGOUT'. Below this, a header section shows 'Report Type: CTR' and 'ID: 1244-0-0'. A prominent green message states 'Report has been submitted'. The main form contains the following fields:

- Entity:** ABC Estate Agents
- Reporting Entity Branch:** Centurion
- Type\*:** Cash Threshold Report (CTR)
- Reporting Entity Reference:** 160819\_0002
- Submission Date\*:** 2016/08/19
- FIC Ref Number:** (empty)

**Reporting Person \***

First Name	Surname/Last Name	Birth Date	RSA ID Number	Passport/Foreign ID/Permit/Refugee/Residence Number
Mtuzimele	Ndzima	1990/07/26	9007263637083	

**Location \***

Address	City	Province/State	Postal/Zip	Country
Homes Park Office Suit 10B, Number 25 Baker Avenue	Centurion			SOUTH AFRICA

**Indicators \***

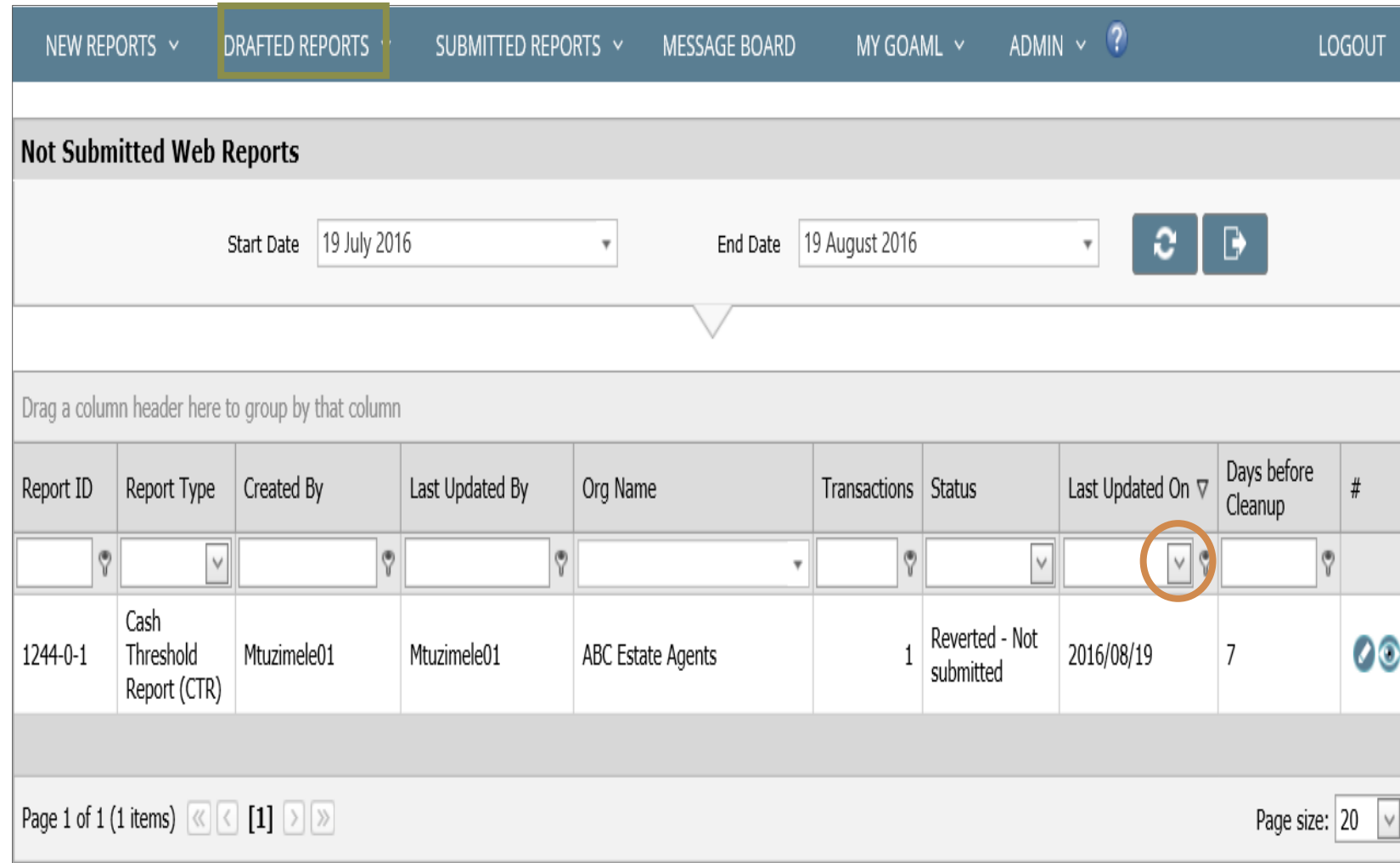
Indicator
Cash Threshold Report (CTR) in terms of Section 28 of the FIC Act 38 of 2001 when the report contains unrelated transactions whereby each transaction on its own has exceeded the threshold and no aggregation is demonstrated

**Transactions \***

#	Number	Date	Local Amount	Transmode Code	Status
1	TRNW-160819-0000001	2016/08/18	10000	Cash (received by AI/R1)	Complete

# General goAML functionality - drafted reports

- Users will be able to **save** regulatory reports in the event that further information is required before submitting it
- These reports will be available in the **drafted reports** menu for **editing** and **submitting**
- **Rejected regulatory reports** captured on the web that get reverted may be **edited**, **remediated/fixe**d and **resubmitted** to the FIC



The screenshot displays the goAML interface. At the top, a navigation bar includes 'NEW REPORTS', 'DRAFTED REPORTS' (highlighted with a yellow box), 'SUBMITTED REPORTS', 'MESSAGE BOARD', 'MY GOAML', 'ADMIN', and 'LOGOUT'. Below this is a section titled 'Not Submitted Web Reports' with filters for 'Start Date' (19 July 2016) and 'End Date' (19 August 2016), along with refresh and export buttons. A table below shows a list of reports with columns: Report ID, Report Type, Created By, Last Updated By, Org Name, Transactions, Status, Last Updated On, Days before Cleanup, and #. The 'Last Updated On' column header has a dropdown arrow circled in orange. The table contains one row: Report ID 1244-0-1, Report Type 'Cash Threshold Report (CTR)', Created By 'Mtuzimele01', Last Updated By 'Mtuzimele01', Org Name 'ABC Estate Agents', Transactions '1', Status 'Reverted - Not submitted', Last Updated On '2016/08/19', Days before Cleanup '7', and # with an edit icon.

Report ID	Report Type	Created By	Last Updated By	Org Name	Transactions	Status	Last Updated On	Days before Cleanup	#
1244-0-1	Cash Threshold Report (CTR)	Mtuzimele01	Mtuzimele01	ABC Estate Agents	1	Reverted - Not submitted	2016/08/19	7	

Page 1 of 1 (1 items) [1] Page size: 20

# General goAML functionality - submitted reports

- All submitted reports can be **viewed** and **downloaded** for **30 days**
- User must **download** and **save** copies of all regulatory reports submitted for **record keeping** purposes
- Reports that get rejected must be **reverted** and **remediated/fixed**

The screenshot displays the goAML system interface. At the top, there is a navigation bar with tabs for 'NEW REPORTS', 'DRAFTED REPORTS', 'SUBMITTED REPORTS' (highlighted), 'MESSAGE BOARD', 'MY GOAML', 'ADMIN', and 'LOGOUT'. Below the navigation bar, the 'Web Reports' section is visible, featuring filters for 'Start Date' (19 July 2016) and 'End Date' (19 August 2016), along with refresh and print icons. A table below the filters lists submitted reports. The table has columns for Report ID, Report Type, Created By, Last Updated By, Created On, Org Name, Transactions, Status, Submitted On, and #. Two reports are listed: a 'Cash Threshold Report (CTR)' with 1 transaction and a status of 'Rejected' (circled in orange), and a 'Suspicious Activity Report (SAR)' with 0 transactions and a status of 'Processed'. The bottom of the interface shows pagination information: 'Page 1 of 1 (2 items)' and 'Page size: 20'.

Report ID	Report Type	Created By	Last Updated By	Created On	Org Name	Transactions	Status	Submitted On	#
1244-0-0	Cash Threshold Report (CTR)	Mtuzimele01	Mtuzimele01	2016/08/19	ABC Estate Agents	1	Rejected	2016/08/19	
1243-0-0	Suspicious Activity Report (SAR)	Mtuzimele01	Mtuzimele01	2016/08/19	ABC Estate Agents	0	Processed	2016/08/19	



# General goAML functionality - reverting of rejected web reports

- Ensure that you view the message that indicates the **reason for rejection** and revert the report (if the message is not clear refer to the **report receipt** which will be available on the **Message Board**)
- After the report has been reverted it will be found under **DRAFTED REPORTS**



# General goAML functionality - message board

- Message board will list all regulatory report receipts and other notifications from the FIC
- Message board is used to send request for information and **should be monitored frequently**

The screenshot displays the goAML Message Board interface. The top navigation bar includes links for NEW REPORTS, DRAFTED REPORTS, SUBMITTED REPORTS, MESSAGE BOARD (highlighted), MY GOAML, ADMIN, and LOGOUT. The left sidebar shows the user profile Mtuzimele01 and folder options: Inbox (2), Drafts, Sent, and Archive. The main content area features a toolbar with buttons for New, Reply, Edit Folders, and Search, along with actions like Mark as Read, Mark as Unread, Delete, and Move To Folder. A table lists three messages:

				Type	Subject	Sent	Folder
<input type="checkbox"/>				Report Rejected	Report (160819_0002) --> Report Rejected	2016/08/19 08:00 PM	inbox
<input type="checkbox"/>				Report Fully Accepted	Report (_Web_Report_F0-0.xml) --> Report Fully Accepted	2016/08/19 08:00 PM	inbox
<input type="checkbox"/>				Report Rejected	Report (160819_0002) --> Report Rejected	2016/08/19 07:55 PM	inbox

At the bottom, the interface shows "Page 1 of 1 (3 items)" and a "Page size: 20" dropdown.

# General goAML functionality - message board

- Messages can contain **attachments** - double click on attachment to open files
- Users should directly reply to messages by means of the message board, unless **otherwise indicated**

The screenshot displays the goAML Message Board interface. The top navigation bar includes 'NEW REPORTS', 'DRAFTED REPORTS', 'SUBMITTED REPORTS', 'MESSAGE BOARD' (highlighted with a yellow box), 'MY GOAML', 'ADMIN', and 'LOGOUT'. The left sidebar shows the user 'Mtuzimele01' and folders: 'Inbox', 'Drafts', 'Sent', and 'Archive'. The main area features a toolbar with 'New', 'Reply', 'Edit Folders', and 'Search' buttons. Below the toolbar are action buttons: 'Mark as Read', 'Mark as Unread', 'Delete', and 'Move To Folder'. A 'Select all Messages on all pages' checkbox is present, and the status 'Messages Selected (0)' is shown. A table lists messages with columns for checkboxes, icons, Type, Subject, Sent, and Folder. One message is highlighted in teal, with its attachment icon circled in orange. The message details show 'Report Rejected' with subject 'Report ( 160819\_0002 ) --> Report Rejected' and sent date '2016/08/19 07:55 PM'. Below the message, a file dialog box is open, showing the file '\_Web\_Report\_ReportID\_1244-0-0.pdf' (94.1 KB) from 'fictestgoweb01?'. The dialog box has 'Open', 'Save', 'Cancel', and 'x' buttons.

		!		Type	Subject	Sent	Folder
<input type="checkbox"/>				Report Rejected	Report ( 160819_0002 ) --> Report Rejected	2016/08/19 07:55 PM	inbox

Page 1 of 1 (1 items) Page size: 20

Report ( 160819\_0002 ) --> Report Rejected 2016/08/19 07:55:27 PM

Please refer to the attachment for details.


[\\_Web\\_Report\\_ReportID\\_1244-0-0.pdf](#)

Do you want to open or save \_Web\_Report\_ReportID\_1244-0-0.pdf (94.1 KB) from fictestgoweb01? [Open] [Save] [Cancel] [x]

# General goAML functionality - report receipts (accepted reports)

- Regulatory report receipts after submission will clearly list
  - the report name
  - date
  - and status
- Please keep copies of these regulatory report receipts for **recording keeping purposes**

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F +27 (0)12 641 6270  
[Compliance Queries](#)  
[www.fic.gov.za](http://www.fic.gov.za)  
Compliance and Prevention Department  
Ref:  
2017-11-09

  
Financial  
Intelligence Centre

Attn: Mr Jonathan Hill  
ABC Bank  
ABC Bank Park, 1001 Heuwel  
Avenue, 0157, Centurion,  
Gauteng, SOUTH AFRICA  
(27) (0126416000)

Dear Mr Jonathan Hill

**REGULATORY REPORTS SUBMITTED SUCCESSFULLY**


The Financial Intelligence Centre (the Centre) hereby confirms that the regulatory reports specified in the table below have been successfully submitted and processed by the Centre.

Regulatory report type	Regulatory report reference number	Institution reference number	Submission date
SAR	_Web_Report_ReportID_3288008-0-0.xml	_Web_Report_ReportID_3288008-0-0.xml	2017-10-30
CTR	_Web_Report_ReportID_3287960-0-0.xml	_Web_Report_ReportID_3287960-0-0.xml	2017-10-30

Please utilise the reference number for any future correspondence with the Centre. Please ensure that you keep a copy of this document for your internal record keeping purposes.

Yours sincerely

**COMPLIANCE AND PREVENTION**  
**THE FINANCIAL INTELLIGENCE CENTRE**

  
Financial  
Intelligence Centre

# General goAML functionality - report receipts (rejected reports)

- Regulatory reports that have been rejected would clearly indicate the **reason for rejection**
- Please ensure that these regulatory reports are reverted and **remediated** accordingly
- Please refer to the **user guides** for further guidance

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Compliance and Prevention Department

Ref:

2017-11-09



Financial  
Intelligence Centre

Attn: Mr Jonathan Hill

ABC Bank

ABC Bank Park, 1001 Heuwel

Avenue, 0157, Centurion,

Gauteng, SOUTH AFRICA

(27) (0126416000)

Dear Mr Jonathan Hill

## SUBMITTED REPORTS REJECTION NOTIFICATION

The Financial Intelligence Centre (the Centre) hereby confirms that the regulatory reports specified in the table below have been rejected and were not processed by the Centre.

Regulatory report type	Regulatory report reference number	Institution reference number	Submission date	Reason for rejection of report
------------------------	------------------------------------	------------------------------	-----------------	--------------------------------



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# General goAML functionality - report receipts (rejected reports - continued)

SAR	Web_Report_ReportID_3287959-0-0.xml	Web_Report_ReportID_3287959-0-0.xml	2017-10-30	1) In terms of Regulations 23 of the FIC Act 38 of 2001 the "Reason" must be provided for a Suspicious Activity Report (SAR), Suspicious Transaction Report (STR), Suspicious Transaction Report Batch (STRB), Terrorist Financing Activity Report (TFAR) and Terrorist Financing Transaction Report (TFTR) respectively. Note that this field may not be blank, contain "Unknown" or "N/A" indications respectively. 2) In terms of Regulations 23 of the FIC Act 38 of 2001 the "Action" must be provided for a Suspicious Activity Report (SAR), Suspicious Transaction Report (STR), Suspicious Transaction Report Batch (STRB), Terrorist Financing Activity Report (TFAR) and Terrorist Financing Transaction Report (TFTR) respectively. Note that this field may not be blank, contain "Unknown" or "N/A" in
Transaction Number	Transaction Date	Transaction Amount	Reason for rejection of the transaction	
CTR	Web_Report_ReportID_3287958-0-0.xml	Web_Report_ReportID_3287958-0-0.xml	2017-10-30	--> [ALL_TRANS_IN_REPORT_REJECTED] All transactions in this report were rejected.
Transaction Number	Transaction Date	Transaction Amount	Reason for rejection of the transaction	

Submitted Reports Rejection Notification  
09 Nov 2017

Page 2 of 3

TRNW-171030-0000002	2017-10-30 12:00:00 AM	5000,0000	--> [Rule Name: CC4-XMLRR7 - A CTR must be submitted if the value of the sum of transactions in the report exceeds the threshold amount (R24 999,99).] A Cash Threshold Report (CTR) must be in excess of the prescribed threshold amount of R24 999,99. --> [Rule Name: CC4-XMLRR6 - A Cash Threshold Report (CTR) or Cash Threshold Report Aggregation (CTRA) must be submitted when the fund/transaction mode/type is "Cash, Cash (received by the AI/RI) or Cash (paid by the AI/RI)"] A Cash Threshold Report (CTR) and Cash Threshold Report Aggregation (CTRA) must be submitted when the fund/transaction mode/type is "Cash, Cash (received by the AI/RI) or Cash (paid by the AI/RI)" respectively, in excess of the prescribed threshold amount (R24 999,99).
---------------------	---------------------------	-----------	---

Please ensure that the regulatory reports are remediated accordingly and resubmitted to the Centre as per the prescribed method of reporting.

Cognisance should be taken to ensure that the reporting obligations as set aside in the Financial Intelligence Centre Act no. 38 of 2001 (as amended) are met within the prescribed time frames. Please take note of the reference number for any future correspondence with the Centre.

Yours sincerely

**COMPLIANCE AND PREVENTION**

**THE FINANCIAL INTELLIGENCE CENTRE**

Submitted Reports Rejection Notification  
09 Nov 2017

Page 3 of 3

# Background and reference documents

Documents are available on the FIC website and tutorial videos on FIC's YouTube account (i.e. registration and how to capture a CTR and STR)

- Registration in terms of section 43(B) of the FIC Act – Public Compliance Communication 05C.
- Guidance Note 04B (STRs/SARs/TFTRs/TFARs in terms of section 29 of the FIC Act).
- Guidance Note 05B (CTRs/CTRA in terms of section 28 of the FIC Act).
- Guidance Note 06A (TPRs in terms of section 28A of the FIC Act).
- Guidance Note 07 (RBA).
- Registration user guide.
- Regulatory reporting user guides (per regulatory report type, e.g. CTR, CTRA, SAR, STR, TPR etc.).
- goAML web notice 04 (Remediation process).
- goAML web notice 05 (Feedback to all reporting entities).



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Intelligence Centre

A large decorative graphic on the left side of the slide, composed of overlapping triangles and squares in various shades of blue and grey, creating a 3D effect.

THANK  
YOU





# CONTACT US

[www.fic.gov.za](http://www.fic.gov.za)

Compliance Contact Centre

012 641 6000



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A large, abstract geometric graphic on the left side of the page. It features a dark blue triangle pointing downwards, which is partially filled with a pattern of smaller, lighter blue triangles. Below this, a light blue triangle points upwards, meeting the dark blue one at a central point.

THANK  
YOU