

FICA amendment to schedules

As part of the review of its current legislative framework against money laundering and terrorist financing, the Financial Intelligence Centre (“ the FIC”) has begun a consultation process to amend the list of accountable institutions in Schedule 1 of the Financial Intelligence Centre Act, 2001 (FICA) with the view to improving South Africa’s measures to combat money laundering and terrorist financing. Other schedules may also be impacted by this review.

The FIC has commenced discussions with businesses and institutions that perform certain categories of activities. SAICA attended the first stakeholders meeting on 8 March 2017. This process is however in its infancy and SAICA will keep members informed of the process as it unfolds.

The FIC stated that certain business sectors are vulnerable to money laundering and terrorist financing. The FIC has identified professional accountants as gatekeepers to the financial system. Internationally, the Financial Action Task Force (“FATF”) identified accounting as a profession that should be included in the legislative framework against money laundering and terrorist financing.

The FIC has started the engagement process with the first meeting between the FIC and various professional bodies and further meetings will be scheduled to discuss proposals, definitions, and inclusions. SAICA members will be requested to comment, once a formal consultation paper is published. The FIC has indicated that this will not be a short term project and the professional bodies will be provided with sufficient time for input and consultation.