

Proposed amendments to FICA schedules

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On 19 June 2020 the Minister of Finance, in terms of the Financial Intelligence Centre Act, 38 of 2001 (FICA), published proposed amendments to Schedules 1, 2 and 3 for public comment. The proposed amendments will align FICA with the current International Standards of the Financial Action Task Force (FATF) as well as recent legislative amendments.



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Comments on the proposed amendments must be submitted to commentdraftlegislation@treasury.gov.za by close of business on 18 August 2020.

Proposed amendments to Schedule 1

Expansion of the Schedule 1 list of entities that will be subject to the customer due diligence, risk management and compliance obligations set out in FICA (accountable institutions). The list has been expanded to include:

- Trust and company service providers;
- Co-operative banks;
- Certain credit providers in relation to the National Credit Act, 34 of 2005 (NCA), excluding those who extend credit under a credit facility as provided for in section 8(3) of the NCA;
- Money remitters that include "value transfer providers";
- High-value goods dealers (including motor vehicle and Krugerrand dealers);
 - South African Mint Company (RF) Proprietary Limited;
 - Crypto asset service providers; and
 - Clearing and settlement system participants in electronic transfers.

- Technical amendments to the list of entities to align Schedule 1 with recent legislative changes, including:
 - (i) the Attorneys Act being repealed and replaced by the Legal Practitioners Act; (ii) the Securities Services Act being repealed and replaced by the Financial Markets Act; and (iii) the enactment of the Insurance Act;
 - the exclusion of certain classes of insurance business from the list, on the basis that they have little or no money laundering or terrorist financing risk; and
 - aligning the financial services provider item with the proposed exclusion of certain classes of insurance business from the list.

Proposed amendments to Schedule 2

To strengthen the supervision of non-financial accountable institutions, references to their respective supervisory bodies have been removed (e.g. the National Gambling Board, which supervises the FICA compliance of persons who make gambling activity available).

The supervision of non-financial accountable institutions will become the responsibility of the Financial Intelligence Centre.

Deletion of Schedule 3

As a result of the inclusion of the "high value goods" category of entities in Schedule 1, Schedule 3 has been deleted. The current reporting institutions (motor vehicle and Krugerrand dealers) will now be included in the new category of high value goods dealers under schedule 1.

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