

## FICA GUIDELINES RISK-BASED APPROACH

THE FINANCIAL INTELLIGENCE CENTRE ACT (FICA) REQUIRES RESPONSIBLE INSTITUTIONS LIKE BANKS, ESTATE AGENTS AND ATTORNEYS TO COMBAT MONEY LAUNDERING AND FINANCING OF TERRORIST ACTIVITIES.

It is essential that you implement client due diligence measures, especially when considering beneficial ownership and persons in prominent positions.

Your FICA **risk-based approach** to **client identification and verification** should include the following:

(The below are only guidelines and all client identification and verification should be conducted in accordance with your Risk Management and Compliance Programme).

1. Know and understand your agency's unique Risk Management and Compliance Programme.
2. Identify who your prospective client is.
3. Verify your prospective client's identity with the below suggested documents.
4. Determine what the nature of the business relationship will be (for example, assistance with a property sale or lease).
5. Determine the source of funds that your prospective client will use to conclude the transaction:
6. If your prospective client is a company, partnership, trust, or close corporation, identify the beneficial owner, trustees, directors, partners, beneficiary, executive management.
7. Determine whether your prospective client is a foreign or domestic prominent person, as referred to in FICA.
8. If the answer is "yes" to question 7, determine where they obtained the funds for the transaction and what their source of wealth is.
9. Assess the risk that the prospective client and transaction poses from a money laundering point of view.
10. Continue to monitor and assess your clients and transactions for any unlawful or suspicious behavior.
11. Report any suspicious or unlawful transactions to your Reporting Officer.

The below documents are suggestions that can be used to verify your prospective client's identity:

### NATURAL PERSONS

- South African bar-coded identity book
- Passport (for foreign Nationals)

**ONE** of the following (reflecting name and physical address):

- Utility bill (less than 3 months old)
- Bank statement
- Lease agreement
- Official SARS correspondence (not older than 3 months)
- Municipal rates or services invoice
- Valid television licence
- Telephone or cellphone account

Where none of the required documents can be provided for residential address verification, record the reason, and use:

- Co-habitant declaration/Site inspection report

### CC

- Founding statement and Certificate of Incorporation (CK1) signed by the authorised member
- Latest amended Founding Statement (CK2) if applicable, signed by the authorised member

Certified proof of registered address of CC: Provide **ONE** (reflecting name and physical address of the CC) of the following:

- A utility bill or SARS correspondence less than 3 months old
- Bank statement
- Lease agreement
- Telkom account
- SARS issued document confirming Income Tax and VAT registration number

In respect of all the members of the CC:

- Certified copies of ID's and proof of residence
- Members resolution appointing the authorised representative of the CC

In respect of the authorised representative:

- Certified copy of ID and proof of residence

## COMPANY (PTY) LTD

Company statutory documents:

- Certificate of Registration, Memorandum of Incorporation, Certificate of Name Change (if applicable) and signed by a director of the company
- Proof of physical operating address. Provide **ONE** (reflecting name and physical address of the company) of either a utility bill or SARS correspondence less than 3 months old
- Bank Statement
- Lease agreement (if applicable)
- Telkom account
- Letter from the Auditors confirming shareholding:
- SARS Issued document confirming Income Tax and VAT registration number
- Directors resolution appointing the authorised representative of the Company
- Certified copy of the ID document of the authorised representative
- Certified proof of residential address of the authorised person

In respect of any individual or entity holding 25% shares or voting rights or more in the Company:

- Individual: Certified copy of their ID and proof of residence
- Entity: Company statutory documents - Certificate of Registration, Memorandum of Incorporation, Certificate of Name Change (if applicable) and signed by a director of the company
- Proof of physical operating address
- SARS Issued document confirming Income Tax and VAT registration shareholding
- Directors resolution appointing the authorised representative of the Company
- Certified copy of the ID document of the authorised representative
- Certified proof of residential address of the authorised person

## TRUSTS

- Trust Deed
- Letter/s of Authority
- Resolution passed by trustees
- Income Tax number, where applicable

Operating address of trust: Provide **ONE** (reflecting name and physical address of the trust) of either a utility bill or SARS correspondence less than 3 months old

- Bank statement
- Lease agreement
- Telkom account

In respect of trust donor, trustees and known beneficiaries:

- South African bar-coded Identity card
- Valid Foreign Passport for foreign nationals
- Confirmation of physical residential address as per the requirements listed under "NATURAL PERSONS"