



AI 110301301/00739

**FICA RISK MANAGEMENT & COMPLIANCE PROGRAMME**

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## **1. INTRODUCTION**

The Macgregor Erasmus Attorneys Inc. (ME) Risk Management and Compliance Programme (RMCP) is a document designed to ensure that ME, as an Accountable Institution (AI); is compliant with legislation and that it is able to deal with any money laundering concerns and counter-terrorism concerns that may arise during the course and scope of its business as a law firm. The RCMP is designed to ensure that the Financial Intelligence Centre Act (FICA); Prevention of Organised Crime Act (POCA) and the Protection of Constitutional Democracy against Terrorism and Related Activities Act, 2004 ("POCDATARA") are given force and effect through the risk based approach adopted by ME. It is further designed to ensure that all employees at the institution are aware of, and able to implement, the various measures contained herein to know our clients, assess their financial status and apply the relevant legislation appropriately and satisfactorily.

## **2. POLICY STATEMENT**

Money laundering is an activity which has or is likely to have the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which anyone has in such proceeds and includes any activity which constitutes an offence in terms of section 64 of the Act or section 4, 5 or 6 of the Prevention of Organised Crime Act 121 of 1998 (POCA).

Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is placed in the formal financial system. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. This is an attempt to disguise the true nature of the funds. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organisations. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same or similar to methods used by other criminals to launder funds. Funding for terrorist attacks does not always require large sums of money and the associated transactions may not be complex.

Our AML/CFT policies, procedures and internal controls are designed to ensure compliance with all applicable FICA legislation and will be reviewed and updated on a regular basis to ensure that appropriate policies, procedures and internal controls are in place to account for both changes in regulations and changes in our business.

### **3. GENERAL DUTIES**

The FIC Act (as amended) provides for certain duties. Our duties are the following:

- To register as an accountable institution with the Centre;
- To conduct Customer Due Diligence which includes the duty to Identify and Verify a Client using a Risk Based Approach;
- Duty to Keep Records;
- Duty to Report to the Centre;
- Duty to Train Employees;
- Duty to appoint a Compliance function to assist with monitoring the accountable institutions' compliance with the Money Laundering Legislation.
- Ensure appropriate governance measures;
- Develop, document, maintain and implement an anti-money laundering and counter-terrorist financing risk management and compliance programme;

### **4. OBJECTIVE**

The objective of our RMCP is to enable the practice to apply a risk-based approach and to:

1. Identify ML/TF risks which we may face within the context of the Practice,
2. Assess or analyse these risks with a view to understand how the ML/TF risks may affect the Practice,
3. Monitor these risks on an ongoing basis,
4. Mitigate these risks, and
5. Manage the risk of involvement in money-laundering activities or the financing of terrorist and related activities.
6. Assist staff in the business to apply a risk-based approach to the money laundering and terrorist financing risks to which the business is exposed.

## **5. GOVERNANCE**

### **5.1. Accountability**

At ME, accountability and the ultimate responsibility for compliance with the Act rests with the Board of Directors.

The Board of Directors hereby accept ownership, accountability, and responsibility for compliance with the FIC Amendment Act and hereby approves this version of the Risk Management and Compliance Program (RMCP).

### **5.2. Compliance function**

ME hereby appoints Adam McDonald Clark to exercise oversight and management of the practice's AML/CFT duties and obligations and to ensure effective management of the anti-money laundering and terrorist financing procedures of the practice. Adam McDonald Clark confirms that he has the required knowledge, skill and competence required of this function and accepts his appointment.

#### **5.2.1. Implementation of the RMCP in Branches, Subsidiaries or other operations in foreign countries**

ME does not have branches, subsidiaries or other operations in Foreign Countries and therefore would not need to implement this RMCP outside the boundaries of South Africa.

However, ME operates its functions in terms of Section 42(2)(q) of FICA from a centralised point, namely the Head Office in Durban. The two branches in Johannesburg and Cape Town report directly to Head Office for all FICA related operations.

### **5.3. Review of the RMCP**

The AML compliance officer together with the board of Directors are responsible to review the RMCP at least once Annually to ensure that it remains relevant to the operations of the practice and to ensure compliance with relevant legislation.

In addition to the standard, regular review, the RMCP will also be reviewed on an ad-hoc basis:

1. whenever there are any significant and material changes to the operations of ME which would impact the money laundering and terrorist financing risks faced by the business and any changes to legislation;
2. If any relevant legislation is promulgated;
3. If any relevant legislation is amended;
4. If any relevant regulations are amended
5. If, in the opinion of the compliance officer, a review is necessary for any other reason;
6. If directed to do so by FIC.

### **Availability of the RMCP to all staff**

ME acknowledges that a copy of the RMCP must be provided to all employees and that each employee is required to sign a Declaration confirming receipt. If ME employs new staff members, such staff member will be emailed a copy of the FICA RMCP and training will also form a part of the employees induction process. The human resources department of ME maintains a physical file copy in its compliance file which is accessible to all staff. In addition, the FICA RCMP is maintained electronically on a public share server which all staff also have access to.

## **6. SCOPE**

The policies and procedures set out in this RMCP apply to all employees. The Board of Directors acknowledge that they understand the policy and will adhere to it and confirm this by signing this page.

<i>Name</i>	<i>Capacity</i>	<i>Date</i>	<i>Signature</i>
BRUCE MACGREGOR	DIRECTOR	26/11/2020	
RICHARD ERASMUS	DIRECTOR	26/11/2020	
GLEN KIRBY- HIRST	DIRECTOR	26/11/2020	
JUSTIN KLINGBIEL	DIRECTOR	26/11/2020	
JACQUES SCHABORT	DIRECTOR	26/11/2020	
MPHO TITUS	DIRECTOR	26/11/2020	
STEFAN HILL	DIRECTOR	26/11/2020	
ELCO GELDENHUYS	DIRECTOR	26/11/2020	
ADAM CLARK	AML COMPLIANCE OFFICER/ASSOCIATE	26/11/2020	



## **7. REGISTRATION**

Adam McDonald Clark on behalf of the accountable institution has registered with the Centre (via the goAML system).

Adam McDonald Clark is responsible for maintaining the account including log-in details therefore Adam McDonald Clark will notify the Centre in writing, of any changes to the particulars furnished within 90 days after such a change.

The unique registration number for ME is ORG ID 2684.

### **7.1. Changes to Information**

The AML Compliance Officer must inform the Centre of any changes to ME details by updating the accounts online within **90 (ninety) days** of such change, as required in terms of section 43B (4) of the FIC Act (as amended).

### **7.2. Penalties and Consequences of Non-Compliance**

ME acknowledges that failure to register or provide information pertaining to changes is regarded as being non-compliant in terms of Section 61A of the FIC Act (as amended) and is subject to an administrative sanction.

Non-compliance by any staff member with any of the provisions of the FICA RMCP and FIC Amendment Act, will warrant the appropriate disciplinary action.

## **8. APPROACH TO RISK**

ME's approach is to identify the money laundering and terrorist financing risks having regard to the financial products, services, geographical location of the Practice, our clients and the method of delivery of our services.

ME will adopt a qualitative approach to ML/TF risks based on the overall assessment of the factors listed above in respect of each individual client to determine the client's risk profile and associated due diligence measures to be followed.

### **8.1. Risk Factors**

As a starting point ME. has identified the following risk factors it will consider in determining the overall risk level of a client:

- Geographical location
- Customer risks (including client co-operation and behaviour)
- Services (including size of transaction(fees), value of investment in Sec 86(4), value of estate)
- Delivery method (i.e. client interactions)

## 8.2. Risk Indicators and Scores

ME. have considered each risk factor and identified risk indicators which fall within each risk factor and which are relevant to the Practice. These risk indicators have been listed in **Annexure A**.

In accordance with our exposure to ML/TF risk, ME has classified each risk indicator as being either low, medium, high. ME. has used the FIC's previous Regulations and Exemptions as guidance in determining the level of each risk.

Risk Level	Explanation
Low	A low risk measure will be used where the likelihood and impact of money laundering and/or terrorist financing is extremely low. A Simplified Customer Due Diligence Process will be followed where the overall risk profile of a client has been determined as low risk.
Medium	A medium risk measure will be used where there is an average likelihood and impact of money laundering and/or terrorist financing. A Standard Customer Due Diligence Process will be followed where the overall risk profile of a client has been determined as medium risk.
High	A high-risk measure will be used where there is a higher likelihood and impact of money laundering and/or terrorist financing. An Enhanced Customer Due Diligence Process will be followed where the overall risk profile of a client has been determined as high risk.
Extremely High	Any client with whom ME. is prohibited from dealing with will fall into this category and must immediately be reported to the AML compliance officer

## 8.3. Client Risk Profile

ME will critically consider each risk indicator, together with its associated risk level, when determining the overall Risk Profile of the Client. The clients first point of contact will be with a secretary who will assess the risk profile of each client and revert to the AML Compliance Officer who will make the decision on whether or not to accept the client. The score of one is assigned to each indicator that is considered to low risk. A score of two will be assigned to each indicator that is considered to be Medium risk and a score of three will be assigned to each indicator that is considered to be High risk. Should a client have a risk rating score of 1-8, the

client will be classified as low risk. Should a client have a risk rating score of 9-24, the client will be classified as Medium risk. Should a client have a risk rating score of 25-51, the client will be classified as High risk.

	Low	Medium	High
Interaction with client (e.g. face-to-face)			
Client co-operation and behaviour			
Transaction within the client's financial means			
Size of transaction			
Product selection			
Client's geographical location			
Client type (e.g. foreign national, SA citizen)			
Client activities/occupation (source of income/wealth)			

**TOTAL  
RISK**


#### 8.4. Risk Review

The AML Compliance Officer is responsible to evaluate each risk and to determine an appropriate risk level. AML/TF risks will be reviewed annually. ME is also committed to reviewing the risk factors should there be any material change to the business or legislation which could impact the risks to which the Practice is exposed.

#### 8.5. Risk Mitigation Measures

ME. has implemented a method that the Practice will use to control and minimise the ML/TF risks it has identified. The use of "Client Verification Checklists" (**Annexure K to N**) specify how ME will verify the identity of our clients and mitigate our possible exposure to risk. ME has identified three processes that we will follow to verify the identity of our clients that is, simplified, standard and enhanced Due Diligence.

Client Risk Profile	Initial Customer Due Diligence	Ongoing Customer Due Diligence
Low	Simplified	Simplified
Medium	Standard	Standard
High	Enhanced	Enhanced
Extremely High	Prohibited from entering into or continuing in a business relationship and/or entering into a single transaction.	

## 9. CUSTOMER DUE DILIGENCE

The objective of performing customer due diligence is for ME to ensure that the accountable institution has a thorough knowledge about a client and a comprehensive understanding of the business that a client is conducting with the Firms Practice. This process will enable ME. to manage the relationships which it has with clients and to better identify possible attempts by clients to exploit the services which ME offers for illicit purposes.

To reduce the likelihood or threat of facilitating money laundering or terrorist financing or related activities, ME will conduct appropriate customer due diligence as follows:

- Before entering into a new business relationship or concluding a single transaction with a customer. ME. will carry out a Client Take-On Due Diligence Process which involves obtaining and evaluating information through the use of applicable “Onboarding Questionnaires” (**Annexures B to E**);
- Before concluding a transaction in the course of a business relationship or performing any act to give effect to a single transaction a Transactional Due Diligence Process will be followed by using the “Transactional Due Diligence Questionnaire” (**Annexure F**) to evaluate information regarding a client; and
- At regular intervals during a business relationship we will carry out an Ongoing Due Diligence Process which will involve the completion of an “Ongoing Due Diligence Questionnaire” (**Annexure G**) to evaluate information about a client.

### 9.1. Prospective or Existing Client

The relevant secretary will determine whether a person is a new client or existing client by searching for the client’s file reference number name and surname against Legalsuite (our specialised Attorneys software programme).

### 9.2. CLIENT TAKE-ON DUE DILIGENCE PROCESS

If it has been established that the client is a prospective client (i.e. not an existing client of ME then the relevant Onboarding Questionnaire (**Annexures B to E**) will be completed.

Before accepting a prospective client either in respect of a new business relationship or to conclude a single transaction the following needs to be established:

1. Identity of the client and Beneficial owner(s);

2. Nature of the business relationship;
3. Whether the client is a DPIP, FPPO or UN sanctioned person through screening of the client; and
4. Risk Profile of the client;

### **9.2.1. Customer Identification and Verification**

Section 21 and 21B requires ME, as an accountable institution, to establish and verify the identity of clients and relevant persons. This is the first step in the customer due diligence process.

The intensity or degree to which the information is verified or corroborated may differ depending on the overall risk profile of the client. The information and the intensity of the information that ME will require is set out in the "Client Verification Checklists" (**Annexures K-N**).

#### **9.2.1.1. Beneficial Owners**

ME has an obligation, in the case of legal persons to establish the ownership and control structure of a legal person which must include establishing the identity of the beneficial owner(s).

ME will follow a process of elimination as described in Guidance Note 7 published by the FIC. The steps set out below must be followed:

1. Determine who the natural person is who independently or together with another person has a controlling ownership interest in the legal person. Any person with ownership of 25% or more of the shares with voting rights in a legal person, will have sufficient control of the entity.
2. If the ownership interests do not indicate a beneficial owner, or if there is doubt as to whether the person with the controlling ownership interest is the beneficial owner, then ME will identify the natural person who exercises control of the legal person through other means. For example, natural persons who exercise control through voting rights attaching to different classes of shares or through shareholder agreements.
3. If no natural person can be identified who exercises control through other means, then ME must determine the natural person who exercises control over the management of the legal person which can include an executive officer, non-executive director, independent non-executive director, director or manager.

The identity(ies) of the beneficial owner(s) or persons exercising control over the legal entity must be recorded in the Onboarding Questionnaire for Legal Persons (**Annexure C**). The intensity or degree to which the information is verified or corroborated for each beneficial owner may differ depending on the overall risk profile of the client. The information and the intensity of the information ME requires is set out in the “Client Verification Checklists” (**Annexures K-N**).

#### **9.2.2. Understanding the Business Relationship**

In order for ME to be able to determine whether any future transactions performed in the course of the business relationship are consistent with its knowledge of the prospective client, we will obtain the following information:

- the expected frequency of transactions;
- the expected nature of future transactions;
- the expected value of future transactions.

#### **9.2.3. Customer Screening**

ME. will conduct screening of all its customers to determine if a client is:

- a foreign prominent public official (FPPO) [**Annexure I**],
- a domestic prominent influential person (DPIP) [**Annexure H**]; or
- a sanctioned person or entity as identified by a United Nations Sanction Council.

ME. will perform Sanctions Screening and Research Screening will be done against the UN Sanctions list and the FIC Targeted financial sanctions list, as part of the customer due diligence processes and at any stage when the UNSC adopts new TF measures or expands existing ones.

The following link will be used to screen clients against the UN Sanctions List and FIC Targeted financial sanctions list:

- [https://www.un.org/sc/suborg/en/sanctions/1267/aq\\_sanctions\\_list](https://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list); and
- <https://www.fic.gov.za/Pages/Home.aspx>

Evidence of client screening will be retained in each client file.

ME will deal with clients who appear on the UN Security Council List, who are DPIPs and FPPOs in the ways stated below:

#### **9.2.3.1 Prohibition relating to a person or entity identified pursuant to the UN Security Council**

ME will Conduct Sanctions Screening to establish if:

- the client is a person or entity identified pursuant to a resolution of the Security Council of the United Nations;
- the client or other relevant person is an entity which has committed or attempted to commit or facilitated the commission of a specified offence as defined in POCDATARA;
- the client or other relevant person is an entity identified in a notice issued by the President under Section 25 of POCDATARA.

ME will download the latest UN Sanctions list of the UNITED NATIONS SECURITY COUNCIL website and search the data base to ensure that any prospective client's name does not appear on the list.

If the prospective client's name does appear on the list, then ME will **not** establish a business relationship or conclude a single transaction with that client. ME will follow the necessary reporting process, by reporting such person to the FIC thereafter.

#### **9.2.3.2 Domestic Prominent Influential Person**

Schedule 3A to the FIC Act contains a list of positions that will be considered domestic prominent influential persons. This is further stated in **Annexure H**.

Business relationships with domestic prominent influential persons (DPIP) are not inherently high-risk. ME will consider each such relationship on its own merits to determine whether there is any reason to conclude that it brings higher risk of abuse for money laundering and terrorist financing purposes.

ME will conduct screening to establish if the client or an immediate family member or known close associate of the client is a DPIP by completing the **Domestic Prominent Influential Persons Questionnaire (Annexure H)**.

To fulfil ME'S obligations and ensure that appropriate measures are put in place to mitigate the risks related DPIPs, once the client's identity has been verified and all the necessary information about the client has been obtained, all documentation will be considered by ME's AML Compliance Officer. The AML Compliance Officer must evaluate all the information, to establish the risk profile of the DPIP.

If it is found that the risk is high, then ME will not onboard such person.

#### **9.2.3.3 Foreign Prominent Public Official**

ME will treat all business relationships with foreign prominent public officials as **high-risk** as stipulated in the FIC Amendment Act and will not enter into a business relationship with such persons.

Although ME has elected not to engage in business dealings with FPOP's, should the decision to deal with such person change then ME will ensure that

appropriate measures are put in place to mitigate the risks related to such foreign prominent public officials as indicated below:

- ME will conduct screening to establish if the client or an immediate family member or known close associate of the client is a FPPO by completing the **Foreign Prominent Public Official Questionnaire (Annexure I)**.
- Reasonable measures must be taken to establish the source of wealth and source of funds of the client. This information must be recorded on **Annexure I**;
- Once the client's identity has been verified and all the necessary information about the client has been obtained, all documentation will be considered by ME, ME must evaluate all the information, where required conduct further research and request additional information and/or documentation.
- Once all information has been assessed, ME must take a decision to accept or reject the client. This decision must be recorded in the relevant section in **Annexures B to E** and signed by The AML Compliance officer.
- Enhanced ongoing due diligence process of the business relationship must be conducted in accordance with the Ongoing Customer Due Diligence Process.

#### **9.2.4 Doubts about the veracity of previously obtained information**

If ME, before entering into a single transaction or establishing a business relationship, doubts the veracity of or adequacy of previously obtained information which we are required to verify in terms of section 9.2.1 and 9.2.2 listed above, then the customer due diligence process will be re-performed in accordance with requirements set out in this FICA Risk Management and Compliance Program and to the extent that is necessary to confirm the information in question.

#### **9.2.5 General Prohibitions**

There are several scenarios where ME will not or may not establish a business relationship or conclude a single transaction or may have to terminate an existing business relationship.

Before doing business with any customer, ME will need to consider if the client is an anonymous or a client with an apparent false or fictitious name. If this is the case, then the Attorneys Practice will not establish a business relationship or conclude a transaction.

- If ME is unable to:



1. establish and verify the identity of a client or other relevant person in accordance with Section 21 or 21B of the FIC Act (as amended);
2. obtain the information contemplated in Section 21A;
3. conduct ongoing due diligence as contemplated in Section 21C;

THEN ME:

**May not** establish a business relationship or conclude a single transaction;

**May not** conclude a transaction in the course of a business relationship, or perform any act to give effect to a single transaction; or

**Must terminate** an existing business relationship with the customer, by way of a formal letter addressed to the client stating the reasons for the termination;

**Must consider** whether the reason for termination of the business relationship with client warrants a report being submitted to the FIC.

#### **9.2.6 Client Risk Profile: Methodology**

When assessing the information which has been gathered from the client in **Annexures B to E**, the overall risk profile of the client must be established taking into consideration the money laundering and terrorist financing risks to which the business is exposed to, as set out in **Annexure A** as well as the factors and risk indicators relevant to the actual client and the business relationship to be established.

Depending of the varied risk indicators our client presents, the key in **Annexure A** will determine whether our Client will be rated Low, Medium, High or Extremely High Risk.

Where approval is required, the overall risk profile of the client must be decided by AML Risk Compliance Officer in consultation with the Managing Director based on a holistic assessment of all information and documentation available.

The preliminary risk profile of the client must also be determined by ME. by taking into consideration all the information and documentation obtained as prescribed, the risk factors and risk indicators and any other relevant factor.

##### **9.2.6.2 Clients automatically assigned an Extremely High-Risk Profile**

For the purposes of our practice, any sanctioned person or entity as identified and pursuant to a resolution of the Security Council of the United Nations will automatically be assigned as “extremely high risk”.

Furthermore, any other person identified under General Prohibitions above, will automatically be assigned a risk profile of “extremely high risk”.

ME is prohibited from dealing with any client which has been classified as extremely high risk and must immediately be reported to the Financial Intelligence Centre.

##### **9.2.6.3 When is Customer Due Diligence *not* required?**

The FIC Act defines a single transaction as a transaction other than a transaction concluded during a business relationship and where the value of the transaction is not more than R5 000.00 (the amount is to be determined by the Minister in the Regulations). In terms of the Act ME is not required to carry out the full scope of customer due diligence measures in respect of clients conducting single transactions below the value set by the Minister of Finance. Although the full scope of CDD is not required, we may be called upon to provide the FIC with confirmation that we have or have not dealt with a certain client. Therefore, we must be able to provide at least some information if requested to do so.

ME will obtain at least some information describing the identity of the client.

ME will not, in spite of a single transaction, deal with an anonymous client or a client with an apparent false or fictitious name and should we come across such client, we will report them to the FIC.

ME has set out the following examples of information that it will obtain:

- full name;
- identity number of the client;
- a contact number;
- residential Address, and

In certain instances, an added step of requesting to view an identification document of the client.

### **9.2.7 Client Acceptance**

Once the risk profile of the client has been determined, the corresponding Client Verification Checklist must be followed as set out in **(Annexures K-N)** prior to entering into a business relationship with a client or concluding a single transaction.

Upon completion of the Client Take-on Process and due diligence, a decision must be taken as to whether the client is accepted.

At the end of the relevant Onboarding Questionnaire **(Annexures B to E)**, a field is available to note whether the Client is accepted or declined.

## **9.3 TRANSACTIONAL DUE DILIGENCE PROCESS**

When an existing client wishes to conclude additional transactions or make use of further services of ME it must, in terms of section 21C, conduct further due diligence which must include, where necessary, the source of funds, to ensure that the transactions are consistent with our knowledge of the client and the client's business and risk profile. This will include monitoring the background and purpose of all complex, unusually large transactions and all unusual patterns of transactions which have no apparent business or lawful purpose.

ME must compare each Transaction against the information provided during the formation of the Business relationship to ensure that these transactions are consistent with its understanding/or expectation of the Business Relationship. Therefore, as a starting point ME will have the information from the Onboarding Questionnaire (**Annexures B to E**) on hand when conducting a Transactional Due Diligence review. ME will use the Transactional Due Diligence Questionnaire (**Annexure F**) to draw the following information in order to verify, an already established, Business Relationship:

- Nature of the transactions;
- Type of Service;
- Value of the Transaction, and
- Source of funds that will finance the transaction

Where certain pertinent information has changed and if the transactions not consistent with ME's understanding of the Client Business Relationship, then a new Onboarding Questionnaire must be completed in order to Risk Rate the client again. In addition to the aforementioned if ME finds that the transactions are not consistent with the above-mentioned factors, ME may have grounds to report a suspicion of money laundering or terrorist financing. Additional factors with regard to what constitutes a suspicion have been identified by ME in **Annexure J**.

#### 9.4 ONGOING DUE DILIGENCE PROCESS

To comply with provisions pertaining to Ongoing due diligence, ME will scrutinise all of the transactions undertaken throughout the course of a business relationship to ensure that transactions are consistent with ME's knowledge of the client, the client's business and risk profile, and the source of funds. ME will obtain the aforementioned information by completing an Ongoing Due Diligence Questionnaire (**Annexure G**).

ME in doing so will also ensure that all documentation and information obtained about the Client is up to date, accurate and relevant. If the transactions or information are not consistent with the above-mentioned factors, ME may have grounds to report a suspicion of money laundering or terrorist financing.

Once the risk profile or overall risk level of the client has been determined, the corresponding ongoing customer due diligence process must be followed at each point of customer engagement or transaction.

Client Risk Profile	Ongoing Customer Due Diligence	Frequency of Ongoing Customer Due Diligence
Low	Simplified	5 Years
Medium	Standard	3 Years
High	Enhanced	Annually

## **10. DUTY TO MAINTAIN RECORDS**

In keeping with section 22 and 22A of the FIC Act (as amended) ME. will ensure that records are kept in respect of the customer due diligence process undertaken by it whenever it establishes a business relationship or concludes a transaction with a client. ME will ensure that the records of every transaction are also kept, and this includes records for single transactions as well as records for transactions concluded in the course of a business relationship.

ME acknowledges that a failure to comply with the record keeping obligations as determined by the FIC Act (as amended) is regarded as being non-compliant and is subject to an administrative sanction.

### **10.1 Records to be kept**

ME has identified the records which it is compelled to keep in terms of the FIC Act (as amended).

A record of all information obtained by ME during the customer due diligence process which relates to a client or a prospective client must be kept and must include:

- The identity of the client and, if applicable, the identity of the client's agent or principal;
- The manner in which this identity was established;
- The name of the person who obtained this information;
- Any document or copy obtained, by ME to verify the identity;
- The nature of the business relationship;
- The intended purpose of the business relationship;
- The source of funds.

A record of every transaction, whether the transaction is a single transaction or concluded in the course of the business relationship, must be kept and which must include but is not limited to:

- The nature of the business relationship or transaction;
- The amounts and currency in which it was denominated;
- The date that the transaction was concluded;
- The parties to the transaction;
- The nature of the transaction;
- All business correspondence;

## 10.2 Manner in which Records must be kept

Since the FIC Act (as amended) is not prescriptive as to the manner in which records must be kept, we at ME will ensure that records will be stored in accordance with our standard procedures for the capture of information and the retention of records.

ME. makes use of Legalsuite to store all Customer due diligence and transactional information in relation to client business relationships These systems are backed up by the cloud.

To reduce the volume and density of records, ME will use the following mechanisms for storage of records:

- Internal networks
- Physical storage devices e.g. hard drives, CDs, DVDs, memory sticks, etc.
- Software programs (legalsuite)

## 10.3 Period for which records must be kept

Although Section 23 of the FIC Act (as amended) prescribes the period of time for which an accountable institution must keep records for, as an attorney firm, ME must keep records for 7 years as set out in the Legal Practice Act 28 of 2014.

### 10.3.1 Business Relationship

ME will keep all records pertaining to the customer due diligence process to establish a business relationship, for at least **7 years** from the date on which the business relationship is terminated.

### 10.3.2 Transactions

ME in respect of a single transaction or a transaction concluded in the course of a business relationship, will keep records for at least **7 years** from the date on which the transaction is concluded.

### 10.3.3 Transaction or activity which gave rise to a report

If a transaction or activity was reported to the Centre by ME, then ME will keep these records for a minimum of **7 years** from the date on which the report was submitted to the Centre.

ME acknowledges the need to maintain adequate records for at least **7 years** to give effect to the provisions of the FIC Act (as amended) and is essential to assist with the ultimate investigation and prosecution of crime if applicable.

### 10.3.4 General Provisions, Processes and Responsibility

#### 10.3.4.1 Additional Information

In addition to the required information, ME will ensure that records include the following details:

- Reference numbers on documents and letters;
- Dates such as issue or expiry;
- Details of the issuer or writer

#### **10.3.4.2 FICA Recordkeeping Checklist**

ME will ensure that all the required detail regarding the establishment of the business relationship and every transaction will be completed on the Onboarding Questionnaire, Transactional Due Diligence Questionnaire and Ongoing Due Diligence Questionnaire. Relevant information will be completed for every transaction and will be stored in accordance with the manner in which records will be maintained as set out above. The employee who obtained the information is responsible to ensure the appropriate completion of the applicable Questionnaire.

#### **10.3.4.3 Responsibility to inform employees**

ME is responsible to inform all employees of the record keeping requirements as well as their responsibility to maintain these records as it pertains to ME's clients.

#### **10.3.4.4 Electronic format and Third-Party Recordkeeping**

Section 24 also allows records to be kept in electronic format as long as these can be reproduced in a legible format and are freely and easily accessible as well as readily available to the FIC and any relevant supervisory body requesting access to such records. ME makes use of third-party services for recordkeeping. ME makes use of Metrofile for storing Archived files offsite for the prescribed minimum of 7 years. The archive numbers of each file are stored on our software program Legalsuite and are captured by Metrofile as a reference of their system. ME is able to request a file and receive same file within a period of 72 hours within Business operating hours.

#### **10.3.4.5 Admissibility of Records**

ME acknowledges that a record kept, or a certified extract of such a record, or a certified printout of any extract from an electronic record, is on its mere production in a matter before a court admissible as evidence of any fact contained in it of which direct oral evidence would be admissible.

#### **10.3.4.6 Recordkeeping Responsibility**

ME holds the primary responsibility to maintain records, and to obtain all the necessary information at the time of the transaction and keep these records safe. No record may be destroyed by a person before the expiry of the seven-year period referred to.

## **11. DUTY TO REPORT**

In terms of the requirements set out in the FIC Act (as amended), the AML Compliance Officer and Richard Erasmus (Managing Director), will ensure that the Financial Intelligence Centre is provided with reports in the event of:

- Any cash transactions above the prescribed limit;
- A suspicious and unusual transaction; or
- Property associated with terrorist and related activities and financial sanctions pursuant to resolutions of the United Nations Security Council;
- Electronic transfers of money to or from the Republic; and
- Conveyance of cash to or from the Republic.

### **11.1 Reporting of Cash Transactions above the Prescribed Limit**

ME does not receive cash deposits and acknowledges the reporting duty as required by section 28 of the FIC Act (as amended) to report cash transactions above the prescribed threshold. This is also known as the Cash Threshold Reporting Obligation or CTR. ME acknowledges that reporting provides the Centre with a mechanism to proactively monitor and report on cash transactions which may be linked to money laundering activities so that potential proceeds of crime are timeously identified and investigated.

#### **11.1.1 Who must Report?**

The obligation to report applies to accountable institutions and reporting institutions. ME is an accountable institution and is therefore obliged to report in terms of Section 28.

#### **11.1.2 When does the Reporting Obligation Arise?**

ME acknowledges that the obligation to report arises when CASH more than the prescribed amount of R24,999 is being PAID or RECEIVED by ME.

ME will file the CTR Report with the Centre when it obtains knowledge that the transaction exceeds the prescribed amount. This knowledge can either be acquired when the institution physically receives/pays cash exceeding this amount or peruses its bank statement or a bank deposit slip from the client reflecting a transaction that exceeds this amount.

Should ME acquire this knowledge, it will report this transaction to the FIC. ME will report the necessary information to the Centre within the prescribed time and manner.

ME will ensure that the obligation to report is done irrespective of whether it is a suspicious and/or unusual transaction.

#### **11.1.3 What is the Prescribed Amount?**

ME acknowledges that the prescribed limit is R24 999.99 or the equivalent foreign denomination value calculated at the time of the transaction OR an aggregate of smaller amounts which combine to this amount. Therefore, ME will ensure that all cash transactions of R25 000 or more will be reported to the Centre.

#### **11.1.4 What are Aggregate Amounts?**

ME will also report aggregates of smaller amounts which when combined add up to the prescribed amount, where it appears that these transactions are linked and that they should be considered as one transaction.

##### **11.1.4.1 A period of at least 24 hours applies when considering aggregation.**

ME acknowledges that an aggregate transaction would also give rise to an obligation to report in terms of Section 29 of the FIC Act (as amended) as well. While acknowledging the contents contained in section 29 (Suspicious and unusual transaction), ME will ensure that it will report a suspicion of a transaction or series thereof to avoid giving rise to another reporting duty.

##### **11.1.4.2 Indications of aggregation:**

The following are indications of aggregation:

- The period in which these transactions takes place;
- The fact that these transactions consist of a repetition of the same type of transaction;
- The smaller amounts involve the same person or account holder.

#### **11.1.5 What is “Cash”?**

ME acknowledges that cash is coin and paper money AND travellers' cheques but does not include negotiable instruments.

ME will ensure that physical cash paid out by ME to a client or received by ME will be covered by this obligation and must be reported. However, ME does not receive cash from any source.

ME acknowledges that cash DOES NOT include a transfer of funds by means of a bank cheque, bank draft, electronic funds transfer, wire transfer or other written order that does not involve the physical transfer of cash. These methods of transferring funds are not covered by the cash threshold reporting obligation.



ME acknowledges that where cash is received by an institution into or from an account held in the name of the accountable institution, there is a duty on ME as well as the other institution to report such transaction. ME acknowledges that more than one institution can therefore report in connection with the same transaction.

#### **11.1.6 What is the time period for Reporting?**

ME acknowledges that a report must be sent as soon as possible, but no later than **2 days** after the person has become aware of the cash transaction or series of cash transactions that exceeded the prescribed amount.

ME acknowledges that failing to report within the prescribed time period is an offence and/or is regarded as being non-compliant and is subject to an administrative sanction.

#### **11.1.7 Method of Reporting**

In terms of regulation 22(1) of the Regulations, ME acknowledges that a CTR must be filed with the Centre electronically by making use of the internet-based reporting portal provided at <http://www.fic.gov.za> .

ME shall ensure that it acquires login credentials so that it will be able to file CTRs electronically with the Centre in accordance with the requirements of regulation 22(1). Secure login credentials can be obtained via the Centre's website at [www.fic.gov.za](http://www.fic.gov.za) .

ME will ensure that as much information as possible is included in the report as this will enable the Centre to take action immediately and assess whether to instruct the reporter not to proceed with the transaction.

### **11.2 Reporting Property associated with Terrorist and Related activities and financial sanctions pursuant to Resolutions of the United Nations Security Council.**

ME acknowledges that a report under Section 28A of FICA must be sent to FIC as soon as possible but not later than five (5) days after ME has established that the client has property associated with terrorist and related activities in its possession or under its control.

ME is aware of the publication of a proclamation by the President under section 25 of the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 or notice being given by the Director in terms of section 26(A)(3) and will ensure that the relevant secretary of ME will scrutinize the information concerning clients with whom it has business relationship to determine whether any client is mentioned in the proclamation by the President or notice by the Director.

ME will ensure that when reporting property associated with terrorist and related activities under S28A of FICA, that the report contains full particulars in respect of it making the report:

- the name of the accountable institution;
- the identifying particulars of the accountable institution, e.g. registration number;
- the address of the accountable institution;
- the type of business of the accountable institution;
- the surname and initials of a contact person; and
- the contact particulars of a contact person.

### **11.3 Reporting of Suspicious and Unusual Transactions**

ME acknowledges that section 29 of the FIC Act (as amended) provides for the reporting of suspicious and unusual transactions (STR). ME acknowledges that the reporting of suspicious and unusual transactions is regarded as an essential element of the anti-money laundering program of every country.

#### **11.3.1 Who must Report?**

The duty to report is imposed on a person who carries on or oversees a business, a person who manages a business or a person who is an employee of a business whether they deal specifically with clients or not. At ME the AML compliance officer has the responsibility to submit a report of this nature.

#### **11.3.2 When does the Reporting Obligation arise?**

ME acknowledges its obligation to report arises when a person knows or ought reasonably to have known or suspected that certain facts exist. These facts can relate to situations concerning the business itself or transactions to which the business is a party.

Situations relating to the business can be that, ME:

- Has received, or is about to receive, the proceeds of unlawful activities OR property which is connected to an offence relating to the financing of terrorist activities;
- Has been used, or is about to be used, in some way for money laundering purposes; OR to facilitate an offence relating to the financing of terrorist activities.

Situations relating to transactions to which ME is a party and a person is aware or suspects that a transaction or series of transactions with the business:

- Facilitated, or is likely to facilitate the transfer of proceeds of unlawful activity OR property which is connected to an offence relating to the financing of terrorist activities;

- Does not appear to have a business or lawful purpose;
- Is conducted for the purpose of avoidance giving rise to a reporting duty under the FIC Act (as amended);
- May be relevant to the investigation of the evasion of any tax administered by the South African Revenue Service; or
- Somehow relates to an offence relating to the financing of terrorist activities

### **11.3.3 Unlawful Activity**

ME acknowledges that the definition of “unlawful activity” is any conduct, which constitutes a crime or contravention of a law, within the Republic or elsewhere. One does not report the suspected crime of unlawful conduct, but the proceeds of such.

### **11.3.4 What constitutes a Suspicion?**

A suspicion implies an absence of proof that a fact exists. ME will consider all the circumstances as well as the normal business practices involved. ME acknowledges that a suspicious situation may involve several individual factors that on their own seem insignificant, but taken together, they may raise a suspicion. The AML Compliance Officer will evaluate the transaction in relation to what seems appropriate as well as one’s knowledge about the client. This can include his/her financial history, background, and behavior.

ME acknowledges that any person who reasonably ought to have known or suspected that any of the facts referred to in section 29 exists, and who negligently fails to report the prescribed information in respect of a suspicious or unusual transaction or series of transactions or enquiry, is guilty of an offence and on conviction liable to imprisonment not exceeding 15 years or a fine not exceeding R100 Million.

ME is aware that there are indicators of suspicious behavior but that should not be viewed in isolation and should always be considered in conjunction with other circumstances pertaining to a particular transaction. **Annexure J** also sets out a list of Suspicious Indicators that ME will rely on.

### **11.3.5 Suspicious Transaction Threshold**

ME acknowledges that there is no monetary threshold that applies to this reporting obligation. Once the conclusion is reached that a suspicious or unusual situation exists, the transaction must be reported.

### **11.3.6 Can an Institution continue with a transaction after a Report has been made?**

ME acknowledges that a reporter may continue with and carry out a transaction unless the Centre directs him not to proceed with the transaction.

#### **11.3.7 What is the Time Period for Reporting?**

ME acknowledge that a report must be sent as soon as possible but not longer than 15 days (excluding Saturdays, Sundays and Public Holidays) after the person has become aware of the facts which give rise to a suspicion. If ME fails to send a report under section 29 of the FIC Act (as amended) to the Centre within the period referred is guilty of an offence, and on conviction liable for imprisonment not exceeding 15 years or a fine not exceeding R100 million.

#### **11.3.8 Method of Reporting**

A report must be made by means of internet-based reporting provided by the Centre at: <http://www.fic.gov.za>. This report may NOT be posted. It is important that as much information as possible be included in the report.

#### **11.3.9 Responsibility of Management**

ME will be responsible to report suspicious or unusual transactions.

### **11.4 Confidentiality and Privilege**

In terms of Section 37(2) of FIC Act (as amended) ME is bound by legal professional privilege.

### **11.5 Legal protection for the Reporter**

ME acknowledges that no legal action, whether criminal or civil, can be instituted against a person who complies in good faith with a reporting obligation.

ME is aware that the identity of the reporter is also protected. This person/company cannot be forced to give evidence in criminal proceedings concerning such a report. A person may choose to do so voluntarily, but if they elect not to testify, no evidence regarding their identity is admissible as evidence in criminal proceedings.

#### **11.5.1 Tipping-off**

The person involved may not inform anyone, including the client or any other person associated with a reported transaction, of the contents of a suspicious transaction report or even the fact that such a report has been made.

The FIC Act (as amended) prohibits the reporter as well as any other person who knows or suspects that a report has been made, from disclosing information regarding that report, except where required by law.

Contravening these prohibitions constitutes offences that carry maximum penalties of imprisonment for a period up to 15 years or a fine up to R10 million.

### **11.6 Duty to provide Additional Information**

The Centre may request the reporter to furnish the Centre with such additional information concerning the report and the grounds for the report as the Centre may reasonably require for the performance of its functions. When ME receives such a request, they must furnish the Centre without delay with such additional information as they may have available.

Failure to comply with a request is an offence, and on conviction one is liable for imprisonment not exceeding 15 years or a fine not exceeding R100 Million.

### **11.7 Conveyance of Cash to or from Republic**

A person who intends conveying or who has conveyed or who is conveying an amount of cash or a bearer negotiable instrument in excess of the prescribed amount to or from the Republic must, on demand, report the prescribed particulars concerning that conveyance to a person authorised by the Minister for this purpose. This person must without delay send a copy of the report to the Centre.

ME acknowledges that any person, who willfully fails to submit a report, is guilty of an offence and conviction liable for imprisonment not exceeding 15 years and a fine not exceeding R100 Million. Failure to send the report is a conviction liable for imprisonment not exceeding 5 years and a fine not exceeding R10 Million.

### **11.8 Electronic Transfers of Money to or from Republic**

If ME, through electronic transfer, sends money in excess of a prescribed amount out of the Republic or receives money in excess of a prescribed amount from outside the Republic on behalf, or on the instruction of another person, it will, within the prescribed period after the money was transferred, report the transfer, together with the prescribed particulars concerning the transfer, to the Centre.

ME acknowledges that if it fails to report to the Centre the prescribed information, it is guilty of an offence and/or is regarded as being non-compliant and is subject to an administrative sanction.

### **11.9 Obligation to Advise the Centre of Clients**

ME acknowledges that if an authorized representative of the Centre requests a reporting institution or any person that is required to make a report in terms of section 29 of the FIC Act, (as amended) to advise whether a specific person is or has been a client of that institution, or if the specific person acted on behalf of a client of the ME or if a client of the accountable institution is acting or had acted for a specific person, or whether a number specified by the Centre was allocated by the institution or person to another person with whom the institution has or had a business relationship, or on the type and status of a business relationship with a client of the institution or person, ME will inform the Centre accordingly.

ME acknowledges that the failure to inform the Centre is an offence, and on conviction one is liable to imprisonment not exceeding 15 years or a fine not exceeding R100 Million.

ME acknowledges that authorized representatives of the Centre may have access during ordinary working hours to any records kept by or on behalf of ME and may examine, make extracts from or copies of any such records for the purpose of obtaining further information in respect of a report made or ought to be made in terms of section 28, 28A, 29, 30(1) or 31 of the FIC Act (as amended). This access is subject to the authorised representative obtaining a warrant, except in the case of records which the public is entitled to have access to. ME will provide all reasonable assistance to the authorised representative to access records.

## **12. DUTY TO TRAIN EMPLOYEES**

ME acknowledges that all relevant staff that are employed (new and existing) by ME will be provided ongoing training to enable them to comply with the provisions of the FIC Act (as amended) and the RMCP applicable to them.

### **12.1 Who must receive Training?**

ME will ensure that every new relevant employee receives training on the FIC amendment act and the internal RMCP policy and thereafter a FICA online course, which includes an assessment must be completed.

All employees must receive refresher FICA Training on an annual basis by completing an online a FICA Course.

The training register of the employees must be updated with the training they receive from the Practice.

### **12.2 Who must provide the Training?**

ME is responsible for the training of the employees as well as updating of the training register.

Failure to provide ongoing training is regarded as being non-compliant and is subject to an administrative sanction.

**Annexure A - Risk Indicators**

RISK FACTOR		RISK	COMMENT
<b>1</b>	<b>GEOGRAPHICAL</b>		
1.1	Geographical Location of Clients		
1.1.1	<i>Client residing in South Africa and is a South African National</i>	<i>Low</i>	
1.1.2	<i>South African juristic or legal person operating in South Africa only</i>	<i>Low</i>	
1.1.3	<i>Foreign National residing in South Africa</i>	<i>Medium</i>	
1.1.4	<i>Any person residing and working in a foreign jurisdiction which has NOT been identified as 'high risk' by the FATF</i>	<i>Medium</i>	
1.1.5	<i>Any person residing and working in a foreign jurisdiction which has been identified as 'high risk' by the FATF</i>	<i>High</i>	
<b>2</b>	<b>PRODUCTS AND SERVICES</b>		
2.1	<i>Winding up of estates</i>	<i>Low</i>	
2.2	<i>Drafting of wills</i>	<i>Low</i>	
2.3	<i>Section 86(4) Investment</i>	<i>Medium</i>	
2.4	<i>Any products and services which do not fall under the low or high-risk category.</i>	<i>Medium</i>	
2.5	<i>Forex</i>	<i>Low</i>	<i>Any foreign currency transferred to ME passes through our banks foreign exchange department. The banks foreign exchange department, who verify information of the foreign transfer before releasing to ME.</i>
<b>3</b>	<b>TRANSACTION SIZE</b>		
3.1	<i>Less than R1 500 000</i>	<i>Low</i>	

RISK FACTOR	RISK	COMMENT	
3.2	<i>Between R1 500 001 and R3 million</i>	<i>Medium</i>	
3.3	<i>More than R3 million</i>	<i>High</i>	
4	<b>CLIENT AFFORDABILITY OR FINANCIAL MEANS</b>		
4.1	<i>Transaction size falls within the customer's means</i>	<i>Low</i>	
4.2	<i>Transaction does not fall within the financial means of the customer; however, the source of funds can clearly be traced, e.g. an inheritance or pension money.</i>	<i>Medium</i>	
4.3	<i>Transaction size falls outside of customer's means</i>	<i>High</i>	<i>Controls in place</i>
5	<b>CUSTOMER RISKS</b>		
5.1	<b>Customer Type</b>		
5.1.1	<i>Natural person (excluding a person that is a DPIIP or FPPO)</i>	<i>Low</i>	
5.1.2	<i>Simple juristic or legal person where the beneficial owner(s) is not a DPIIP or FPPO.</i>	<i>Low</i>	
5.1.3	<i>Any customer that does not fall into the low or high-risk category</i>	<i>Medium</i>	
5.1.4	<i>Complex juristic or legal person</i>	<i>High</i>	
5.1.5	<i>Any juristic or legal person where the beneficial owner(s) is a DPIIP or FPPO</i>	<i>High</i>	
5.2	<b>Customer Activities</b>		
5.2.1	<i>Natural person who earns a salary</i>	<i>Low</i>	
5.2.2	<i>Non-cash business that only concludes transactions in ZAR</i>	<i>Low</i>	
5.2.3	<i>Any activities that do not fall into the low or high-risk category</i>	<i>Medium</i>	
5.2.4	<i>Cash business</i>	<i>High</i>	
5.2.5	<i>Non-cash business that concludes transactions in foreign currency</i>	<i>High</i>	
5.3	<b>Customer Co-operation and Behaviour</b>		
5.3.1	<i>Client has co-operated with all requests and willingly provided all required information and documentation.</i>	<i>Low</i>	
5.3.2	<i>Client has co-operated with the requests for information but there have been delays in providing the required information and documentation.</i>	<i>Medium</i>	
5.3.3	<i>The display of any suspicious behaviour or indicator of unusual business (refer to Annexure J)</i>	<i>High</i>	
5.4	<b>Customer Interaction</b>		
5.5	<i>Frequent face-to-face interaction with the client</i>	<i>Low</i>	
5.6	<i>Any client interaction that does not fall into the low or high-risk category</i>	<i>Medium</i>	
5.7	<i>No face-to-face interaction with client. All business is conducted via telephone, internet, email etc.</i>	<i>High</i>	
6	<b>[OTHER]</b>		





## Annexure B – Onboarding Questionnaire (Natural Persons)

### 1. NEW OR EXISTING CLIENT

New Business Relationship  Existing Client

### 2. CLIENT DETAILS (establish the identity of the client)

Full Names: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Identity No.: \_\_\_\_\_

Citizenship: \_\_\_\_\_

Passport No. (if foreign national): \_\_\_\_\_

Residential  
Address: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

### 3. NATURE OF THE BUSINESS RELATIONSHIP (understand the client and explain the purpose and nature of the business relationship with the client)

Client's occupation: \_\_\_\_\_

Source of Income: \_\_\_\_\_

Source of Wealth: \_\_\_\_\_

Services to be provided to the client: \_\_\_\_\_

Anticipated frequency of transactions  
e.g. once-off, annually, ad-hoc etc.: \_\_\_\_\_

Expected size of transactions: \_\_\_\_\_

Type of financial products e.g.  
retirement  
annuity, endowment, shares etc.: \_\_\_\_\_

Provide further details below:

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#### 4. CLIENT SCREENING

Does the client's name appear on the UN Green or Black list?

Yes

No

**(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)**

#### 5. FOREIGN PROMINENT PUBLIC OFFICIAL (FPPO)

(Complete the questionnaire if dealing with a Foreign Prominent Public Officials)

Is the client a FPPO?

Yes

No

**(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)**

#### 6. DOMESTIC PROMINENT INFLUENTIAL PERSONS (DPIP) (see Annex H)

(Complete the questionnaire if the client is a Domestic Prominent Influential Persons)

Is the client a DPIP?

Yes

No

#### 7. CLIENT RISK PROFILE

**RATE**

	LOW	MEDIUM	HIGH
Interaction with client (e.g. face-to-face)			
Client co-operation and behaviour			
Transaction within the client's financial means			
Size of transaction			
Product selection			
Client's geographical location			
Client type (e.g. foreign national, SA citizen)			
Client activities/occupation (source of income/wealth)			
<b>TOTAL RISK</b>	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>		

**8. ACCEPTANCE AND SIGN-OFF PROCESS**

Accept  Decline

Reason client was accepted or declined:

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**FICA COMPLIANCE OFFICER or SENIOR MANAGEMENT (FOR ALL HIGH-RISK CLIENTS)**

Full name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

### Annexure C – Onboarding Questionnaire (Legal Person)

#### 1. NEW OR EXISTING CLIENT

New Business Relationship       Existing Business Relationship

#### 2. ENTITY DETAILS (establish the identity of the client)

Registered Name: \_\_\_\_\_  
Trading Name: \_\_\_\_\_  
Type of entity: \_\_\_\_\_  
Registration No.: \_\_\_\_\_  
VAT No.: \_\_\_\_\_  
Physical Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Head Office Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Website: \_\_\_\_\_

#### 3. RESOLUTION (documentation authorising a person to act for the client)

Yes       No

#### 4. AUTHORISED SIGNATORY(IES) (establish the identity of the persons authorised to act on behalf of the entity)

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

#### 5. OWNERSHIP / MANAGEMENT STRUCTURE OF THE ENTITY

Provide details of the ownership and management structure of the entity:

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**6. BENEFICIAL OWNER DETAILS (establish the identity of the beneficial owners)**

Full Names: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Identity No.: \_\_\_\_\_

Citizenship: \_\_\_\_\_

Passport No. (if foreign national): \_\_\_\_\_

Residential Address: \_\_\_\_\_

Postal Address: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

**7. NATURE OF THE BUSINESS**

Provide details about the business, its purposes, what it does etc.:

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**8. NATURE OF THE BUSINESS RELATIONSHIP (understand the client and explain the purpose and nature of the business relationship with the client)**

Source of Income: \_\_\_\_\_

Source of Wealth: \_\_\_\_\_

Services to be provided to the client: \_\_\_\_\_

Anticipated frequency of transactions  
e.g. once-off, annually, ad-hoc etc.: \_\_\_\_\_

Expected size of transactions: \_\_\_\_\_

Type of financial products e.g. retirement  
annuity, endowment, shares etc.: \_\_\_\_\_

Provide further details below:

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**9. SCREENING**

Does the client's name appear on the UN Green or Black list?  Yes

(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)

**10. ADDITIONAL INFORMATION**

- Is the entity based outside of South Africa?  Yes
- Is the entity based in a high-risk jurisdiction or have links to a sanctioned country?  Yes
- Does the entity have any links to criminality?  Yes

**11. FOREIGN PROMINENT PUBLIC OFFICIAL (FPPO)**

(Complete the questionnaire for Foreign Prominent Public Officials)

Are any of the beneficial owners FPPO's?  Yes

**(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)**

**12. DOMESTIC PROMINENT INFLUENTIAL PERSONS (DPIP)**

(Complete the questionnaire for Domestic Prominent Influential Persons)

Are any of the beneficial owners DPIP's?  Yes

**13. CLIENT RISK PROFILE**

- Interaction with client (e.g. face-to-face)
- Client co-operation and behaviour
- Transaction within the client's financial means
- Size of transaction
- Product selection
- Client's geographical location
- Client type (e.g. foreign national, SA citizen)
- Client activities/occupation (source of income/wealth)

		RATE	
		LOW	MEDIUM

**TOTAL RISK**

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**14. ACCEPTANCE AND SIGN-OFF PROCESS**

Accept  Decline

Reason client was accepted or declined:

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**EMPLOYEE WHO COMPLETED THE QUESTIONNAIRE**

Full name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date:

Signature of

Practice

Manager

**FICA COMPLIANCE OFFICER (FOR ALL HIGH-RISK CLIENTS)**

Full name:

Signature:

Date:



**Annexure D – Onboarding Questionnaire Trust**

**1. NEW OR EXISTING TRUST**

New Business Relationship

Existing Client

**2. TRUST DETAILS (establish the identity of the client)**

Trust Name: \_\_\_\_\_  
Trust No. \_\_\_\_\_  
Master's Office: \_\_\_\_\_  
Jurisdiction of Trust: \_\_\_\_\_  
Type of Trust: \_\_\_\_\_  
VAT No.: \_\_\_\_\_  
Physical Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_

**4. TRUSTEES (complete for every Trustee)**

**TRUSTEE 1**

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**TRUSTEE 2**

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**5. RESOLUTION (documentation authorising a person to act for the Trust)**

Yes

No

**6. AUTHORISED SIGNATORY(IES) (establish the identity of the persons authorised to act on behalf of the Trust)**

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**7. FOUNDER**

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**8. BENEFICIARIES (complete for each beneficiary)**

**BENEFICIARY 1**

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**BENEFICIARY 2**

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential Address: \_\_\_\_\_  
Postal Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_

Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

**9. NATURE OR PURPOSE OF THE TRUST (why was the Trust established)**

Provide details about the Trust, its purposes, etc.:

**10. NATURE OF THE BUSINESS RELATIONSHIP (understand the client and explain the purpose and nature of the business relationship with the client)**

Source of Income: \_\_\_\_\_

Source of Wealth: \_\_\_\_\_

Services to be provided to the client: \_\_\_\_\_

Anticipated frequency of transactions \_\_\_\_\_

e.g. once-off, annually, ad-hoc

etc.: \_\_\_\_\_

Expected size of transactions: \_\_\_\_\_

Type of financial products e.g. \_\_\_\_\_

retirement \_\_\_\_\_

annuity, endowment, shares etc.: \_\_\_\_\_

Provide further details below: \_\_\_\_\_

**11. SCREENING**

Does the client's name appear on the UN Green or Black list?  Yes  No

**(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)**

**12. FOREIGN PROMINENT PUBLIC OFFICIAL (FPPO)**

(Complete the questionnaire for Foreign Prominent Public Officials)

Are any of the parties to the Trust FPPO's?  Yes  No

**(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)**

**13. DOMESTIC PROMINENT INFLUENTIAL PERSONS (DPIP)**  
(Complete the questionnaire for Domestic Prominent Influential Persons)

Are any of the parties to the Trust, DPIP's?

Yes

No

**14. CLIENT RISK PROFILE**

**RATE**

Interaction with client (e.g. face-to-face)  
Client co-operation and behaviour  
Transaction within the client's financial means  
Size of transaction  
Product selection  
Client's geographical location  
Client type (e.g. foreign national, SA citizen)  
Client activities/occupation (source of income/wealth)

LOW	MEDIUM	HIGH

**TOTAL RISK**

**15. ACCEPTANCE AND SIGN-OFF PROCESS**

Accept

Decline

Reason client was accepted or declined:

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**EMPLOYEE WHO COMPLETED THE QUESTIONNAIRE**

Full name:

Signature:

Date:

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**FICA COMPLIANCE OFFICER or SENIOR MANAGEMENT (FOR ALL HIGH-**

**RISK CLIENTS)**

Full name:

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Signature:

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Date:

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## Annexure E – Onboarding Questionnaire (Partnership)

### 1. NEW OR EXISTING PARTNERSHIP

New Business  
Relationship

Existing Client

### 2. PARTNERSHIP DETAILS (establish the identity of the client)

Partnership Name: \_\_\_\_\_  
Type of  
Partnership: \_\_\_\_\_  
No. of  
Partners: \_\_\_\_\_  
Physical Address: \_\_\_\_\_  
Postal  
Address: \_\_\_\_\_  
Telephone  
No.: \_\_\_\_\_  
Website: \_\_\_\_\_  
Email  
Address: \_\_\_\_\_

### 3. PARTNERS (complete for every Partner)

#### PARTNER 1

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential  
Address: \_\_\_\_\_  
Postal  
Address: \_\_\_\_\_  
Telephone  
No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email  
Address: \_\_\_\_\_

#### PARTNER 2

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential  
Address: \_\_\_\_\_  
Postal  
Address: \_\_\_\_\_

Telephone  
No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email  
Address: \_\_\_\_\_

**4. RESOLUTION (documentation authorising a person to act for the Partnership)**

Yes

No

**5. AUTHORISED SIGNATORY(IES) (establish the identity of the persons authorised to act on behalf of the Partnership)**

Full Names: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_  
Identity No.: \_\_\_\_\_  
Citizenship: \_\_\_\_\_  
Passport No. (if foreign national): \_\_\_\_\_  
Residential  
Address: \_\_\_\_\_  
Postal  
Address: \_\_\_\_\_  
Telephone  
No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email  
Address: \_\_\_\_\_

**6. NATURE OR PURPOSE OF THE PARTNERSHIP (why was the Partnership established, what is the nature of the business)**

Provide details about the Partnership, its purposes, what it does etc.:

**7. NATURE OF THE BUSINESS RELATIONSHIP (understand the client and explain the purpose and nature of the business relationship with the client)**

Source of Income: \_\_\_\_\_  
 Source of Wealth: \_\_\_\_\_  
 Services to be provided to the client: \_\_\_\_\_  
 Anticipated frequency of transactions e.g. once-off, annually, ad-hoc etc.: \_\_\_\_\_  
 Expected size of transactions: \_\_\_\_\_  
 Type of financial products e.g. retirement annuity, endowment, shares etc.: \_\_\_\_\_  
 Provide further details below: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**8. SCREENING**

Does the client's name appear on the UN Green or Black list?  Yes  No  
**(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)**

**9. FOREIGN PROMINENT PUBLIC OFFICIAL (FPPO)**

(Complete the questionnaire for Foreign Prominent Public Officials)

Are any of the Partners FPPO's?  Yes  No  
**(NB: If the answer to this question is YES, immediately refer this matter to the FICA Compliance Officer)**

**10. DOMESTIC PROMINENT INFLUENTIAL PERSONS (DPIP)**

(Complete the questionnaire for Domestic Prominent Influential Persons)

Are any of the Partners DPIP's?  Yes  No

**11. CLIENT RISK PROFILE**

	RATE		
	LOW	MEDIUM	HIGH
Interaction with client (e.g. face-to-face)			



Client co-operation and  
behaviour  
Transaction within the client's financial  
means  
Size of transaction  
Product selection  
Client's geographical  
location  
Client type (e.g. foreign national, SA  
citizen)  
Client activities/occupation (source of  
income/wealth)


**TOTAL  
RISK**

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**12 ACCEPTANCE AND SIGN-OFF PROCESS**

Accept  Decline

Reason client was accepted or  
declined:

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**EMPLOYEE WHO COMPLETED THE QUESTIONNAIRE**

Full name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

**FICA COMPLIANCE OFFICER or SENIOR MANAGEMENT (FOR ALL HIGH-RISK CLIENTS)**

Full name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

## Annexure F - Transactional Due Diligence Questionnaire

### 1. CLIENT DETAILS

Full Names / Registration Name: \_\_\_\_\_  
Identity/Passport/Registration/Trust/Other No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

### 2. REVIEW QUESTIONS

How many months have passed since the initial Client Take-On Questionnaire was completed?   
**(If longer than 36 months, please complete a new Client Take-on Questionnaire.)**

Has any information changed since the initial Client Take-On Questionnaire was completed?  Yes  No  
**(If YES, please complete a new Client Take-on Questionnaire.)**

When was the last business transaction concluded?

Is the frequency of transactions consistent with your knowledge of the client?  Yes  No  
**(If NO, please complete a new Client Take-on Questionnaire.)**

Is the size of the transaction consistent with your knowledge of the client?  Yes  No  
**(If NO, please complete a new Client Take-on Questionnaire.)**

Is the transaction complex, unusual or unusually large or without any apparent business or lawful purposes?  Yes  No  
**(If YES, please complete a new Client Take-on Questionnaire and refer to the FICA Compliance Officer or Senior Manager.)**

Are there any behavioral risk indicators present?  Yes  No  
**(If YES, please complete a new Client Take-on Questionnaire.)**

Has there been any material change in the way in which you  Yes  No

interact with your client, e.g. instruction channeled through a third-party or non-face-to-face vs face-to-face etc.?

**(If YES, please complete a new Client Take-on Questionnaire.)**

Since the last interaction, has there been any change to the client's status as an FPPO or DPIIP?  Yes  No

**(If YES, please complete a new Client Take-on Questionnaire.)**

### 3. SIGN-OFF PROCESS

Provide additional details / reasons for proceeding with the transaction:

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#### **FICA COMPLIANCE OFFICER or SENIOR MANAGEMENT (FOR ALL HIGH-RISK CLIENTS)**

Full name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

## Annexure G – Ongoing Due Diligence Questionnaire

### 1. CLIENT DETAILS

Full Names / Registration Name: \_\_\_\_\_  
Identity/Passport/Registration/Trust/Other No.: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone No.: \_\_\_\_\_  
Mobile No.: \_\_\_\_\_  
Email Address: \_\_\_\_\_

### 2. ONGOING DUE DILIGENCE

What was your client's risk profile?  Low  Medium  High

When was the last Ongoing Due Diligence Questionnaire completed?

12Months  36 Months  60Months  >60 Months

***(If longer than 36 months, please complete a new Client Take-on Questionnaire.)***

Was the time-frame for completing the Ongoing DD consistent with your RMCP and the client's risk profile?  Yes  No

If NO, please provide reasons:

***(Complete a new Client Take-On Questionnaire)***

Have you verified the client's information against the information on record?  Yes  No

***(If NO, please do so before continuing with this Questionnaire.)***

Has any of the client's circumstances or information changed since the last Questionnaire?  Yes  No

***(If YES, please complete a new Client Take-on Questionnaire.)***

Has the client completed more than 1 transaction during the business relationship?  Yes  No

If YES, were the transactions conducted consistent with your knowledge of the client, the client's business, etc.?  Yes  No

If NO, were any transactions complex, unusual or unusually large or without any apparent business or lawful purposes?  
**(If YES, please complete a new Client Take-on Questionnaire)**

Yes

No

If YES, were the source of funds / income easily identifiable and traceable?

Yes

No

If NO, are there grounds to report a suspicion of money laundering or terrorist financing?  
**(Immediately refer the matter to the FICA Compliance Officer)**

Yes

No

### 3. SIGN-OFF PROCESS

Provide additional details / reasons for proceeding with the business relationship:

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#### **FICA COMPLIANCE OFFICER or SENIOR MANAGEMENT (FOR ALL CLIENTS)**

Full name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

### Annexure H – Domestic Prominent Influential Persons Questionnaire

Client Name:

\_\_\_\_\_

Identity Number:

\_\_\_\_\_

<b>Domestic prominent influential person</b>		
	<b>YES</b>	<b>NO</b>
<i>Does the client hold, including in an acting position for a period exceeding 6 months, or has held at any time in the last 12 months, in the Republic one of the following? (Inclusive of close family members or close associates)</i>		
A prominent public function (including that of):		
The President or Deputy President		
A Government Minister or Deputy Minister		
The Premier of a Province		
A member of the Executive Council of a Province		
An executive mayor of a municipality elected in terms of the Local Government: Municipal Structures Act, 1998		
A leader of a political party registered in terms of the Electoral Commission Act, 1996		
A member of a royal family or senior traditional leader as defined in the Traditional Leadership and Governance Framework Act, 2003		
The head, accounting officer or chief financial officer of a national or provincial department or government component, as defined in section 1 of the Public Service Act, 1994		
The municipal manager of a municipality appointed in terms of section 54A of the Local Government: Municipal Systems Act, 2000, or a chief financial officer designated in terms of section 80(2) of the Municipal Finance Management Act, 2003		
The chairperson of the controlling body, the chief executive officer, or a natural person who is the accounting authority, the chief financial officer or the chief investment officer of a public entity listed in Schedule 2 or 3 to the Public Finance Management Act, 1999		
The chairperson of the controlling body, chief executive officer, chief financial officer or chief investment officer of a municipal entity as defined in section 1 of the Local Government: Municipal Systems Act, 2000		

<b>Domestic prominent influential person</b>		
A constitutional court judge or any other judge as defined in section 1 of the Judges' Remuneration and Conditions of Employment Act, 2001		
An ambassador or high commissioner or other senior representative of a foreign government based in the Republic; or		
An officer of the South African National Defence Force above the rank of major-general		
Any of the following positions of a company, as defined in Companies Act, 2008, if the company provides goods or services to an organ of state and the annual transactional value of the goods or services or both exceeds an amount determined by the Minister by notice in the Gazette:	<b>YES</b>	<b>NO</b>
Chairperson of the board of directors		
Chairperson of the audit committee		
Executive officer		
Chief financial officer		
The position of head, or other executive directly accountable to that head, of an international organisation based in the Republic.		

**SENIOR MANAGEMENT / FICA COMPLIANCE OFFICER**

Additional comments:

Full  
Names: \_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

**Annexure I – Foreign Prominent Public Officials Questionnaire**

Client Name:

\_\_\_\_\_

—

Identity Number:

\_\_\_\_\_

—

<b>Foreign Prominent Public Official</b>		
<i>Is the client (currently or within the last 12 months) one of the following or a close family member or closely associated with one of the following:</i>	<b>YES</b>	<b>NO</b>
Head of State, Head of Country or Government		
Member of a foreign royal family		
Government Minister or equivalent senior politician or leader of a political party		
Senior judicial officer		
Senior executive of a state-owned corporation		
High ranking member of the military		

SENIOR MANAGEMENT / FICA COMPLIANCE OFFICER

Additional comments:

\_\_\_\_\_



Has the client been approved?

Yes

No

Full

Names:

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Signature: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

### **Annexure J – Indicators of Suspicious and Unusual Transactions**

Indicators of Suspicious and Unusual Business:

- *The client makes deposits of funds with a request for their immediate transfer elsewhere;*
- *Unwarranted and unexplained international transfers;*
- *The payment of commission or fees that appear excessive in relation to those normally payable;*
- *Lack of concern about high commissions, fees, penalties etc. incurred as a result of a particular type or method of transaction;*
- *Transactions do not appear to be in keeping with normal industry practices;*
- *Purchase of commodities at prices significantly above or below market prices;*
- *Unnecessarily complex transactions;*
- *Unwarranted involvement of structures such as trusts and corporate vehicles in transactions;*

- *A transaction seems to be unusually large or otherwise inconsistent with the customer's financial standing or usual pattern of activities;*
- *Buying or selling securities with no apparent concern for making profit or avoiding loss;*
- *Unwarranted desire to involve entities in foreign jurisdictions in transactions;*
- *A client attempts to convince employee not to complete any documentation required for the transaction;*
- *A client makes inquiries that would indicate a desire to avoid reporting;*
- *A client has unusual knowledge of the law in relation to suspicious transaction reporting;*
- *A client seems very conversant with money laundering or terrorist activity financing issues;*
- *A client is quick to volunteer that funds are clean or not being laundered.*

Indicators in terms of Client Identification:

- *The use of seemingly false identity in connection with any transaction, including the use of aliases and a variety of similar but different addresses and, in particular, the opening or operating of a false name account;*
- *Opening accounts using false or fictitious documents;*
- *A client provides doubtful or vague identification information;*
- *A client refuses to produce personal identification documents;*
- *A client changes a transaction after learning that he must provide a form of identification;*
- *A client only submits copies of personal identification documents;*
- *A client wants to establish identity using something other than his or her personal identification documents;*
- *A client's supporting documentation lacks important details such as contact particulars;*
- *Client does not want correspondence sent to his/her home address.*
- *A client inordinately delays presenting corporate documents; or*
- *All identification presented by the client is foreign or cannot be checked for some reason.*

General Indicators of Suspicious Behaviour:

- *A client provides insufficient, vague or suspicious information concerning a transaction;*
- *Accounts that show unexpectedly large cash deposits and immediate withdrawals;*

- *A frequent exchange of small denomination notes for large denomination notes;*
- *Client appears to have accounts with several financial institutions without no apparent reason;*
- *Involvement of significant amounts of cash in circumstances that's difficult to explain.*

**Annexure K– Client Verification Checklist for Natural persons (South African  
Citizens / Residents)**

<b>Information Required</b>	<b>Simplified</b>	<b>Standard</b>	<b>Enhanced</b>
Full Names	Copy of Identity document	Identity document	Original Identity Document or certified copy (not older than 3 months)
Date of Birth	Copy of Identity document	Identity document	Original Identity Document or certified copy (not older than 3 months)
Identity Number	Copy of Identity document	Identity document	Original Identity Document or certified copy (not older than 3 months)
Residential Address	Copy of a utility or other account bearing the name of the natural person and reflecting the physical address where a service is being rendered.	<p>A utility or other account bearing the name of the natural person and reflecting the physical address where a service is being rendered.</p> <p>A recent lease/rental agreement; Mortgage statement from a bank; Municipal rates and taxes; Telkom account; A Short-term insurance schedule reflecting the risk address.</p> <p><b><i>If none of these documents are available:</i></b> A staff member may complete a certification of physical address report. The client can make a sworn affidavit regarding his/her physical address.</p> <p><b><i>Documentation MUST be less than 3 months' old.</i></b></p>	<p>A utility or other account bearing the name of the natural person and reflecting the physical address where a service is being rendered.</p> <p>A recent lease/rental agreement; Mortgage statement from a bank; Municipal rates and taxes; Telkom account; A Short-term insurance schedule reflecting the risk address.</p> <p><b><i>Documentation MUST be less than 3 months' old.</i></b></p>

Income Tax Registration number	Not required	A copy of an official SARS document reflecting the natural persons' name and income tax number.	Any official SARS document reflecting the natural persons' name and income tax number.
Other information that may be obtained to "Know Your Client" better	Not required	N/A	Biometric information, place of birth, family circumstances, place of employment or business, business address, contact details (including social media), contacts with authorities or other accountable institutions.

**Annexure L – Client Verification Checklist for SA Legal Person (Close Corporations & Companies)**

<b>Information Required</b>	<b>Simplified</b>	<b>Standard</b>	<b>Enhanced</b>
Registered name of the Company or Close Corporation	Copy of most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)	Most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)	Most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)
Registration number under which the Company or CC is incorporated	Copy of most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)	Most recent version of the CM1 or CK1 or applicable CoR forms (Certificate of Incorporation)	Most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)
Name ( <i>Trading</i> ) under which Company or Close Corporation conducts business	Copy of most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)	An Account bearing the name of the Company or Close Corporation	An original or certified copy of an account bearing the name of the Company or Close Corporation
Registered address of the Company or Close Corporation	Copy of most recent version of the CM22 or CK2 or applicable CoR Forms (Notice of Registered Office and Postal Address)	Most recent version of the CM22 or CK2 or applicable CoR Forms (Notice of Registered Office and Postal Address) and one of the following (not required for Public Listed Companies):  A utility or other account bearing the name of the Company or CC reflecting the physical address where a service is being rendered. A recent lease/rental agreement; Municipal rates and taxes; Telkom account; A Short-term insurance schedule reflecting the risk address.	Certified copy of the most recent version of the CM22 or CK2 or applicable CoR Forms (Notice of Registered Office and Postal Address) and a certified copy of one of the following (not required for Public Listed Companies): A utility or other account bearing the name of the Company or CC reflecting the physical address where a service is being rendered. A recent lease/rental agreement; Municipal rates and taxes; Telkom account; A Short-term insurance schedule reflecting the risk address.

Information Required	Simplified	Standard	Enhanced
		<b>Documentation must be less than 3 months' old.</b>	<b>Documentation must be less than 3 months' old.</b>
Address from which the Close Corporation or Company operates, or if it operates from multiple addresses the address of the office seeking to establish a business relationship or single transaction and the address of its head office.	Completed Questionnaire	Any one of the following documents reflecting the client's name and residential address where the business operates from:  A recent lease/rental agreement; Municipal rates and taxes; Telkom account; A Short-term insurance schedule reflecting the risk address. <b>Documentation must be less than 3 months' old.</b>	An original or certified copy of any one of the following documents reflecting the client's name and residential address where the business operates from:  A recent lease/rental agreement; Municipal rates and taxes; Telkom account; A Short-term insurance schedule reflecting the risk address. <b>Documentation must be less than 3 months' old.</b>
Income Tax and VAT Registration Number of the Close Corporation or Company.	Completed Questionnaire	Any official document reflecting client's income tax and VAT number.	A certified copy of an official document reflecting client's income tax and VAT number.
Beneficial Owner(s)	Copy of most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)	Most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)	Original or certified copy of the most recent version of the CM1 or CK1 or applicable CoR Forms (Certificate of Incorporation)CIPC SearchOrganogram
<b>Obtain the following for:</b> <b>The manager of the close corporate or company</b> <b>Each natural person holding more than 25% of the shares/membership interest and/or voting rights</b> <b>Each natural person identified as the beneficial owner of the close corporation or company</b> <b>Each natural person authorised to act on behalf of the company (e.g. directors) or close corporation</b>			
Full Names:	Identity Document if SA Citizen or Passport if Foreign National	Identity Document if SA Citizen or Passport if Foreign National	Original or Certified copy of Identity Document if SA Citizen or Passport if Foreign National
Date of Birth:			
Identity No.:			
Passport No. (if foreign national):			
Citizenship:			

Information Required	Simplified	Standard	Enhanced
Country of Residence:			
Residential Address:	Do not need to verify address but provide if readily available.	<p>A utility or other account bearing the name of the natural person and reflecting the residential address.</p> <p>A recent lease/rental agreement Mortgage statement from a bank Municipal rates and taxes Telkom account Short-term Insurance Schedule reflecting the risk address</p> <p>If none of these documents are available: A staff member may complete a certification of physical address report</p> <p>The person can make a sworn affidavit regarding his/her physical address</p> <p><b>Documentation must be less than 3 months' old</b></p>	<p>An original or certified copy of a utility or other account bearing the name of the natural person and reflecting the residential address.</p> <p>A recent lease/rental agreement Mortgage statement from a bank Municipal rates and taxes Telkom account Short-term Insurance Schedule reflecting the risk address</p> <p><b>Documentation must be less than 3 months' old</b></p>
For each Natural Person who has been authorised to establish a business relationship or enter into a single transaction on behalf of the entity	Resolution or Mandate confirming such authorisation or appointment	Resolution or Mandate confirming such authorisation or appointment	Original or Certified copy of Resolution or Mandate confirming such authorisation or appointment



**Annexure M – Client Verification Checklist for a Partnership**

<b>Information Required</b>	<b>Simplified</b>	<b>Standard</b>	<b>Enhanced</b>
Name of Partnership	Copy of Partnership Agreement or Written Agreement by all Partners confirming that there is no Partnership Agreement.	Copy Partnership Agreement or Written Agreement by all Partners confirming that there is no Partnership Agreement.	Original or Certified copy of Partnership Agreement or Written Agreement by all Partners confirming that there is no Partnership Agreement.
<p><b>Obtain the following for:</b></p> <ul style="list-style-type: none"> <li>• <b>Every Partner in the Partnership including Partnership En Commandite, anonymous Partnerships or any similar Partnership;</b></li> <li>• <b>Every Person who exercises executive control over the Partnership; and</b></li> <li>• <b>Each Natural Person who is authorised to establish a business relationship or single transaction on behalf of the Partnership.</b></li> </ul>			
Full Names:	Copy of Identity Document if SA Citizen or Passport if Foreign National	Copy of Identity Document if SA Citizen or Passport if Foreign National	Original or Certified copy of Identity Document if SA Citizen or Passport if Foreign National
Date of Birth:			
Identity No.:			
Passport No. (if foreign national):			
Citizenship:			
Country of Residence:			
Residential Address:	Do not need to verify address but provide if readily available.	<p>Copy of a utility or other account bearing the name of the natural person and reflecting the residential address.</p> <p>A recent lease/rental agreement</p> <p>Mortgage statement from a bank</p> <p>Municipal rates and taxes</p> <p>Telkom account</p> <p>Short-term Insurance Schedule reflecting the risk address</p> <p>If none of these documents are available:</p>	<p>An original or certified copy of a utility or other account bearing the name of the natural person and reflecting the residential address.</p> <p>A recent lease/rental agreement</p> <p>Mortgage statement from a bank</p> <p>Municipal rates and taxes</p> <p>Telkom account</p> <p>Short-term Insurance Schedule reflecting the risk address</p>

Information Required	Simplified	Standard	Enhanced
		<p>A staff member may complete a certification of physical address report</p> <p>The person can make a sworn affidavit regarding his/her physical address</p> <p><b>Documentation must be less than 3 months' old</b></p>	<p><b>Documentation must be less than 3 months' old</b></p>
For each Natural Person who exercises executive control over the Partnership or has been authorised to establish a business relationship or enter into a single transaction on behalf of the Partnership	Resolution or Mandate confirming such authorisation or appointment	Resolution or Mandate confirming such authorisation or appointment	Original or Certified copy of Resolution or Mandate confirming such authorisation or appointment
The notion of control over the Partnership and the benefit derived from the Partnership		Partnership Agreement	Original or Certified copy of Partnership Agreement

#### Annexure N – Client Verification Checklist for a Trust

Information Required	Simplified	Standard	Enhanced
Name and number of Trust	Copy of the Trust Deed	Copy of the Trust Deed	Original or Certified copy of Trust Deed
Name of Trustees	Copy of the Letter of Authority given by the Master of the High Court (or other documentation depending on the jurisdiction of the Trust) and confirmation of any subsequent changes	Copy of the Letter of Authority given by the Master of the High Court (or other documentation depending on the jurisdiction of the Trust) and confirmation of any subsequent changes	Original or Certified copy of the Letter of Authority given by the Master of the High Court (or other documentation depending on the jurisdiction of the Trust) and confirmation of any subsequent changes

<b>Information Required</b>	<b>Simplified</b>	<b>Standard</b>	<b>Enhanced</b>
Address of the Master of the High Court (or other information applicable to the jurisdiction of the Trust) where the Trust is registered	Copy of the Letter of Authority given by the Master of the High Court (or other documentation depending on the jurisdiction of the Trust) and confirmation of any subsequent changes	Copy of the Letter of Authority given by the Master of the High Court (or other documentation depending on the jurisdiction of the Trust) and confirmation of any subsequent changes	Original or Certified copy of the Letter of Authority given by the Master of the High Court (or other documentation depending on the jurisdiction of the Trust) and confirmation of any subsequent changes
Particulars of the Founder and Beneficiaries (including how the Beneficiaries are determined)	Copy of the Trust Deed	Copy of the Trust Deed	Trust Deed
<p><b>Obtain the following for:</b>  <b>Each Trustee</b>  <b>Each natural person who is authorised to establish a business relationship or enter into a single transaction on behalf of the Trust</b>  <b>The Founder</b>  <b>Each Beneficiary of the Trust referred to by name in the Trust Deed or Particulars of how the Beneficiaries are determined</b></p>			
Full Names:	Copy of the Identity Document if SA Citizen or Passport if Foreign National	Copy of the Identity Document if SA Citizen or Passport if Foreign National	Original or Certified copy of Identity Document if SA Citizen or Passport if Foreign National
Date of Birth:			
Identity No.:			
Passport No. (if foreign national):			
Citizenship:			
Country of Residence:			
Residential Address and Contact Particulars:	Do not need to verify address but provide if readily available.	<p>Copy of a utility or other account bearing the name of the natural person and reflecting the residential address.</p> <p>A recent lease/rental agreement Mortgage statement from a bank Municipal rates and taxes Telkom account Short-term Insurance Schedule reflecting</p>	<p>An original or certified copy of a utility or other account bearing the name of the natural person and reflecting the residential address.</p> <p>A recent lease/rental agreement Mortgage statement from a bank Municipal rates and taxes Telkom account Short-term Insurance Schedule reflecting</p>

Information Required	Simplified	Standard	Enhanced
		<p>the risk address</p> <p>If none of these documents are available: A staff member may complete a certification of physical address report The person can make a sworn affidavit regarding his/her physical address</p> <p><b>Documentation must be less than 3 months' old</b></p>	<p>the risk address</p> <p><b>Documentation must be less than 3 months' old</b></p>
<p>To establish who has been authorised to establish a business relationship or enter into a single transaction on behalf of the Trust</p>	<p>Resolution or Mandate confirming such authorisation or appointment</p>	<p>Resolution or Mandate confirming such authorisation or appointment</p>	<p>Original or Certified copy of Resolution or Mandate confirming such authorisation or appointment</p>

## Annexure O: Glossary

### Abbreviations

AI	Accountable Institution
AML	Anti Money Laundering
BN	Board Notice
CDD	Customer Due Diligence
CFT	Combating the Financing of Terrorism
CTR	Cash Threshold Report
DPIP	Domestic Prominent Influential Person
FIC	Financial Intelligence Centre
FPPO	Foreign Prominent Public Officials
FSCA	Financial Sector Conduct Authority
goAML	An integrated software solution developed for use by Financial Intelligence Units
ML	Money Laundering
MLTFC	Money Laundering and Terrorist Financing Control Regulations
RMCP	Risk Management and Compliance Programme
STR	Suspicious and Unusual Transactions
TF	Terrorist Financing
UN	United Nations
UNSC	United Nations Security Council

### Legislation

FAIS	Financial and Intermediary Services Act, 37 of 2004
FICA	Financial Intelligence Centre Act, 38 of 2001
POCA	Prevention of Organised Crime Act, 121 of 1998
POCDATARA	Protection of Constitutional Democracy Against Terrorism and Related Activities, 33 of 2004
LPA	Legal Practice act 28 of 2014