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**RISK MANAGEMENT AND COMPLIANCE  
PROGRAMME**

**IN TERMS OF SECTION 42 OF THE FINANCIAL  
INTELLIGENCE CENTRE ACT, NO 38 OF 2001**

**FOR**

**NATIONAL REAL ESTATE PROPRIETARY LIMITED**

**("BUSINESS")**

Re-assessed on 30 June 2022 according to priority action (j) of The Financial Action Task Force (FATF) mutual evaluation report of South Africa published on 7 October 2021

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## 1 DEFINITIONS

1.1 In this RMCP, the following words and expressions bear the meanings ascribed to them –

1.1.1 "**Accountable Institution**" means any of the entities listed under paragraph 22;

1.1.2 "**Business**" means the estate agency business to which this RMCP applies, as indicated on the covering page hereof;

1.1.3 "**Business Relationship**" means an arrangement between the Business and a Client that contemplates a series of Transactions over a period of time;

1.1.4 "**Cash**" means paper money, coins or traveller's cheques;

1.1.5 "**CDD**" means the customer due diligence referred to in section 21 of FICA, which must be conducted in accordance with the procedures set out in paragraph 8, ***only if*** the abbreviated CDD procedures set out in paragraph 7 ***do not*** apply;

1.1.6 "**Client**" means a person who has mandated the Business, where –

1.1.6.1 such person or its Counter-Party is likely, in the discretion of the Risk Officer, to transfer Value to the Business; or

1.1.6.2 such person or its Counter-Party has firmly indicated that it would like or is ready to transfer Value to the Business in giving effect to a single Transaction or a Business Relationship,

and in any given situation, the determination of who the Client is must be made in accordance to the principles articulated in the general notes at the end of each table in paragraph 8;

1.1.7 "**Counter-Party**" includes –

1.1.7.1 a purchaser in a sale agreement in respect of which the Client is the seller, and *vice versa*; and

1.1.7.2 a lessee in a lease agreement in respect of which the Client is the lessor, and *vice versa*; and

1.1.7.3 any other counter-party in an agreement to which the Client is a party;

1.1.8 "**DPIP**" means a domestic prominent influential person, being any person, or immediate family member or known close associate of a person, listed under paragraph 21;

1.1.9 "**Employee**" means any estate agent acting as such within the Business (whether as a director, shareholder, member, manager, employee, or contractor), or any other Client-facing staff member of the Business, even if said staff member is not an estate agent;

- 1.1.10 **"FATF"** means the Financial Action Task Force (of which South Africa is a member), an international standard-setting body dedicated to combatting MLFT, and headquartered in Paris, France;
- 1.1.11 **"FATF Member State"** means any country listed under paragraph 19;
- 1.1.12 **"FIC"** means the Financial Intelligence Centre, a juristic person created under chapter 2 of FICA;
- 1.1.13 **"FICA"** means the Financial Intelligence Centre Act, No 38 of 2001, as amended from time to time;
- 1.1.14 **"FPPO"** means a foreign prominent public official, being a person, or immediate family member or known close associate of a person, who occupies, or within the past 12 (twelve) months occupied, any of the positions listed under paragraph 20, in a country other than South Africa;
- 1.1.15 **"Governmental Authority"** means any public authority, and includes (without limitation) –
- 1.1.15.1 the South African Revenue Service; and
- 1.1.15.2 the Commission for Intellectual Property and Companies; and
- 1.1.15.3 any organ of state;
- 1.1.16 **"ID"** means any document issued by a Governmental Authority that describes and identifies a natural person by his or her personal attributes, and which attributes must at least include his or her (i) forename and middle name (or initials), (ii) surname, (iii) unique identifying number, (iv) date of birth, and (vi) facial image. ID includes any of the following –
- 1.1.16.1 green, bar-coded South African identity document;
- 1.1.16.2 South African identity card;
- 1.1.16.3 South African passport;
- 1.1.16.4 South African driver's licence; and
- 1.1.16.5 foreign passport;
- 1.1.17 **"Implementation Date"** means the date on which estate agents must be fully compliant with FICA, following the amendments thereto mentioned in paragraph 2.2;
- 1.1.18 **"Legacy Client"** is any person who had a business relationship with the Business before the Implementation Date, and in respect of whom the Business already has

customer due diligence information as at the Implementation Date, albeit in terms of the FICA dispensation that applied prior to this RMCP becoming effective;

- 1.1.19 **"List 1267"** means a list published at the URL [http://www.un.org/sc/suborg/en/sanctions/1267/aq\\_sanctions\\_list](http://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list), on which list appear persons and entities that are under financial sanctions pursuant to resolution 1267 of the United Nations Security Council, and which list is amended from time to time;
- 1.1.20 **"MLFT"** means money laundering and the financing of terrorism, where "money laundering" refers to any practice through which the proceeds of crime are dealt with so as to obscure their illegal origins;
- 1.1.21 **"NRE"** means National Real Estate (Pty) Ltd
- 1.1.22 **"POCDATARA"** means the Protection of Constitutional Democracy Against Terrorism and Related Activities Act, No 33 of 2004, as amended from time to time;
- 1.1.23 **"Principal"** means, for purposes of the Questionnaire, the party on behalf of whom a Client is authorised to complete the Questionnaire and deal with the Business;
- 1.1.24 **"Prospective Client"** means a person who approaches the Business to enlist the Business' services, but that person or its Counter-Party –
- 1.1.24.1 is not yet likely, in the discretion of the Risk Officer, to transfer any Value to the Business; or
- 1.1.24.2 has not yet firmly indicated that it would like or is ready to transfer Value to the Business;
- 1.1.25 **"Questionnaire"** means the list of questions posed to a Client or Prospective Client, in the format set out in paragraph 23, and in fulfilment of the CDD obligations imposed by FICA and this RMCP;
- 1.1.26 **"Representative"** means, for purposes of the Questionnaire, the person who is authorised to complete the Questionnaire and deal with the Business on behalf of the Client;
- 1.1.27 **"Risk Officer"** means –
- 1.1.27.1 **Roelof Dednam** (the person within the Business charged with overseeing compliance with FICA and this RMCP); or
- 1.1.27.2 in his absence, **Delmarie Reynolds** (the person to whom responsibilities have been delegated); or
- 1.1.27.3 in her absence, any Director of the Business;

- 1.1.28 **"RMCP"** means the risk management and compliance programme contained in this document, which has been designed in response to the Business' obligations under section 42 of FICA;
- 1.1.29 **"Secondary Accountable Institution"** shall bear the meaning ascribed to it in paragraph 7.1.1.1;
- 1.1.30 **"Suspicious transaction" or unusual transaction can be any activity / transaction:**
- 1.1.30.1 which is out of the norm;
  - 1.1.30.2 not according to procedures;
  - 1.1.30.3 where strange requests are being made;
  - 1.1.30.4 excessively high or that does not make sense;
  - 1.1.30.5 which is strange;
  - 1.1.30.6 which promotes tax evasion.
- 1.1.31 **"Terrorist Activities"** means any of the offences specified in POCDATARA, all of which relate to terrorism;
- 1.1.32 **"Transaction"** means a transaction between the Business and the Client under which Value will be transferred between the Business on one hand, and the Client, its Principal or its Representative, its Counter-Party or any other person for the Client's account on the other hand; and
- 1.1.33 **"Value"** means any form of economic benefit worth R5 000.00 (five thousand rand) or more. **[Note: this R5 000.00 threshold is completely distinct from, and is not to be confused with the R25 000.00 Cash Transaction reporting threshold mentioned under paragraph 15.1.5. These two thresholds fulfil entirely different purposes: the R5 000.00 threshold is decisive of whether a particular arrangement amounts to a Transaction or not, and whether the person involved in that arrangement with the Business is a Client who must be subjected to the CDD procedures under paragraph 8 of the RMCP; the R25 000.00 threshold is decisive of whether a particular Cash Transaction is reportable to the FIC or not.]**
- 1.2 In this RMCP –
- 1.2.1 whenever a duty is imposed on the Business in the context of a given single Transaction or a Business Relationship, then that same duty must be read as applying in equal measure to the Employee responsible for that single Transaction or Business Relationship, and *vice versa*;
  - 1.2.2 whenever a document is required to be certified, it must have been certified –
    - 1.2.2.1 no longer than 3 (months) before its initial presentation to the Business; and
    - 1.2.2.2 by a Commissioner of Oaths in South Africa, where "Commissioner of Oaths" includes (without limitation) an attorney or any other person who is legally entitled to certify copies as true copies of an original document; and

- 1.2.3 any reference to a "person" denotes, depending on the context, a natural person, legal person or trust.

## **2 THE PURPOSE OF FICA AND THIS RMCP**

- 2.1 The purpose of FICA is to root out MLFT, which places in jeopardy the economy and constitutional order of any country. FICA seeks to fulfil this purpose by imposing certain obligations on Accountable Institutions, which are recognised as potential vehicles for financial malfeasance. These obligations regulate the manner in which Accountable Institutions handle money and property in the course of their business dealings with Clients and Prospective Clients. Estate agents (and thus, the Business) are one of 16 (sixteen) categories of Accountable Institution falling within the ambit of FICA.
- 2.2 Arguably, the Business' chief obligation under FICA is to design and implement this RMCP, which is a document setting out how the Business will (a) collect information about Clients, (b) keep records of its Clients' Transactions, and (c) report information to the relevant authorities in certain circumstances, (a) to (c) being crucial to FICA's efficacy. The RMCP is the successor to what were known as the "internal rules" before FICA was amended by the Financial Intelligence Centre Amendment Act, No 1 of 2017.
- 2.3 Underpinning the RMCP is the "risk-based approach", in terms of which an Accountable Institution is afforded the discretion to evaluate whether, and the extent to which, each of its Clients introduces MLFT risk to the Business. The CDD procedures followed in respect of a given Client must be tailored to and commensurate with that Client's MLFT risk as assessed by the Accountable Institution in terms of its own RMCP.
- 2.4 The RMCP and, indeed, FICA itself, exist within the wider context of –
- 2.4.1 South Africa's status as an FATF Member State; and
- 2.4.2 the Business' own commitment to playing its part in protecting South Africa's financial system and constitutional democracy, by effectively identifying and managing the MLFT risks to which the Business is exposed, and by co-operating with the relevant authorities whenever this is called for.

## **3 RESPONSIBILITY FOR RMCP**

- 3.1 It is the responsibility of the Risk Officer –
- 3.1.1 to see to it that all Employees are properly sensitised, through appropriate training and instructional material, to their FICA duties in general, and to their duties under this RMCP in particular; and
- 3.1.2 to publish this RMCP in such a manner that all Employees are alerted as to its existence, and can access it freely and with ease; and

- 3.1.3 to ensure that all Employees sign an acknowledgement conforming to the format set out in paragraph 18; and
- 3.1.4 to use List 1267 (as updated from time to time) to screen all Prospective Clients before they are on-boarded, and to check the names of all existing Clients against List 1267 every **SIX MONTHS or whenever the UNSC adopts new TFS measures or expand existing ones**, thereafter acting under paragraphs 15 and 16 if necessary; and
- 3.1.5 to see to the Business' effective implementation of this RMCP.
- 3.2 The Risk Officer's responsibilities regarding the RMCP and FICA extend to all branches and subsidiaries of the Business. The Risk Officer may delegate\* its responsibilities to a suitable person or persons located in a –
- 3.2.1 branch of the Business, in accordance with the Business' internal protocols; or
- 3.2.2 subsidiary of the Business, in accordance with whatever instrument governs the Business' influence or control over the subsidiary; or
- but remains ultimately responsible for the branches' and subsidiaries' RMCP and FICA compliance.

\* These responsibilities have been delegated to **Delmarie Reynolds**

#### **4 LEGAL STATUS AND REVIEW OF RMCP**

- 4.1 This RMCP is legally binding on all Employees, and any non-compliance therewith is to be regarded by the Business as serious misconduct.
- 4.2 The Business must review this RMCP at least every 5 (five) years or whenever there are changes to the legislation.
- 4.3 Notwithstanding the 5-year (five-year) interval mentioned in paragraph 4.2, if, in the Risk Officer's discretion, there is a change in the circumstances of the Business that warrants a review of the RMCP in-between 5-year (five-year) intervals –
- 4.3.1 the Risk Officer may effect such amendments to the RMCP as are appropriate in light of the changed circumstances; and
- 4.3.2 the 5-year (five-year) period shall begin to run anew from the date on which the amendments were effected by the Risk Officer.

<p><b>This RMCP has been re-assessed on 30 June 2022 according to priority action (j) of The Financial Action Task Force (FATF) mutual evaluation report of South Africa published on 7 October 2021</b></p>
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## 5 THE BUSINESS' APPROACH TO RISK

### Summary of money laundering risk factors for estate agencies

Money laundering risk factor	Likelihood	Consequence	Overall risk rating	Priority
Products and services – renting/sales, price and nature of properties, use of properties	4	4	21	1
Risk/threats associated with clients – FPPOs and DPIP's, source of funds, complex structures	3	5	22	1
Risk/threat associated with geographical area – sales to clients outside geographic area, sales to clients in restricted area, price and nature of properties in a specific area	3	4	18	2
Transactions - use of cash, nature and size of transaction, frequency of transactions	4	4	21	1
Distribution channels – online platforms, auctions, use of third parties	5	3	20	1

### Overall money laundering risk for estate agents – Rating heat map

Likelihood scale (probability)	5 Almost certain likelihood/probability	11	16	20 Distribution channels	23	25
	4 Highly probable likelihood	7	12	17	21 Products/services/transactions (e.g. cash)	24
	3 Possible likelihood	4	8	13	18 Geographic risk	22 Clients risks
	2 Unlikely probability	3	5	9	14	19
	1 Improbable likelihood	1	2	6	10	15
		1 Low impact	2 Minor impact	3 Moderate impact	4 Major impact Significant	5 Severe impact
Consequence scale (impact)						

### How do NRE intend to monitor, mitigate and manage these better understood ML/TF risks through business processes and controls and compliance preventive measures in terms of the FIC Act?

The below Risk matrix have been integrated into our Docuware platform where client FICA requirements are managed and the Risk rating is populated by the system which escalates high risk clients to the Risk Officer via automated workflows.

No client application can be processed without this FICA process being completed first and the process can be followed independently again for future ongoing due diligence of clients.

The link to the FIC website for Sanction list verification has also been incorporated as a requirement in this FICA workflow process..

## 5.1 Risk Identification:

Risk identification - Evaluate the following:

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

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

## 5.2 Risk assessment:

### Adverse Information Screening

Adverse information checks is a very important part of Customer Due Diligence. This kind of information includes news of involvement in fraud, money laundering, terrorism financing, human rights abuse, narcotics dealing, and tax evasion. Adverse Media includes negative and bad information about customers, businesses, or brands. Adverse Media Screening allows the company to identify and protect our customers and partners from risks. Employees and the Risk Officer need to remain alert of what is in the local news and share information between each other when they think it might influence our risk.

The Business' main approach is to seek to quantify the metrics used to measure risk according to the below Risk Matrix. The employee dealing with a client determines for each of the 5 columns below how high risk rating should be given from 1 to 6. The overall rating is then used to determine the overall Risk as a high risk or low risk client.

### Risk matrix

- High Risk (16-30), Low Risk (1-15)
- Risk rate at onboarding and ongoing due diligence stages

Client type		Product type		Jurisdiction		Delivery channel		Occupation		Overall rating
Natural Person	1	Property purchase cash	6	Iran	6	Non face to face	6	Unemployed	6	25 – High risk
Complex legal entity	3	Rental fixed	1	South Africa	3	Face to face	1	Technology company	2	10 – Low Risk

See below guidance for risk rating allocation:

Client Type	Product Type	Jurisdiction	Delivery Channel	Occupation
RSA Individual	1 Auction Purchase EFT/Finance	1 South Africa	1 Face to face	1 Full-Time Employee with Basic salary
Sole Proprietorship	1 Property Purchase EFT/Finance	1 Iran - FATF Blacklist	6 Non face to face - ID Certified	2 Full-Time Employee on commission basis
South African Public Company	1 Insurance	1 Albania - OECD Greylist	5 Non face to face - ID Confirmed with online tool	3 Low Risk Industry
Multiple RSA Individuals	2 Rental Fixed	1 Barbados - OECD Greylist	5 Non face to face - ID Confirmed with stored ID from previous interaction	4 Fixed Term Employment Contract
Close Corporation	2 Utilities	1 Botswana - OECD Greylist	5 Non face to face	6 Apprentice and trainee
Non-profit Organisation	2 Valuation EFT/Financed	1 Burkina Faso - OECD Greylist	5	2 Self employed
Partnership	2 Sectional Title Management	1 Cambodia - OECD Greylist	5	3 Independent Contractor
South African Private Company	2 Corporate Saver Account	2 Cayman Islands - OECD Greylist	5	3 Part-Time Employee
Trust	2 Other	3 Jamaica - OECD Greylist	5	3 Other
Complex Legal Entity	3 Rental Temporary	3 Haiti - OECD Greylist	5	3 Medium Risk Industry
Foreign Individual	4 Rental Once off	4 Malta - OECD Greylist	5	4 Commission and piece rate employee
Political Party	6 Valuation Cash	4 Mauritius - OECD Greylist	5	4 Seasonal Employee
Other	6 International Cash or EFT	5 Morocco - OECD Greylist	5	4 Temporary Employee
Foreign Company	6 Auction Purchase Cash	6 Myanmar (Burma) - OECD Greylist	5	5 Freelancer
Foreign Trust	6 Property Purchase Cash	6 Nicaragua - OECD Greylist	5	6 High Risk Industry
		Pakistan - OECD Greylist	5	
		Panama - OECD Greylist	5	
		Philippines - OECD Greylist	5	
		Senegal - OECD Greylist	5	
		South Sudan - OECD Greylist	5	
		Syria - OECD Greylist	5	
		Uganda - OECD Greylist	5	
		Yemen - OECD Greylist	5	
		Zimbabwe - OECD Greylist	5	
		Europe & Eurasia	2	
		North America	2	
		Pacific	2	
		Australasia	2	
		Asia	3	
		South and Central America	3	
		Africa	5	
		Middle East	6	
		North Korea - FATF Blacklist	6	

## Risk Assessment – risk rating

- **Scenario A:**

Prospective Client X is unemployed, lives in a foreign high-risk country and insists on concluding the purchase of a house with the assistance of estate agent G with no face to face meeting and, seeks to pay for the house in cash.

- **Scenario B:**

Prospective Client F is employed and earns a good salary, lives in South Africa, has approach the estate agent S in person for its services. Prospective client F will pay for the house by means of a bond. Client F bought his first house with the assistance of estate agent S, a few years ago.

### **Consider:**

Scenario A. May possible be high risk, consider:

- Client unemployed – source of funds?
- Foreign high-risk country – highly likelihood of corruption.
- Non-face to face – level of anonymity.
- Cash – not traceable – source of funds?
- Client new to the estate agent G– no historic transactions and/or customer relationship.

- **Scenario C:**

Prospective Client G is a municipality manager (domestic prominent influential persons) and has been the subject of negative media reports. Prospective client G states that his salary is his only source of funds. Client G seeks the to buy a vacation home for R15 million.

- **Scenario D:**

The prospective client is company K registered in South Africa represented by person B. The beneficial owner of Company K is a Trust O, which trust is registered in a foreign high-risk jurisdiction. The jurisdiction is listed for weak AML/CFT regulation. Company K seeks to sell several properties it recently purchased, which transactions makes no business sense

### **Consider:**

Scenario C and D. May possible be high risk, consider:

- Domestic prominent influential persons associated with negative media reports.
- Higher susceptibility to corruption.
- Consider source of funds? Can a municipality manager afford a R15 million vacation home on salary?
- High risk jurisdiction.
- Complex beneficial owner structure, Company K.

- 5.3 Also, a high-risk Client is any Client –
- 5.3.1 whose single Transaction or Business Relationship will be financed through a Cash payment of R25 000.00 (twenty-five thousand rand) or more, as opposed to through a bond or similar arrangement from a financial institution that is duly registered as such; or
  - 5.3.2 who is a natural person, but is not a citizen or permanent resident of South Africa; or
  - 5.3.3 that is a partnership, trust, company or close corporation, regardless of whether or not it was formed in South Africa –
    - 5.3.3.1 that has no operations or business premises in South Africa; and
    - 5.3.3.2 that cannot produce the letter and documents / records referred to in paragraph 7.1.1.4, which letter and documents must be from a Secondary Accountable Institution based in an FATF Member State; or
  - 5.3.4 who is an FPPO or DPIIP; or
  - 5.3.5 who is suspect, whether or not they fit into any of the categories listed under paragraphs 5.3.1 to 5.3.3. A Client may, in the Risk Officer's discretion, be regarded as suspect for any reason relating to the Client's conduct in the context of a single Transaction or Business Relationship, which conduct includes (without limitation) –
    - 5.3.5.1 a reluctance or refusal to provide information; or
    - 5.3.5.2 an unusual or inexplicable preference for dealing with the Business via correspondence or via electronic media, as opposed to in person, particularly for the purposes of the CDD;
    - 5.3.5.3 a patent lack of concern or disregard for the costs involved; or
    - 5.3.5.4 deliberate evasiveness or vagueness when providing information; or
    - 5.3.5.5 any other conduct or circumstances that, when viewed objectively, and when considered in light of all of the relevant factors taken as a whole, should be regarded with suspicion.
- 5.4 A low-risk Client is any client who scores low overall on the Risk Matrix.
- 5.5 The Business' approach to risk may be justified on the basis that –
- 5.5.1 the products and services that the Business provides are fairly homogeneous, of a narrow range and not overly sophisticated; and
  - 5.5.2 the Business' Transactions often involve two other Accountable Institutions, namely banks and conveyancing attorneys.

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

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

### 6 ANONYMOUS OR FICTITIOUS CLIENTS

- 6.1 The Business is **strictly prohibited** from dealing with anonymous persons, or persons who have fictitious names.
- 6.2 The Business must, by adhering to the provisions of this RMCP, ward against the risk of –
- 6.2.1 dealing with an anonymous person by refusing to on-board as a Client anybody who appears to desire or expresses a desire to transact with the Business anonymously;
- 6.2.2 dealing with a fictitiously named person by subjecting all Prospective Clients to the CDD procedures described in paragraph 8, which procedures are aimed at ensuring, amongst other things, that the Business only deals with persons who exist.

### 7 ABBREVIATED CDD PROCEDURES

The abbreviated CDD procedures detailed in this paragraph 7 apply (subject to an assessment that a Prospective Client is of low risk as per paragraph 5.4) only if at least 1 (one) of the circumstances described in paragraphs 7.1, 7.2 or 7.3 are present, failing which the CDD procedures detailed in paragraph 8 will be applicable.

#### 7.1 **Co-operation with other Accountable Institutions**

- 7.1.1 If the Business –
- 7.1.1.1 has a Client in common with another Accountable Institution (such as a bank or a conveyancing attorney) ("**Secondary Accountable Institution**"); and
- 7.1.1.2 that Client in common is in respect of the same single Transaction, or Transaction(s) under a Business Relationship between the Business and that Client; and

7.1.1.3 the Secondary Accountable Institution agrees to subject, or has already subjected the Client to customer due diligence procedures in accordance with that Secondary Accountable Institution's own risk management and compliance programme; and

7.1.1.4 the Secondary Accountable Institution agrees to furnish the Business with (i) a letter to the effect that it has satisfied itself as to the identity and other prescribed particulars of the Client in compliance with FICA, and (ii) copies of the documents and / or records of the information relied upon to carry out the Secondary Accountable Institution's customer due diligence procedures in respect of the Client,

then the Business may, instead of applying the CDD provisions detailed in paragraph 8, rely on the letter and documents provided by the Secondary Accountable Institution, and thus be regarded as having complied with FICA and the RMCP. If the letter referred to in paragraph 7.1.1.4 does not cover all the information that would have been required in terms of the Questionnaire had there been no Secondary Accountable Institution, the Business must supplement the information in the letter by means of the Questionnaire, which must be completed by the Client, but which will not require verification.

7.1.2 The term "Secondary Accountable Institution" shall be read as including analogous Accountable Institutions based outside South Africa but in other FATF Member States.

## 7.2 **Listed companies**

7.2.1 Listed companies operate in a highly regulated environment. As such, they pose ***relatively*** low MLFT risk, warranting less rigorous CDD procedures.

7.2.2 When dealing with a listed company, the Business must, by means of a Questionnaire, establish precisely the same information that must be established for any other company or close corporation (as reflected in paragraph 8 under the column entitled "Information Required").

7.2.3 The Business may dispense with the documents prescribed in paragraph 8 under the column entitled "Method of Verification", and instead the following shall suffice for purposes of verifying the information obtained –

7.2.3.1 proof that the company is listed, in the form of a letter, certificate or other appropriate document proving the listing status of the company;

7.2.3.2 a copy of the Representative's ID; and

7.2.3.3 a copy of the authorising letter or resolution empowering the Representative to complete the Questionnaire and deal with **NRE** on behalf of the listed company.

## 7.3 **Professional partnerships**

If the Client is a partnership in terms of which all partners are attorneys, public accountants and auditors, professional engineers, quantity surveyors, pharmacists,

stockbrokers or practitioners in the medical professions, then the CDD procedures that are prescribed for partnerships in paragraph 8 must be carried out in full, save that instead of establishing and verifying the identity of all of the partners, the Business may elect to establish and verify only that of the managing partner(s) of that Client.

7.4 **Single transactions of low value**

7.4.1 The CDD procedures described in paragraph 8 do not apply to a once-off transaction in terms of which the Business will receive less than R5 000.00 (five thousand rand) in total ("**Low-Value Transaction**").

7.4.2 However, even in the case of a Low-Value Transaction –

7.4.2.1 the prohibition against dealing with anonymous or fictitiously named persons contained in paragraph 6 remains applicable; and

7.4.2.2 the Business must still establish and record (without having to verify) the full name, identity number and contact number of the person with whom the Business is dealing in the Low-Value Transaction.

8 TABLES FOR CDD PROCEDURES: ESTABLISHING AND VERIFYING INFORMATION

8.1 In compliance with section 21 of FICA, the Business will collect and verify information according to the tables below, only after ensuring that paragraph 7 does not apply –

TABLE 1: NATURAL PERSONS			
INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Name and contact details of Client</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Client</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Client's ID</li> <li>Proof of address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Client's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Principal</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Client</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Principal's ID</li> <li>Proof of address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Principal's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Client's authority to act on behalf of Principal</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Client</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorisation letter</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorisation letter</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Representative</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Client</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Representative's ID</li> <li>Proof of address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Representative's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Representative's authority to act on behalf of Client</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Client</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorisation letter</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorisation letter</li> </ul>

TABLE 1: NATURAL PERSONS			
INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Nature and purpose of, and source of funding for Business Relationship</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Client</li> </ul>		
<ul style="list-style-type: none"> <li>Source of wealth (<u>only</u> for FPPOs and high-risk DPIPs)</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Client</li> </ul>		

[General note: Identifying the Client is relatively straightforward in the case of a natural person. The natural person who approaches the Business to initiate a Transaction or establish a Business Relationship is the Client. Where the Client is acting on another person's behalf, that other person is not a Client for purposes of this RMCP, but merely a Principal; where the Client initially approaches the Business, and then indicates that another person will act on the Client's behalf to give effect to a single Transaction or Business Relationship, that other person is similarly not a Client, but a Representative of the Client. While the bulk of the CDD procedures must be conducted in respect of the Client's particulars, the Business must still collect some information about Principals and Representatives, as reflected in the table above.]

**TABLE 2: PRIVATE COMPANIES, UNLISTED PUBLIC COMPANIES AND CLOSE CORPORATIONS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Name and registration number of Client</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>CIPC document or Copy of letter from company or close corporation's accounting officer, auditor, company secretary, legal officer or senior manager</li> </ul>	<ul style="list-style-type: none"> <li>Certified copy of letter from company or close corporation's accounting officer, auditor, company secretary, legal officer or senior manager</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Principal</li> </ul> <p><b>[Note: this row applies when the company or close corporation is acting for another person.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Principal's ID</li> <li>Proof of address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Principal's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>

**TABLE 2: PRIVATE COMPANIES, UNLISTED PUBLIC COMPANIES AND CLOSE CORPORATIONS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Company or close corporation's authority to act on behalf of Principal</li> </ul> <p><b>[Note: this row applies when the company or close corporation is acting on behalf of another person.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorising letter</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorising letter</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Representative</li> </ul> <p><b>[Note: the Representative is the person completing the form.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Representative's ID</li> <li>Proof of address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Representative's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Representative's authority to act on behalf of company or close corporation</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorising letter / resolution</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorising letter / resolution</li> </ul>
<ul style="list-style-type: none"> <li>Nature and purpose of, and source of funding for Business Relationship</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>		

**TABLE 2: PRIVATE COMPANIES, UNLISTED PUBLIC COMPANIES AND CLOSE CORPORATIONS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Nature of company or close corporation's business</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from company or close corporation's accounting officer, auditor, company secretary, legal officer or senior manager</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from company or close corporation's accounting officer, auditor, company secretary, legal officer or senior manager</li> </ul>
<ul style="list-style-type: none"> <li>Ownership and control structure of the company or close corporation</li> </ul> <p><b>[Note: this refers to the persons or entities that <u>directly</u> own and control the company or close corporation.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter / organogram from company or close corporation's accounting officer, auditor, company secretary, legal officer or manager</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter / organogram from company or close corporation's accounting officer, auditor, company secretary, legal officer or manager</li> </ul>
<ul style="list-style-type: none"> <li>Names of ultimate beneficial owners</li> </ul> <p><b>METHOD 1:</b></p> <ul style="list-style-type: none"> <li>Names of ultimate natural persons who individually or</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from company or close corporation's accounting officer, auditor, company secretary, legal</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from company or close corporation's accounting officer, auditor, company</li> </ul>

**TABLE 2: PRIVATE COMPANIES, UNLISTED PUBLIC COMPANIES AND CLOSE CORPORATIONS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<p>collectively own a majority (25%) of the company's shares or close corporation's members' interests</p> <p><b><u>OR</u></b></p> <p><b><u>METHOD 2:</u></b> Names of ultimate natural persons who individually or collectively control the company or close corporation (ie have a material influence on the company or close corporation's operations)</p> <p><b><u>OR</u></b></p> <p><b><u>METHOD 3:</u></b> Names of company or close corporation's executive managers</p> <p><b>[Note: For a close</b></p>		<p>officer or senior manager</p>	<p>secretary, legal officer or senior manager</p>

**TABLE 2: PRIVATE COMPANIES, UNLISTED PUBLIC COMPANIES AND CLOSE CORPORATIONS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<p>corporation, the beneficial owners are the members of the close corporation, who are <u>almost always</u> natural persons.</p> <p>For a company, the beneficial owners or controllers are the natural persons who ultimately benefit from the assets and income of the company. If Company A (a Client of the Business) is 25% owned by Company B, and Company B is in turn 100% owned by John Smith, then John Smith is the ultimate beneficial owner of Company A, even if he is not the legal owner</p>			

**TABLE 2: PRIVATE COMPANIES, UNLISTED PUBLIC COMPANIES AND CLOSE CORPORATIONS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<p>of any shares in Company A.</p> <p>Based on the available information and considerations of practicality, the Business must choose the most suitable of the 3 given methods of identifying the natural persons who ultimately benefit from the assets and income of the company.]</p>			

[General note: Companies and close corporations are legal persons with full capacity to enter into contracts in their own names, just as any natural person. However, because of their artificial nature, companies and close corporations can only act through their directors / members, or through persons authorised by them. The Business' Client is the company or close corporation itself, but the Questionnaire can only be completed by a Representative, whether that Representative is a director of the company, member of the close corporation, or some other person authorised by the directors or members.]

TABLE 3: PARTNERSHIPS			
INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Identifying name of partnership (eg trading name)</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Principal</li> </ul> <p><b>[Note: this row applies when the partnership is acting for another person.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Principal's ID</li> <li>Proof of Address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Principal's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Partnership's authority to act on behalf of Principal</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorising letter</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorising letter</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Representative</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Representative's ID</li> <li>Proof of Address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Representative's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Representative's authority to act on behalf of partnership</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorising letter</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorising letter</li> </ul>

TABLE 3: PARTNERSHIPS			
INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Nature and purpose of, and source of funding for Business Relationship</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>		
<ul style="list-style-type: none"> <li>Nature of partnership's business</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>
<ul style="list-style-type: none"> <li>Partnership's ownership and control structure</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter or organogram from managing partner, accounting officer, auditor or legal officer</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter or organogram from managing partner, accounting officer, auditor or legal officer</li> </ul>
<ul style="list-style-type: none"> <li>Name of every partner</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>

**TABLE 3: PARTNERSHIPS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Name of partnership's executive controllers</li> </ul> <p><b>[Note: these are the partners who control the day-to-day operations of the partnership.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from managing partner, accounting officer, auditor or legal officer</li> </ul>

**[General note: Unlike companies and close corporations, partnerships are not legal persons (they are, however, treated as such by certain court rules). While partnerships do, in practice, enter into contracts in the name and contact details of the partnership, such contracts are, strictly speaking, entered into by each and every partner in that partnership on one hand, and the counter-party on the other hand. As such, the name and contact details of the Client may, for the sake of convenience, be recorded as the name and contact details of the partnership (or the name by which it is commonly known). The Questionnaire may only be completed by the Representative, who might be one of the partners in the partnership, or some other person authorised by the partners.]**

**TABLE 4: TRUSTS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Name and Master's reference number of trust</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from the trustees</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letters of authority from the Master of the High Court</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Principal</li> </ul> <p><b>[Note: this row applies when the trust is acting for another person.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Principal's ID</li> <li>Proof of Address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Principal's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Trust's authority to act on behalf of Principal</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorisation letter</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorisation letter</li> </ul>
<ul style="list-style-type: none"> <li>Name and contact details of Representative</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of Representative's ID</li> <li>Proof of Address</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of Representative's ID</li> <li>Original or certified copy of Proof of Address</li> </ul>
<ul style="list-style-type: none"> <li>Representative's authority to act on behalf of trust</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of authorisation letter / resolution</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of authorisation letter / resolution</li> </ul>
<ul style="list-style-type: none"> <li>Nature and purpose of, and source of funding for Business Relationship</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>		

**TABLE 4: TRUSTS**

INFORMATION REQUIRED	METHOD OF OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<ul style="list-style-type: none"> <li>Nature of trust's business</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from the trustees</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from the trustees</li> </ul>
<ul style="list-style-type: none"> <li>Ownership and control structure</li> </ul> <p><b>[Note: in <i>most</i> cases, the assets of a trust are both owned and controlled by the trustees, albeit not for their own benefit, but for that of the beneficiaries.]</b></p>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>		
<ul style="list-style-type: none"> <li>Master involved</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from the trustees</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letters of authority</li> </ul>
<ul style="list-style-type: none"> <li>Name of founder</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from the trustees</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from the trustees</li> </ul>
<ul style="list-style-type: none"> <li>Names of trustees</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from the trustees</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letters of authority</li> </ul>
<ul style="list-style-type: none"> <li>Names of named beneficiaries, or how beneficiaries are determined</li> </ul>	<ul style="list-style-type: none"> <li>Questionnaire completed by Representative</li> </ul>	<ul style="list-style-type: none"> <li>Copy of letter from the trustees</li> </ul>	<ul style="list-style-type: none"> <li>Original or certified copy of letter from the trustees</li> </ul>

**TABLE 4: TRUSTS**

INFORMATION REQUIRED	METHOD OBTAINING INFORMATION	METHOD OF VERIFICATION	
		LOW-RISK CLIENT	HIGH-RISK CLIENT
<p>[General note: Save for in a few exceptional circumstances, trusts are not treated as legal entities. As is the case with partnerships, the Business' Client is, strictly speaking, each trustee of the trust, and the trustees may either choose a Representative from their ranks to deal the Business, or appoint some other person in this regard. The name of the client may, for the sake convenience, be recorded as that of the trust]</p>			

**9 ONGOING CDD FOR BUSINESS RELATIONSHIPS**

9.1 The Business must compare each Transaction under a Business Relationship against the information provided by the Client in the Questionnaire pertaining to the –

9.1.1 nature of the Business Relationship; and

9.1.2 the purpose of the Business Relationship; and

9.1.3 the source of the funds that will finance the Business Relationship,

and must update such information and any other documents originally forming part of the CDD in respect of that Client where necessary.

9.2 Whenever fulfilling the duty described under paragraph 9.1, the Business must simultaneously consider whether the Transaction that necessitated the information update is reportable under paragraph 15.

9.3 Ongoing due diligence should be performed throughout the business relationship, but at a minimum in the following intervals and at the following level:

	<b>Low Risk Client</b>	<b>High Risk Client</b>
<b>Frequency of due diligence procedures</b>	Annually	Bi-Annually
<b>Level of confirmation required on all aspects covered in the original assessment</b>	Telephonic/Electronic confirmation	Signed copies of confirmation and certified copies when information changed

**10 TREATMENT OF LEGACY CLIENTS**

10.1 Before receiving any Value from a Legacy Client after the Implementation Date, the Business must treat such Legacy Client as if it were a Prospective Client looking to enter into a Business Relationship with the Business, and carry out the full range of CDD procedures in accordance with this RMCP.

10.2 The CDD procedures contemplated in paragraph 10.1 need only be conducted in respect of information and documents that the Business does not already have its possession, except where a Legacy Client is characterised as a high-risk Client in terms of paragraph 5.3, in which event the CDD procedures must be conducted in full, notwithstanding any duplication of information or documents.

## **11 DOUBTS ABOUT THE ACCURACY OF EXISTING INFORMATION**

- 11.1 Where an Employee has doubts about information that it previously obtained from an existing Client, it must take reasonable steps to satisfy itself as to that information's accuracy or otherwise, and such reasonable steps may include (without limitation) –
- 11.1.1 requesting from the Client an original document, if a certified copy thereof was originally accepted; or
  - 11.1.2 requesting from the Client a copy that is certified more recently than the copy that was originally accepted; or
  - 11.1.3 requesting from the Client a document generated by a Governmental Authority or other independent person, where a document generated by the Client was originally accepted; or
  - 11.1.4 employing any other reasonable measure to satisfy itself as to the accuracy or otherwise of the information.
- 11.2 Should the measures listed in paragraph 11.1 –
- 11.2.1 reveal the inaccuracy of any previously obtained information, then the affected information must be updated accordingly;
  - 11.2.2 provide no clarity regarding whether the information is accurate or not, then the Risk Officer of the Business must consider the importance of that information's correctness in light of the Business' MLFT risk. If, in the discretion of the Risk Officer, the correctness or incorrectness of the information sought has a material bearing on the MLFT risk to which the Business is potentially exposed, then the principles stated in paragraph 12 shall apply, which principles must be adjusted as necessitated by the context.

## **12 TERMINATING A BUSINESS RELATIONSHIP**

- 12.1 The Risk Officer must terminate a Business Relationship with a Client in respect of whom a CDD or ongoing CDD cannot be conducted.
- 12.2 An Employee who is unable to conduct the CDD or ongoing CDD must, immediately upon realising his or her inability, inform the Risk Officer in writing of –
- 12.2.1 the Client involved; and
  - 12.2.2 the reason(s) for which the Employee is unable to conduct the CDD or ongoing CDD.
- 12.3 If the Risk Officer agrees with the assessment of the Employee contemplated in paragraph 12.2, then the Risk Officer must advise the Client involved that –
- 12.3.1 the Business is terminating the Business Relationship; and

- 12.3.2 the reason for the termination is the Business' inability to conduct a CDD in accordance with FICA and the RMCP (providing the underlying reason(s) for that inability); and
  - 12.3.3 not terminating the Business Relationship in these circumstances would be a serious breach of the Business' legal duties,
- and shall, where practically possible, so advise the Client in writing.

### **13 BUSINESS RELATIONSHIP WITH A CLIENT WHO IS AN FPPO OR DPIIP**

- 13.1 The Business must determine whether a Client is an FPPO or DPIIP, by asking the Client such in the Questionnaire.
- 13.2 If the Client is an FPPO, or a ***high-risk*** (as such term is used in paragraph 5.3) DPIIP looking to establish a Business Relationship, then, in addition to the prescribed CDD procedures, the Employee must –
  - 13.2.1 only on-board the Client with the approval of the Risk Officer;
  - 13.2.2 establish (without having to verify) the Client's source of wealth; and
  - 13.2.3 monitor the Business Relationship more closely than it would monitor any other Business Relationship.

### **14 HOW AND WHERE FICA RECORDS ARE TO BE KEPT**

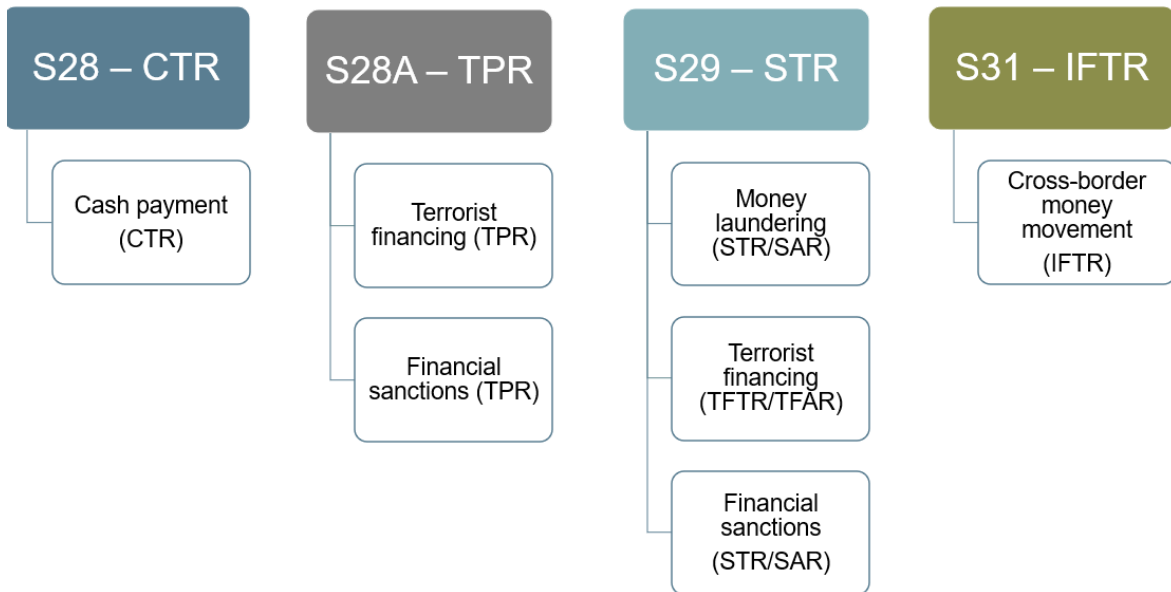
- 14.1 In respect of each Client, the Business must keep CDD records (saved in MDA or Docuware) that reflect the following information –
  - 14.1.1 the name and contact details of the Client; and
  - 14.1.2 the means through which the Client's name was established; and
  - 14.1.3 the documents by which the Client's name was verified; and
  - 14.1.4 the Employee who established and verified the Client's name.
- 14.2 In respect of each Transaction, whether in the context of a single Transaction or Business Relationship, the Employee must keep records of the –
  - 14.2.1 amount and currency involved; and
  - 14.2.2 date; and
  - 14.2.3 parties involved; and
  - 14.2.4 nature of the Transaction; and
  - 14.2.5 underlying business correspondence.

- 14.3 The Risk Officer must ensure that all records kept in terms of this RMCP are stored for at least 5 (five) years following the conclusion of a single Transaction or the termination of a Business Relationship, in such a manner that –
- 14.3.1 they are readily retrievable should they be requested by the FIC or any other person legally entitled to them; and
  - 14.3.2 they are protected, through physical and other controls, against unauthorised access thereto; and
  - 14.3.3 back-up records / copies of the records are stored separately from the original records.

## 15 REPORTABLE INFORMATION

An Accountable Institution has certain reporting obligations as required by the FIC Act (see below) and it is therefore important for all employees to report Indicators to the Risk Officer that would invoke reporting obligations in terms of sections 28, 28A and 29 respectively.

# Reporting



- 15.1 An Employee must immediately provide a written report to the Risk Officer if the Employee knows or reasonably suspects that –
- 15.1.1 there is a suspicious or unusual transaction; or
  - 15.1.2 the Business received, or is about to receive the proceeds of crime, or property associated with the financing of Terrorist Activities; or
  - 15.1.3 the Business is party to one or more transactions that -

- 15.1.3.1 facilitated, or will likely facilitate, the transfer of the proceeds of crime, or property associated with the financing of Terrorist Activities; or
- 15.1.3.2 are complex or involve abnormally large amounts of money, are not business-like, or do not appear to serve any legal purpose; or
- 15.1.3.3 were effected so as not to trigger a reporting duty on the Business' part; or
- 15.1.3.4 may pertain to an investigation into actual or attempted tax evasion; or
- 15.1.3.5 are associated with the financing of Terrorist Activities; or
- 15.1.4 the Business has been, or is about to be, used for MLFT in any manner whatsoever.
- 15.1.5 there has been a Transaction of the Business involving the payment of R25 000.00 (twenty-five thousand rand) or more in Cash, which payment is made to or received from a Client, or the Client's Representative or Principal. The sum of money contemplated in this paragraph 15.1.5 may be constituted by a single payment, or by a series of payments made within a period of 24 (twenty-four) hours that are R25 000.00 (twenty-five thousand rand) or more when aggregated. **[Note: this R25 000.00 threshold is completely distinct from, and is not to be confused with the R5 000.00 threshold mentioned under the definition of "Value" in paragraph 1.1.33. These two thresholds fulfil entirely different purposes: the R25 000.00 threshold is decisive of whether a particular Cash Transaction is reportable to the FIC or not; the R5 000.00 threshold is decisive of whether a particular arrangement amounts to a Transaction or not, and whether the person involved in that arrangement with the Business is a Client who must be subjected to the CDD procedures under paragraph 8 of the RMCP];**
- 15.1.6 there has been a Transaction involving an EFT payment of **[INSERT AMOUNT ONCE GAZETTED]** or more, which payment is made or received by the Business on another person's behalf or instruction; and
- 15.1.7 there has been a remittance by the Business of Cash to or from South Africa, where the amount involved is **[INSERT AMOUNT ONCE GAZETTED]** or more.
- 15.2 An Employee must immediately provide the Risk Officer with a written report if the Employee knows or suspects an unsuccessful attempt to do anything that, if done successfully, would have resulted in any of the consequences contemplated in paragraphs 15.1.1 to 15.1.4.
- 15.3 An Employee must immediately provide the Risk Officer with a written report if the Employee knows (as opposed to merely suspects) that the Business is in possession or control of property associated with any person or entity listed on List 1267, or any person or entity involved in Terrorist Activities.

- 15.4 The Risk Officer receiving a report from an Employee in terms of this paragraph 15 must, in turn, report to the FIC, on the FIC's electronic reporting platform to be found on its website –
- 15.4.1 within 5 (five) days for a report made by an Employee about any property contemplated in paragraph 15.3, subject to the further procedures set out in paragraph 17.1; and
- 15.4.2 within 15 (fifteen) days for a report made by an Employee about any matters contemplated in paragraphs 15.1.1 to 15.1.4, or in paragraph 15.2; and
- 15.4.3 within 2 (two) days for a report made by an Employee about Cash payments, as contemplated in paragraph 15.1.5; and
- 15.4.4 within **[INSERT NUMBER OF DAYS ONCE GAZETTED]** days for a report made by an Employee about an EFT, as contemplated in paragraph 15.1.6; and
- 15.4.5 within **[INSERT NUMBER OF DAYS ONCE GAZETTED]** days for a report made by an Employee about a cross-border Cash remittance, as contemplated in paragraph 15.1.7.
- 15.5 Save for the reports made under paragraphs 15.1.5 to 15.1.7, there is no monetary threshold applicable to the duty to make a report under this paragraph 15.
- 15.6 An Employee reporting to the Risk Officer, and the Risk Officer reporting to the FIC in terms of this paragraph 15 may not alert the subject of the report, whether directly or indirectly as to the fact that a report is about to or has been made to the Risk Officer or to the FIC (as the case may be), nor as to the content of the report.
- 15.7 Should an employee not report a transaction / activity then disciplinary action will be taken and such employee can be investigated for organised crime. The following should be applied: “When in doubt, rather report”.

## 16 THE PROCESS FOR CONDUCTING TRANSACTIONAL ANALYSIS

- 16.1 As per 15.1.5 above, employees who become aware of Cash payments to the institution exceeding R25,000 should report such transactions to the Risk Officer immediately for the Risk Officer to comply to his/her reporting duties of S28 of the FIC Act as per 15.4.3 above.
- 16.1.1 The office Cashier is the only employee allowed to receive cash payments from clients and should immediately send the transaction details to the Risk Officer after receiving cash exceeding R25,000.
- 16.1.2 The employees responsible for daily bank reconciliations and bank transaction allocations to client accounts should search for - and filter the bank statement every day specifically looking for cash transactions paid into the bank which exceeds the R25,000 threshold.

16.2 Upon receipt of such information, the Risk Officer should submit the required reports via the FIC's electronic reporting platform within the prescribed timeframes.

## 17 FREEZING OF ASSETS *VERSUS* CONTINUATION OF REPORTED MATTERS

17.1 **[Note: this paragraph has been intentionally left blank. This is to leave space for certain provisions that must be included, which provisions relate to the freezing of assets of, and other financial sanctions against, certain terrorist entities and persons identified by the United Nations, as well to the screening of such entities and persons. The relevant guidance note will only be gazetted on a date yet to be determined (possibly December 2017.)]**

17.2 With the exception of a report about property contemplated in paragraph 15.3, the Business may, even after making any report in terms of paragraph 15, continue with or give effect to the matter in question giving rise to that report, unless the FIC instructs the Business otherwise in writing.

18 **ACKNOWLEDGEMENT TO BE SIGNED BY ALL EMPLOYEES**

I, \_\_\_\_\_ (FULL NAME), hereby declare the following –

- a) I have read FICA and the contents of this RMCP, both of which have been distributed or otherwise made available to me, and I have also attended the necessary training workshops offered by the Business in this regard; and
- b) I acknowledge that to the extent that I do not understand any of my duties under FICA or the RMCP, I have contacted the Risk Officer for clarifications; and
- c) I undertake to observe strictly and diligently all my duties imposed by FICA and the RMCP, fully understanding that my failure to do so –
  - i. will potentially expose the Business to unacceptable MLFT risk, as well as financial and reputational risk from the penalties that may be levied by the FIC against the Business for any instances of non-compliance with FICA and the RMCP; and
  - ii. is a criminal offence in terms of FICA, and constitutes serious misconduct in terms of the Business' disciplinary code.

**FOR THE EMPLOYEE**

SIGNATURE	
FULL NAME	
RSA IDENTITY OR FOREIGN PASSPORT NO.	
DESIGNATION	
DATE OF SIGNATURE	

## 19 LIST OF FATF MEMBER STATES

The following countries are FATF Member States as at 19 October 2017 –

- 19.1 Argentina
- 19.2 Australia
- 19.3 Austria
- 19.4 Belgium
- 19.5 Brazil
- 19.6 Canada
- 19.7 China
- 19.8 Denmark
- 19.9 European Commission
- 19.10 Finland
- 19.11 France
- 19.12 Germany
- 19.13 Greece
- 19.14 Gulf Co-operation Council
- 19.15 Hong Kong, China
- 19.16 Iceland
- 19.17 India
- 19.18 Ireland
- 19.19 Italy
- 19.20 Japan
- 19.21 Republic of Korea
- 19.22 Luxembourg
- 19.23 Malaysia
- 19.24 Mexico
- 19.25 Netherlands, Kingdom of

- 19.26 New Zealand
- 19.27 Norway
- 19.28 Portugal
- 19.29 Russian Federation
- 19.30 Singapore
- 19.31 South Africa
- 19.32 Spain
- 19.33 Sweden
- 19.34 Switzerland
- 19.35 Turkey
- 19.36 United Kingdom
- 19.37 United States of America

## 20 LIST OF FPPO POSITIONS

The following positions in respect of countries other than South Africa are FPPO positions –

- 20.1 Head of state;
- 20.2 Member of royal family;
- 20.3 Member of cabinet or similar structure;
- 20.4 Senior member or leader of a political party;
- 20.5 Senior judicial officer;
- 20.6 Senior executive of a state-owned entity; or
- 20.7 High-ranking military officer.

## 21 LIST OF DPIP POSITIONS

The following people are DPIPs –

- 21.1 President or deputy president of South Africa;
- 21.2 Cabinet minister or deputy minister;
- 21.3 Premier of a province;
- 21.4 Member of executive council of a province;
- 21.5 Mayor of a municipality;
- 21.6 Leader of a political party;
- 21.7 Member of a royal family or a senior traditional leader;
- 21.8 Head, accounting officer or chief financial officer of a national or provincial department;
- 21.9 Manager or chief financial officer of a municipality;
- 21.10 Chairperson, chief executive officer, accounting authority, chief financial officer or chief investment officer of a public entity;
- 21.11 Prominent judge in the Constitutional Court, Supreme Court of Appeal or the High Court or any equivalent court;
- 21.12 Ambassador, high commissioner or senior representative of a foreign country who is based in South Africa;
- 21.13 Person occupying any of the following positions, in a company that sells goods or services to the government worth more than **[INSERT AMOUNT ONCE GAZETTED]** –
  - 21.13.1 Chairperson of the board of directors;
  - 21.13.2 Chairperson of audit committee;
  - 21.13.3 Executive officer; or
  - 21.13.4 Chief financial officer.

## 22 LIST OF ACCOUNTABLE INSTITUTIONS

The following persons are Accountable Institutions –

- 22.1 Attorneys;
- 22.2 Persons who invest, possess, control or administer trust property;
- 22.3 **Estate agents;**
- 22.4 Authorised users of exchanges;
- 22.5 Managers of collective schemes;
- 22.6 Banks;
- 22.7 Mutual banks;
- 22.8 Long-term insurers;
- 22.9 Casinos;
- 22.10 Dealers in foreign exchange;
- 22.11 Money lenders who are secured by securities;
- 22.12 Financial services provider;
- 22.13 Persons who deal in travellers' cheques, money orders, or similar instruments;
- 22.14 The Post Bank;
- 22.15 The Ithala Development Finance Corporation; and
- 22.16 Money remitters.

23 QUESTIONNAIRES

FICA QUESTIONNAIRE FOR NATURAL PERSONS

NATURAL PERSONS	
1	<p>What is your full name and contact details (ie the person completing this Questionnaire)?</p>
2	<p>Are you a South African citizen / permanent resident?</p>
3	<p>If you are dealing with <b>NRE</b> on behalf of another person (ie a Principal), what is the Principal's full name and contact details?</p> <p><b>[Note: even if you are acting on behalf of a Principal, you are still the Client for purposes of FICA and this Questionnaire.]</b></p>
4	<p>If you are dealing with <b>NRE</b> on behalf of a Principal, please indicate your authority to do so (ie authorisation letter, power of attorney, or a similar instrument).</p>
5	<p>If, following your completion of this Questionnaire, someone else will deal with <b>NRE</b> on your behalf (ie a Representative), what is that Representative's full name and contact details?</p>
6	<p>What is the source of that Representative's authority to deal with <b>NRE</b> on your behalf (ie authorisation letter, power of attorney, or a similar instrument)?</p>

**NATURAL PERSONS**

7	Please describe the type of service you seek from <b>NRE</b> , and also the purpose for which that service is sought.	
8	Will you require <b>NRE</b> to perform the service in terms of a single Transaction (once-off only) or in terms of a Business Relationship (more than one Transaction over a certain period of time)?	
9	If you require a Business Relationship, how will any payments owed to <b>NRE</b> under the Business Relationship be financed?	
10	Will any of the payments referred to in the previous question involve a payment by you or your Representative of R25 000 or more in cash (ie paper money, coins or traveller's cheques)?	
11	<p>Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in any country other than South Africa? If "yes", please indicate the position that you occupy(ied).</p> <ul style="list-style-type: none"> <li>• Head of state</li> <li>• Member of the royal family</li> <li>• Cabinet member</li> <li>• Senior member of a political party</li> <li>• Senior judicial officer</li> <li>• Senior executive of a state-owned entity</li> <li>• High rank in the military</li> </ul>	

**NATURAL PERSONS**

12	If you responded "yes" to the previous question, please indicate the source of your wealth.	
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**NATURAL PERSONS**

13 Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in South Africa? If "yes", please indicate that position that you occupy(ied).

- President or deputy president of South Africa
- Cabinet minister or deputy minister
- Premier of a province
- MEC of a province
- Mayor of a municipality
- Leader of a political party
- Member of a royal family
- Senior traditional leader
- Head, accounting officer or CFO of a national or provincial department
- Manager or CFO of a municipality
- Chairperson, CEO, accounting authority, CFO or chief investment officer of a public entity
- Judge
- Ambassador, high commissioner or other senior representative of a foreign country based in South Africa
- Chairperson of board of directors, chairperson of audit committee, executive officer or CFO of a company doing more than **[INSERT AMOUNT ONCE GAZETTED]**'s worth of business with the government

**NATURAL PERSONS**

14	If you responded "yes" to the previous question, please indicate the source of your wealth.	
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<b>FOR OFFICE USE ONLY</b>	
FULL NAME OF EMPLOYEE ADMINISTERING QUESTIONNAIRE	
Were all required documents as per NRE's RMCP obtained, scanned, saved and verified?	<b>YES / NO</b>
Do you classify this client as a LOW RISK or HIGH RISK client according to NRE's RMCP?	Client Type _____ Product Type _____ Jurisdiction _____ Delivery Channel _____ Occupation _____ Total score _____  <b>LOW / HIGH</b> (Risk Officer approval)
SIGNATURE	
DATE	

**FICA QUESTIONNAIRE FOR NATURAL PERSONS ACTING ON BEHALF OF COMPANIES AND CLOSE CORPORATIONS**

COMPANIES AND CLOSE CORPORATIONS	
1	<p>What is the company or close corporation's name and registration number?</p> <p><b>[Note: The Client is <u>not</u> the person filling in the form, but the company or close corporation on behalf of which the form is being filled.]</b></p>
2	<p>Does the company or close corporation have a presence in South Africa (ie assets, operations or business premises)? If "yes", please provide details.</p>
3	<p>If the Client is a <b><i>listed</i></b> public company, please indicate the stock exchange on which it is listed.</p>
4	<p>If the company or close corporation is dealing with <b>NRE</b> on behalf of another person (ie a Principal), what is that Principal's full name and contact details?</p>
5	<p>What is the source of the company or close corporation's authority to deal with <b>NRE</b> on that Principal's behalf?</p>
6	<p>What is <b><i>your</i></b> full name and contact details (ie the person completing this Questionnaire on behalf of the company or close corporation)?</p>
7	<p>What is the source of your authority to complete this Questionnaire and deal with <b>NRE</b> on the company or close corporation's behalf (ie authorisation</p>

**COMPANIES AND CLOSE CORPORATIONS**

	letter, power of attorney, or similar instrument)?	
8	Please describe the type of service that the company or close corporation seeks from <b>NRE</b> , and also the purpose for which that service is sought.	
9	Will the company or close corporation require <b>NRE</b> to perform the service in terms of a single Transaction (once-off only) or in terms of a Business Relationship (more than one Transaction over a certain period of time)?	
10	If the company or close corporation requires a Business Relationship, how will any of the payments owed to <b>NRE</b> under the Business Relationship be financed?	
11	Will any of the payments referred to in the previous question involve a payment by the company or close corporation, or by its Representative, of R25 000 or more in cash (ie paper money, coins or traveller's cheques)?	
12	Please describe the company or close corporation's business (ie what industry it is in, what products / services it sells etc).	
13	What is the company or close corporation's ownership and control structure?  <b>[Note: This question is about whether the Client is part of a fairly simple ownership structure in terms of which</b>	

**COMPANIES AND CLOSE CORPORATIONS**

	<p>its assets are directly owned or controlled by an easily determinable number of natural persons (which will <i>almost always</i> be the case for a close corporation), or whether the Client is part of a more complex structure, in terms of which it is not as easy to determine the natural persons who directly own and control the Client's assets.]</p>	
14	<p>Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in any country other than South Africa? If "yes", please indicate the position that you occupy(ied).</p> <ul style="list-style-type: none"> <li>• Head of state</li> <li>• Member of the royal family</li> <li>• Cabinet member</li> <li>• Senior member of a political party</li> <li>• Senior judicial officer</li> <li>• Senior executive of a state-owned entity</li> <li>• High rank in the military</li> </ul>	
15	<p>If you responded "yes" to the previous question, please indicate the source of your wealth.</p>	

**COMPANIES AND CLOSE CORPORATIONS**

16 Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in South Africa? If "yes", please indicate that position that you occupy(ied).

- President or deputy president of South Africa
- Cabinet minister or deputy minister
- Premier of a province
- MEC of a province
- Mayor of a municipality
- Leader of a political party
- Member of a royal family
- Senior traditional leader
- Head, accounting officer or CFO of a national or provincial department
- Manager or CFO of a municipality
- Chairperson, CEO, accounting authority, CFO or chief investment officer of a public entity
- Judge
- Ambassador, high commissioner or other senior representative of a foreign country based in South Africa
- Chairperson of board of directors, chairperson of audit committee, executive officer or CFO of a company doing more than **[INSERT AMOUNT ONCE GAZETTED]**'s worth of business with the government

**COMPANIES AND CLOSE CORPORATIONS**

17 If you responded "yes" to the previous question, please indicate the source of your wealth.

--

18 Who are the ultimate beneficial owners of the company or close corporation?

**METHOD 1**

- Names of ultimate natural persons who individually or collectively own a majority (25%) of the company's shares or close corporation's members' interests

**OR**

**METHOD 2**

- Names of ultimate natural persons who individually or collectively control the company or close corporation (ie have a material influence on the company or close corporation's operations)

**OR**

**METHOD 3**

- Names of company or close corporation's executive managers

**[Note: For a close corporation, the ultimate beneficial owners are the members of the close corporation who, individually or acting together, own 25% of the members' interests, and who are *almost always* natural persons. For a company, the ultimate beneficial owners or controllers are the natural persons who, individually or acting together, ultimately own 25% or more of the**

**COMPANIES AND CLOSE CORPORATIONS**

shares of the company, or otherwise control the company (for instance through a shareholders agreement). For example, if Company A (a Client of the Business) is 25% owned by Company B, and Company B is in turn 100% owned by John Smith, then John Smith is the ultimate beneficial owner of Company A, even though he is not the legal owner of the 25% stake in Company A.

Please fill in this row based on the available information and considerations of practicality, choosing the most suitable of the 3 given methods of identifying the natural persons who benefit from the assets and income of the company.]

**FOR OFFICE USE ONLY**

FULL NAME OF EMPLOYEE ADMINISTERING QUESTIONNAIRE

Were all required documents as per NRE's RMCP obtained, scanned, saved and verified?

**YES / NO**

Do you classify this client as a LOW RISK or HIGH RISK client according to NRE's RMCP?

Client Type \_\_\_\_\_  
 Product Type \_\_\_\_\_  
 Jurisdiction \_\_\_\_\_  
 Delivery Channel \_\_\_\_\_  
 Occupation \_\_\_\_\_  
 Total score \_\_\_\_\_

**LOW / HIGH** (Risk Officer approval)

SIGNATURE

DATE

**FICA QUESTIONNAIRE FOR NATURAL PERSONS ACTING ON BEHALF OF PARTNERSHIPS**

PARTNERSHIP	
1	What is the identifying name of the partnership (ie, the trading name or name by which the partnership is commonly known)?
2	Does the partnership have a presence in South Africa (ie assets, operations or business premises)? If "yes", please provide details.
3	If the partnership is dealing with <b>NRE</b> on behalf of another person (ie a Principal), what is that Principal's full name and contact details?
4	What is the source of the partnership's authority to deal with <b>NRE</b> on that Principal's behalf?
5	What is <b>your</b> full name and contact details (ie the person completing the Questionnaire and dealing with <b>NRE</b> on behalf of the partnership)?
6	<p>Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in any country other than South Africa? If "yes", please indicate the position that you occupy(ied).</p> <ul style="list-style-type: none"> <li>• Head of state</li> <li>• Member of the royal family</li> <li>• Cabinet member</li> <li>• Senior member of a political party</li> <li>• Senior judicial officer</li> </ul>

**PARTNERSHIP**

	<ul style="list-style-type: none"><li>• Senior executive of a state-owned entity</li><li>• High rank in the military</li></ul>	
7	If you responded "yes" to the previous question, please indicate the source of your wealth.	

**PARTNERSHIP**

8

Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in South Africa? If "yes", please indicate that position that you occupy(ied).

- President or deputy president of South Africa
- Cabinet minister or deputy minister
- Premier of a province
- MEC of a province
- Mayor of a municipality
- Leader of a political party
- Member of a royal family
- Senior traditional leader
- Head, accounting officer or CFO of a national or provincial department
- Manager or CFO of a municipality
- Chairperson, CEO, accounting authority, CFO or chief investment officer of a public entity
- Judge
- Ambassador, high commissioner or other senior representative of a foreign country based in South Africa
- Chairperson of board of directors, chairperson of audit committee, executive officer or CFO of a company doing more than **[INSERT AMOUNT ONCE GAZETTED]**'s worth of business with the government

**PARTNERSHIP**

9	If you responded "yes" to the previous question, please indicate the source of your wealth.	
10	What is the source of your authority to complete this Questionnaire and deal with <b>NRE</b> on behalf of the partnership (ie authorisation letter, power of attorney or similar instrument)?	
11	Please describe the type of service that the partnership seeks from <b>NRE</b> , and also the purpose for which that service is sought.	
12	Will the partnership require <b>NRE</b> to perform the service in terms of a single Transaction (once-off only) or in terms of a Business Relationship (more than one Transaction over a certain period of time)?	
13	If the partnership requires a Business Relationship, how will any of the payments owed to <b>NRE</b> under the Business Relationship be financed?	
14	Will any of the payments referred to in the previous question involve a payment by the partnership or its Representative of R25 000 or more in cash (ie paper money, coins or traveller's cheques)?	
15	Please describe the partnership's business (ie what industry it is in, what products / services it sells etc)	

PARTNERSHIP	
16	If the partnership is a professional partnership (ie all the partners are public accountants or auditors, attorneys, pharmacists, medical doctors or other professionals, engineers, architects or engineers), then who are the executive partners that control the day-to-day operations of the partnership?
17	What is the partnership's ownership and control structure (are the partners all natural persons, all companies, or a mixture of the two)?
18	What are the names of the partners ( <b><i>including</i></b> silent partners and partners <i>en commandite</i> , ie partners that do not necessarily involve themselves in the day-to-day running of the partnership, and who are not known to the general public as partners in the partnership)?
19	Of the partners just listed, who of them are in executive control of the partnership (ie which of the listed partners run the partnership on a day-to-day basis)?

FOR OFFICE USE ONLY	
FULL NAME OF EMPLOYEE ADMINISTERING QUESTIONNAIRE	
Were all required documents as per NRE's RMCP obtained, scanned, saved and verified?	<b>YES / NO</b>
Do you classify this client as a LOW RISK or HIGH RISK client according to NRE's RMCP?	Client Type _____ Product Type _____ Jurisdiction _____ Delivery Channel _____ Occupation _____ Total score _____  <b>LOW / HIGH</b> (Risk Officer approval)
SIGNATURE	

DATE	
------	--

**FICA QUESTIONNAIRE FOR NATURAL PERSONS ACTING ON BEHALF OF TRUSTS**

TRUSTS	
1	What is the name and Master's reference number of the trust?
2	Does the trust have a presence in South Africa (ie assets, operations or business premises)? If "yes", please provide details.
3	If the trust is dealing with <b>NRE</b> on behalf of another person (ie a Principal), what is that Principal's full name and contact details?
4	What is the source of the trust's authority to deal with <b>NRE</b> on that Principal's behalf?
5	What is <b>your</b> full name and contact details (ie the person completing this Questionnaire and dealing with <b>NRE</b> on behalf of the trust)?
6	<p>Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in any country other than South Africa? If "yes", please indicate the position that you occupy(ied).</p> <ul style="list-style-type: none"> <li>• Head of state</li> <li>• Member of the royal family</li> <li>• Cabinet member</li> <li>• Senior member of a political party</li> <li>• Senior judicial officer</li> <li>• Senior executive of a state-owned entity</li> <li>• High rank in the military</li> </ul>

**TRUSTS**

7			
	If you responded "yes" to the previous question, please indicate the source of your wealth.		

**TRUSTS**

8

Do you or a family member now occupy, or have you or a family member in the past 12 months occupied, any of the following positions in South Africa? If "yes", please indicate that position that you occupy(ied).

- President or deputy president of South Africa
- Cabinet minister or deputy minister
- Premier of a province
- MEC of a province
- Mayor of a municipality
- Leader of a political party
- Member of a royal family
- Senior traditional leader
- Head, accounting officer or CFO of a national or provincial department
- Manager or CFO of a municipality
- Chairperson, CEO, accounting authority, CFO or chief investment officer of a public entity
- Judge
- Ambassador, high commissioner or other senior representative of a foreign country based in South Africa
- Chairperson of board of directors, chairperson of audit committee, executive officer or CFO of a company doing more than **[INSERT AMOUNT ONCE GAZETTED]**'s worth of business with the government

**TRUSTS**

9	If you responded "yes" to the previous question, please indicate the source of your wealth.	
10	What is the source of your authority to complete this Questionnaire and deal with <b>NRE</b> on behalf of the trust?	
11	Please describe the type of service that the trust seeks from <b>NRE</b> , and also the purpose for which that service is sought.	
12	Will the trust require <b>NRE</b> to perform the service in terms of a single Transaction (once-off only) or in terms of a Business Relationship (more than one Transaction over a certain period of time)?	
13	If the trust requires a Business Relationship, how will any of the payments owed to <b>NRE</b> under the Business Relationship be financed?	
14	Will any of the payments referred to in the previous question involve a payment by the trust or its Representative of R25 000 or more in cash (ie paper money, coins or traveller's cheques)?	
15	Please describe the trust's purpose or business (ie why the trust was created or what industry it is in, what products / services it sells etc).	
16	Which Master of the High Court administers the trust?	
17	What is the full name of the person who created the trust?	
18	What are the full names of the trustees?	

TRUSTS	
19	<p>Who are the named beneficiaries of the trust?</p> <p><b><u>OR</u></b></p> <p>If there are no named beneficiaries, how are the beneficiaries determined?</p>

FOR OFFICE USE ONLY	
FULL NAME OF EMPLOYEE ADMINISTERING QUESTIONNAIRE	
Were all required documents as per NRE's RMCP obtained, scanned, saved and verified?	<b>YES / NO</b>
Do you classify this client as a LOW RISK or HIGH RISK client according to NRE's RMCP?	Client Type _____ Product Type _____ Jurisdiction _____ Delivery Channel _____ Occupation _____ Total score _____  <b>LOW / HIGH</b> (Risk Officer approval)
SIGNATURE	
DATE	

## 24 TRAINING OF EMPLOYEES

- 23.1 All employees must also be made aware and receive regular training in the following areas:
  - 23.1.1 the policies and procedures preventing money laundering taking place within the organization;
  - 23.1.2 responsibilities in terms of the organization's policies and procedures preventing money laundering;
  - 23.1.3 the identity and responsibilities of the MLCO;
  - 23.1.4 the legal requirements contained within the relevant rules and regulations;
  - 23.1.5 The consequences for the organization and employees of not meeting the requirements;
- 23.2 FICA requires that all employees are educated in the following:
  - 23.2.1 their legal obligations under FICA, e.g. duty to report (see 5 above);
  - 23.2.2 the organization's rules and procedures related to complying with FICA;
  - 23.2.3 How to recognize a suspicious or unusual transactions;
  - 23.2.4 The steps to be taken when a transaction is considered suspicious.
- 23.3 NRE's training manual is available on the Institutional Memory Folder on Sharepoint.