



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



MEDIA STATEMENT

FINANCIAL INTELLIGENCE CENTRE ACT

SECOND DRAFT AMENDMENTS TO REGULATIONS AND DRAFT WITHDRAWAL NOTICE OF EXEMPTIONS FOR PUBLIC COMMENTS

The Minister of Finance has today issued for public comment the Second Draft Amendments to Regulations (Annexure A) and Draft Withdrawal Notice of Exemptions (Annexure B) in terms of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). This consultation builds on the first draft amendment to regulations and withdrawal of exemptions public comment process, published on 13 June 2017 (available on our website www.treasury.gov.za).

This second draft is in preparation for the full implementation of the various provisions of the Financial Intelligence Centre Amendment Act, 2017 (Act 1 of 2017) ("Amendment Act"). The Amendment Act was signed into law by the President on 26 April 2017 and gazetted on 2 May 2017.

The Second Draft Amendments to Regulations and Draft Withdrawal Notice of Exemptions, published in Notice 909 of Government Gazette No. 41077 are available on the National Treasury and Financial Intelligence Centre websites.

On 13 June 2017, the Minister of Finance announced that the implementation of the Amendment Act would take effect in two phases. The first phase related to provisions which did not require withdrawal or changes to existing exemptions or regulations, or systems readiness to comply with the FIC legislation.

The second set of provisions will commence on 2 October 2017. These provisions will require systems changes by accountable institutions, and the withdrawal and amendment of existing exemptions and relevant regulations by the Minister after giving notice and consulting with the public. The public commentary period ended on 12 July 2017 and a number of comments were received from accountable institutions as well as members of the public.

During the period for comments and thereafter, the FIC, National Treasury, South African Reserve Bank and Financial Services Board (separately or together) arranged or attended various forums where the proposed draft documents were discussed with the affected sectors.

The comments received were considered and the draft amendments to the MLTFC Regulations were amended where necessary. Although a few objections were received on the withdrawal of some exemptions, there was a shared understanding that accountable institutions may still be guided by the content of the exemptions to determine the appropriate verification measures to be taken, in accordance with their Risk Management and Compliance Programme ("RMCP").

Commentators are requested to make submissions by 8 September 2017 to the following email addresses: poovindree.naidoo@fic.gov.za or kamla.govender@fic.gov.za.

Enquires may be directed to-

- (a) Mr Raymond Masoga, National Treasury, e-mail address: raymond.masoga@treasury.gov.za or contact number 012 315 5018; and

- (b) Ms Poovindree Naidoo and Ms Kamla Govender, Financial Intelligence Centre, contact number 012 641 6000.

Issued on behalf of National Treasury

Date: 31 August 2017