

## GOVERNMENT NOTICES

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### NATIONAL TREASURY

No. 471

4 June 2010

#### EXEMPTION IN TERMS OF FINANCIAL INTELLIGENCE CENTRE ACT, 2001 (ACT NO. 38 OF 2001)

By virtue of the powers vested in me by section 74 of the Financial Intelligence Centre Act, 2001 (Act No 38 of 2001), I, Pravin J Gordhan, Minister of Finance, hereby make the exemption set out in the Schedule:



**PRAVIN J GORDHAN**  
**MINISTER OF FINANCE**

## SCHEDULE

### Definitions

1. In this Schedule 'the Act' means the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), and any expression to which a meaning has been assigned in the Act shall have that meaning, and-

**"prepaid card"** means an instrument that functions as an electronic surrogate for coins and banknotes, representing a claim on the issuer which is stored on a card, and which is accepted as a means of payment by persons other than the issuer, and

**"the Regulations"** means the Money Laundering and Terrorist Financing Control Regulations, 2002, promulgated by Government Notice No. R. 1595 of 20 December 2002 as amended by GN R456 in Government Gazette 27580 of 20 May 2005.

### Exemption from Regulations made under Act 38 of 2001

2. (1) This exemption applies to every accountable institution referred to in items 6,7,14 and 16 of Schedule 1 to the Act.

(2) Every accountable institution referred to in paragraph (1), above, is exempted in respect of the issuing of a prepaid card which meets the characteristics referred to in paragraph (3) by, or on behalf of, the accountable institution to a client, subject to the conditions set out in paragraph (4) below, from compliance with the provisions of—

- (a) regulations 3, 4, 5 and 6 of the Regulations, concerning the particulars to be obtained and verified in establishing and verifying persons' identities, and
- (b) section 22(1)(a), 22(1)(b), 22(1)(c), 22(1)(d), 22(1)(h) and 22(1)(i) of the Act in so far as the records referred to in these sections would apply to information relating to the particulars referred to in paragraph (a), and
- (c) section 22(1)(f)(ii) of the Act in so far as it relates to the party who offers the prepaid card as a means of payment.

(3) A prepaid card referred to in paragraph (2) in respect of which this exemption applies, is a prepaid card—

- (a) in respect of which the value loaded onto the prepaid card cannot exceed R5000,00;

- (b) which cannot be reloaded for value to enable use or further use of the prepaid card;
- (c) which can only be used as a means of payment at a point of sales device in the Republic;
- (d) in respect of which the loading of value to the prepaid card to enable its use can only be done by means of an electronic transfer of funds from an existing personal identification number based debit or credit card;
- (e) which cannot be used in any manner to enable the remittance of funds, the withdrawal of cash or the receipt of cash as part of a transaction for the payment of goods or services or in any other form whatsoever, and
- (f) which will only be valid until 31 August 2010.

(4) This exemption is subject to the conditions that—

- (a) an accountable institution which issues a prepaid card which meets the characteristics referred to in paragraph (3) directly to a client, or on whose behalf a prepaid instrument is issued to a client, applies enhanced measures, over and above its normal procedures, to scrutinise the transaction activity in relation the use of the prepaid card on an ongoing basis with a view to identify and report suspicious and unusual transactions;
- (b) the locations where the prepaid cards which meet the characteristics referred to in paragraph (3) are issued, are only within areas created for this purpose inside the stadia where matches for the 2010 FIFA World Cup are taking place and are accessible only to valid ticket holders and other persons authorised to enter such stadia, and
- (c) the number of prepaid cards issued per debit or credit card on any particular day are limited to no more than three.

(5) This exemption shall come into operation on 30 May 2010 and shall expire on 12 July 2010.