
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

NATIONAL TREASURY

NOTICE 115 OF 2019

DRAFT AMENDMENTS TO MONEY LAUNDERING AND TERRORIST FINANCING CONTROL REGULATIONS IN TERMS OF FINANCIAL INTELLIGENCE CENTRE ACT, 2001

The Minister of Finance gives notice as required in terms of section 77(5)(a) of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001) ("the FICA") of the publication of draft Amendments to the Money Laundering and Terrorist Financing Control Regulations ("the MLTFC Regulations") for public comment.

A copy of the draft Amendments to the MLTFC Regulations, along with a consultation paper, are available on the National Treasury website: www.treasury.gov.za.

Section 31 of the FICA requires those accountable institutions that move funds electronically across the borders of South Africa, on behalf of or on the instruction of another person, to report the relevant transactions, and the information that is prescribed by regulation pertaining to those transactions, to the Financial Intelligence Centre ("the FIC"). Section 31 provides further that only transactions exceeding a prescribed threshold are reportable.

Section 31 of the FICA has not yet been brought into operation. It must be brought into operation by a proclamation by the President that is published in the *Government Gazette*. For the section to become operative, the Minister of Finance must issue regulations to set the threshold for reportable transactions, and to regulate the reporting requirements in terms of section 31 of the FIC Act.

In the draft Amendments to the MLTFC Regulations, it is proposed that the threshold for the reporting of cross-border electronic funds transfers be set at R5000.00. All electronic cross-border transactions from a value of R5 000.00 and above will have to be reported to the FIC.

It is also proposed that all the relevant information pertaining to reportable cross-border funds transfers that should be included in reports on those transactions be provided for in the MLTFC Regulations. This includes information concerning the reporter, the transaction details, and the parties to the transaction.

In relation to reports on cash transactions in terms of section 28 of the FICA, it is proposed that the threshold amount be increased from the current R24,999.99 to R49,999.99. The obligation to report in terms of the section 28 of the FICA would arise when a transaction is concluded with a client by means of which cash in the amount of R50,000.00 and above is paid by the accountable or reporting institution to the client, or to a person acting on behalf of the client, or to a person on whose behalf the client is acting, or is received by the accountable or reporting institution from the client, or from a person acting on behalf of the client, or to a person on whose behalf the client is acting.

It is also proposed that the threshold amount for reporting transactions in terms of section 28 of the FICA should not be calculated on the basis of an aggregate amount of the transactions that occur over a 24 hour period, as currently provided in regulation 24 of the MLTFC Regulations.

Written comments on the draft amendment to the Financial Sector Regulations should be submitted to commentdraftlegislation@treasury.gov.za by close of business on 01 April 2019.