

DEPARTMENT OF FINANCE

NO. 2776

25 November 2022



**CONSULTATION NOTE**

Relating to the draft Directive 7 on the submission of risk compliance returns to the Financial Intelligence Centre by specified accountable institutions.

**November 2022**

**FOR CONSULTATION PURPOSES ONLY****INTRODUCTION**

1. The Financial Intelligence Centre (FIC) has issued draft Directive 7 and an associated questionnaire for consideration by all accountable institutions in terms of section 43A of the Financial Intelligence Centre Act, 2001 (Act 38 of 200) (FIC Act).
2. Draft Directive 7 is aimed at addressing two key “Immediate Outcomes” identified by the Financial Action Task Force (FATF) as essential for an Anti-Money Laundering, Combating the Financing of Terrorism and Counter Proliferation Financing (AML/CTF/CPF) framework.
3. Firstly, to address Immediate Outcome 1 where the Money Laundering, Terrorism Financing and Proliferation Financing (ML/TF/PF) risks are understood, and allow for coordinated domestic efforts to combat ML/TF/PF.
4. Secondly, in support of Immediate Outcome 3 to allow for supervisors to identify and maintain an understanding of the ML/TF/PF risks in different sectors as a whole, between different sectors and types of institutions. Further, to support the efforts of a risk-sensitive approach to supervising and monitoring accountable institutions’ AML/CFT/CPF requirements.

**BACKGROUND**

5. Section 43A(3)(a) of the FIC Act provides for the FIC or a supervisory body to issue a directive to be provided with information or reports.
6. This draft Directive 7 applies to all accountable institutions listed in Schedule 1 of the FIC Act, excluding items 4, 5, 6, 7,8,10,12,13 and 19.

**CONSULTATION**

7. Commentators are invited to comment on the draft Directive 7 and associated questionnaire by making written submissions via the online link only

**FOR CONSULTATION PURPOSES ONLY**

Directive:

<https://forms.office.com/Pages/DesignPageV2.aspx?subpage=design&FormId=szVSHGOkAUqWp9wmNLKqdPsCBknmMm9GvGC4n2DPe99UOE1ZSEw3MU1CVExBQ0tBSzhSVUNDOFVHRi4u>

Questionnaire:

<https://forms.office.com/Pages/DesignPageV2.aspx?subpage=design&FormId=szVSHGOkAUqWp9wmNLKqdPsCBknmMm9GvGC4n2DPe99UREVNVzZPQkZUVU81VIEwWVdPWkFaSVdTTS4u>

8. The draft Directive 7 and associated questionnaire will be published on the FICs website at [www.fic.gov.za](http://www.fic.gov.za). Any questions or requests relating to this draft Directive 7 may be sent to the Centre only at [consult@fic.gov.za](mailto:consult@fic.gov.za).
9. Comments on the Draft Directive 7 will be received until close of business on Friday, 2 December 2022. The FIC intends to conclude the consultation on this Draft Directive 7, by publishing final versions no later than Wednesday, 7 December 2022.

**COMMUNICATION WITH THE FIC**

10. Queries can be directed to the compliance contact centre on 012 641 6000 and select option 1, or be submitted online by clicking on <http://www.fic.gov.za/ContactUs/Pages/ComplianceQueries.aspx> or visiting the FIC's website and submitting an online compliance query.

**Issued By:**

The Director Financial Intelligence Centre

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CENTURION

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**18 November 2022**