

FREQUENTLY ASKED QUESTIONS (“FAQ”)

IN RELATION TO THE FINANCIAL INTELLIGENCE CENTRE ACT, 38 OF 2001 (“the FIC Act”)

DIRECTIVE TO PROVIDE INFORMATION 2021 (“the DPI”)

ISSUED BY THE FINANCIAL SECTOR CONDUCT AUTHORITY (“the Authority”)

1. OBJECTIVE

The objective of this communication is to provide practical guidance by answering frequently asked questions in relation to the completion of the DPI 2021.

2. BACKGROUND

As part of the Authority’s mandate to discharge its duties as a Supervisory Body in terms of Item 1 of Schedule 2 of the FIC Act, the DPI is issued in terms of section 43A(3) of the FIC Act for your completion and submission. Communication in this regard was issued to accountable institutions (AIs) on 19 February 2021 by the Authority.

To provide accountable institutions who failed to comply with the directive by 31 March 2021 a final opportunity to respond, the DPI is available again from 1 May 2021 to 31 May 2021.

Only accountable institutions (FSPs and CIS managers) who failed to respond to the DPI or did not respond to every question in the DPI between 1 March 2021 and 31 March 2021 are required to complete and submit the DPI now between 1 May 2021 and 31 May 2021.

In addition, this provides an opportunity for newly licensed FSPs (licensed from 1 March 2021) to complete and submit the DPI.

3. FREQUENTLY ASKED QUESTIONS

3.1 QUESTION: What is the DPI?

ANSWER: The DPI is a **directive** issued in terms of section 43A(3) of the FIC Act to accountable institutions to provide information to the Authority in relation to their compliance with the FIC Act.

3.2 QUESTION: Who is required to complete the DPI?

ANSWER: The DPI must be completed by **every accountable institution** listed in items 5 and 12 of Schedule 1 to the FIC Act.

Specifically:

- **All FSPs** *excluding those FSPs that are exclusively authorised to render financial services in respect of short-term insurance and / or health service benefits only;*
- **All CIS** *managers excluding those who exclusively conducts business as described in part VI of the Collective Investment Schemes Control Act (45 of 2002).*

All these accountable institutions would have received communication from the Authority on 19 February 2021 about the DPI becoming available on 1 March 2021. Accountable institutions who failed to complete and submit the DPI by 31 March 2021, now has a final opportunity to comply with the directive. **This includes accountable institutions who did not previously respond to every question in the DPI.**

Since the DPI is hosted on the FAIS and CIS e-portals, provision was made for accessing these online e-portals. **For CIS managers, a special link** was included in the communication dated 19 February 2021 and again on 19 April 2021.

For authorised financial services providers (FSPs), the same login credentials to access the FAIS e-portal for other functionalities must be used. Only sole proprietors, key individuals and FAIS compliance officers are able to register on the FAIS online e-portal for login credentials. Since the DPI is issued in terms of the FIC Act and the responsibility lies with the management of the AI to provide this information, it is recommended that the key individuals use their existing login credentials to access the DPI. If the AI has never used the FAIS e-portal before, the

key individual should register first before he / she will be able to log in. **See Annexure 1 which explains how to register on the FAIS e-portal.**

The DPI must be completed by both authorised and **suspended FSPs**. Special provision has been made for suspended FSPs to access the DPI using a link included in the communication issued to the industry on 19 February 2021 and again on 19 April 2021.

Note that the login details of the FAIS compliance officer cannot be used for purposes of accessing and completing the DPI, since login credentials cannot be shared and the DPI falls in the purview of the AI, not the FAIS compliance officer to complete.

Senior management of every accountable institution impacted by the DPI should engage their money laundering compliance officer for assistance with completion of the DPI. It is the responsibility of the money laundering compliance officer to ensure the effectiveness of the AI's compliance function in relation to the FIC Act.

3.3 QUESTION: Where can I access the DPI?

ANSWER: Use the following directory to access the DPI:

Go to www.fsca.co.za (the Authority's official website)

Scroll down to E-services (reflecting second from the left under "Regulated Entities")

Click on FAIS (third from the top under "E-Services")

Click on the FAIS e-portal button (the green button)

On the login screen, type in your **login details** OR register using your **ID number**.

Once logged in, you will find a menu of items that relates to information and services in respect of FAIS.

The DPI will reflect **second from the bottom** of this menu as "Directive to Provide Information 2021".

Click on the **dot** next to "Directive to Provide Information 2021" to access the DPI.

For additional guidance in this regard, please read Annexure 1.

3.4 QUESTION: Is it compulsory to complete the DPI even if I have a small business and do not receive client money?

ANSWER: Yes.

3.5 QUESTION: When can I access the DPI?

ANSWER: The DPI was initially only available from 1 March 2021 to 31 March 2021. **The DPI will now be made available again from 1 May 2021 to 31 May 2021. It will not be available before or after this date. Note that this is the final opportunity to comply with the directive.**

3.6 QUESTION: What information will be required from me to provide in the DPI?

ANSWER: The DPI is comprehensive and addresses all the requirements in the FIC Act which AIs must comply with. *This includes questions related to risk-based approach, risk management and compliance program, customer due diligence, training, record keeping, reporting, registration, screening and the like.*

The questions are formulated to allow for “**yes**”, “**no**” and “**not applicable**” to be selected in response to every question. *Keep your **risk management and compliance programme** at hand as this will assist you greatly in completing the DPI.*

You are not required to provide statistical information or upload any supporting documents.

Keep your **ORG ID number*** that was issued to you by the Financial Intelligence Centre (“the FIC”) ready as you will be requested to provide it. (See Question 3.7 below).

When you open the DPI:

- Please read the explanatory note and the abbreviations at the top before you proceed to the background information.
- Complete the background information comprehensively. If you are not an FSP, type in “N/A”. If you are not a CIS manager, type in “N/A”.
- Proceed to answer every question. Where more than one option is provided, note that the options not answered as “yes” should still be responded to as “no” or “not applicable”.
- Save your responses frequently.
- Try and complete the DPI in one go. From experience, some AI’s completed it partially or even fully but later forgot to submit the DPI on time which rendered them non-compliant with the directive.

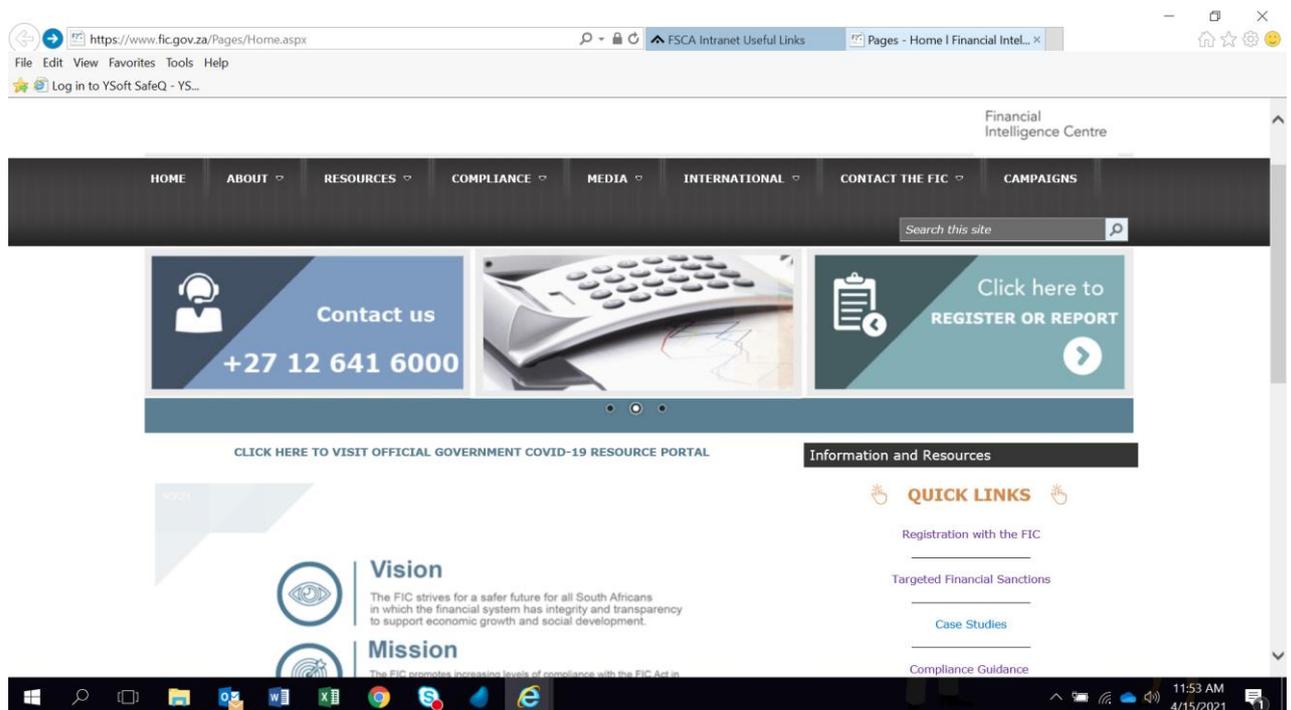
3.7 QUESTION: What is an ORG ID number*

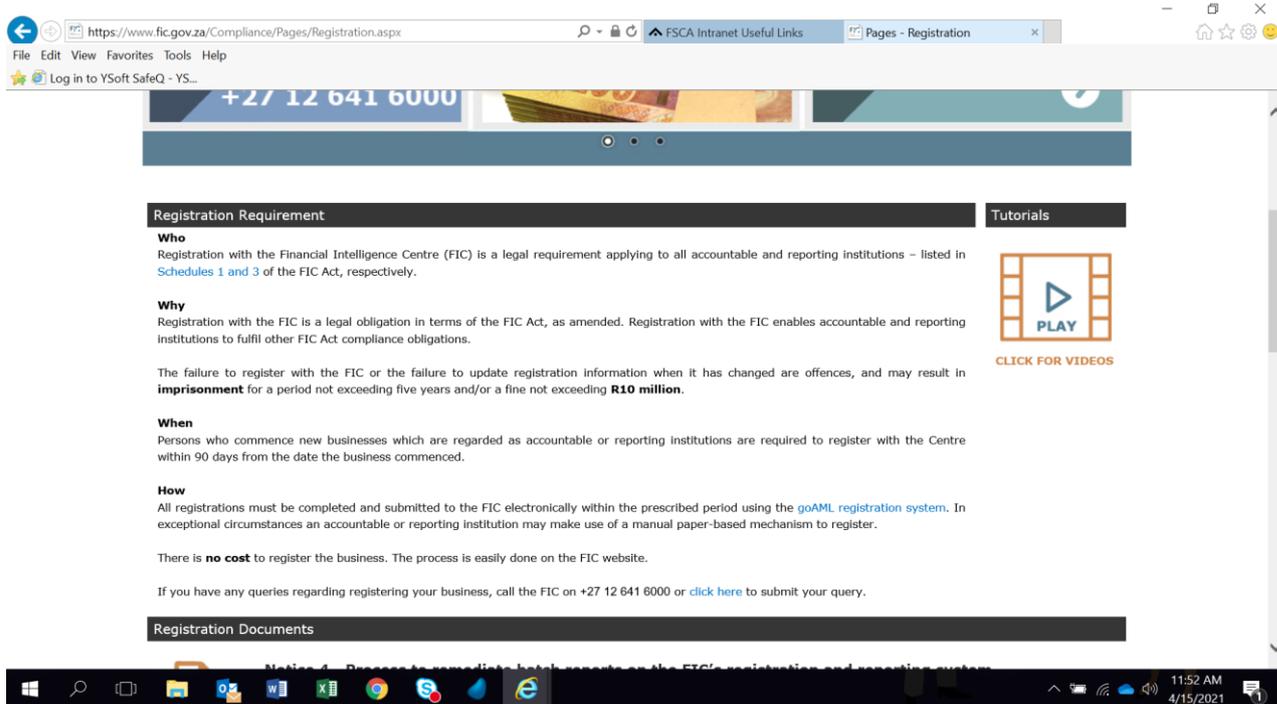
ANSWER: An ORG ID number is the number that is issued to you as an accountable institution when you register with the FIC (not the Authority). You are required to register with the FIC in terms of section 43B of the FIC Act.

The FIC is using a GoAML system that enables you to comply with your reporting duties under the FIC Act. If you have not yet registered with the FIC on the GoAML system, **this should not delay your completion and submission of the DPI.** However, you should immediately contact the FIC at 012 641 6000 or visit their website at www.fic.gov.za.

On the landing page of the FIC’s website you will find a heading on the right-hand side in orange: **“Quick Links”**. Just below this heading you must click on **“Registration with the FIC”**. On the next page you will find all the information relevant to explain the registration process, including a tutorial video as well as a link at the bottom where you can click on **“click here”** to submit an enquiry to the FIC in relation to registration issues.

Do not confuse registration with the FIC as an accountable institution with the registration required on the FAIS e-portal. A screenshot is provided below to demonstrate the details provided on the FIC’s website as explained above:





3.8 QUESTION: Will the DPI be made available in soft copy or hard copy?

ANSWER: No, the DPI will **exclusively be available online** for the period of 1 May 2021 to 31 May 2021 for accountable institutions to complete as a final opportunity to comply with the directive. It is therefore important to ensure you are registered on the FAIS e-portal to access the DPI or use the special link where provided for in communication issued on 19 April 2021 if you are a CIS manager or your FSP license was suspended.

3.9 QUESTION: What will happen if I fail to complete the DPI?

ANSWER: The DPI is issued in terms of section 43A(3) of the FIC Act as a directive and therefore **compulsory** to complete as directed. **Failure to complete and submit the DPI may result in enforcement action in terms of the FIC Act that is appropriate, proportionate and dissuasive.**

Since the DPI will now be available again from 1 May 2021 to 31 May 2021, it is very important to note that this is the **final opportunity** to comply with this directive. There will not be another opportunity and there will be no extension granted. Repeated failure to comply with the directive by 31 May 2021 will be regarded as a serious non-compliance and appropriate enforcement action may follow. It is important to note that all sanctions issued are published on the official website of the FSCA.

3.10 QUESTION: What are some common mistakes made / misunderstandings when completing the DPI?

ANSWER:

- The AI does not read the explanatory note and the abbreviations in the DPI.
- The FSP nr is captured incorrectly by the person completing the DPI. This will result in your response not reflecting on your profile once submitted.
- The ID / business registration nr is provided where the ORG ID nr is required.
- Assets under management does not apply to Category I FSPs.
- Senior management includes the sole proprietor.
- Reference to “compliance officer” relates to the money laundering compliance officer, not any other type of compliance officer appointed by the AI.
- Reference to a “group” relates to a group of companies that constitutes a holding company and subsidiaries (whether local or foreign).
- Reference to other “regulators” relate to supervisors that regulate the AI in terms of other legislation and includes regulators in other jurisdictions.
- Reference to “client” includes all clients (foreign and local).
- A business relationship implies an ongoing relationship between the AI and the client.
- A single transaction includes all transactions concluded other than those concluded during the course of a business relationship.
- Reference to “internal” and “external audit” functions exclude monitoring conducted by the FSP’s appointed FAIS compliance officer. The reference relates to persons that are qualified in the auditing profession and appointed by the FSP / CIS manager in this capacity. Where such functions do not exist, the response should reflect that.

- The AI procrastinates and experience issues with registration on the FAIS e-portal which causes it to not meet the deadline for submission.
- The AI completes the DPI but forgets to submit it before the deadline expires.
- If you appointed a third party to keep your records, then you are required to capture the information about the third party record keeper separately on the FAIS e-portal. This facility is a permanent facility now available on the FAIS e-portal.

4. ENQUIRIES

- For enquiries related to registration on the FAIS e-portal, see Annexure 1
- For general enquiries related to the DPI, contact 0800 203 722.
- For enquiries related to issues with registration on the FAIS e-portal, send an e-mail to faiscomp1@fsca.co.za
- For enquiries related to technical questions / interpretation issues, send an e-mail to michele.fourie@fsca.co.za
- ***Please ensure that you provide the following information when making an enquiry: your FSP nr / CIS nr; your name and ID or passport nr ; your contact details ; a clear description of your query.***

FINANCIAL SECTOR CONDUCT AUTHORITY

DATE: 19 APRIL 2021

FAQ - ANNEXURE 1
THE DIRECTIVE TO PROVIDE INFORMATION 2021 (“THE DPI”)
ACCESS TO THE FAIS E-PORTAL

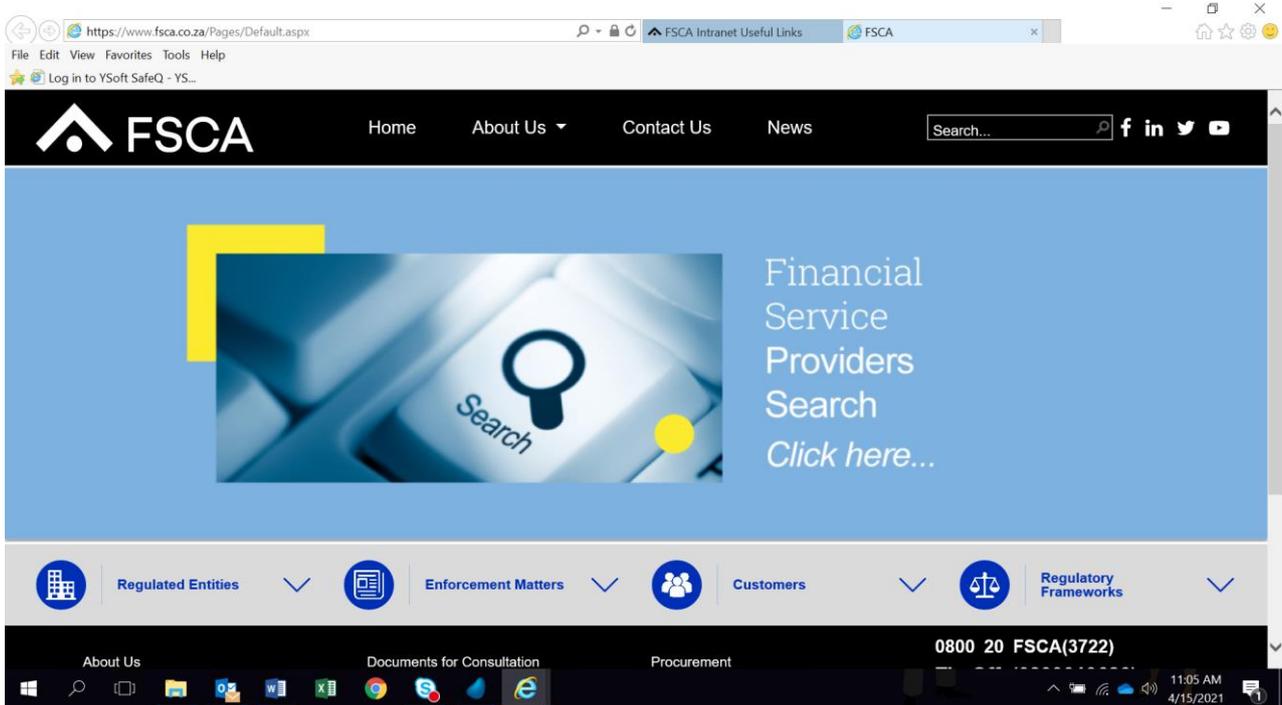
The DPI is only available on the FAIS e-portal for online completion and submission. No other version thereof (hard or soft copy) will be acceptable on submission. To access the DPI, you need to be registered on the FAIS e-portal in order to log on.

The purpose of this document is to provide practical guidance to assist you to navigate the official website of the Financial Sector Conduct Authority (“the Authority”) to access and complete the DPI.

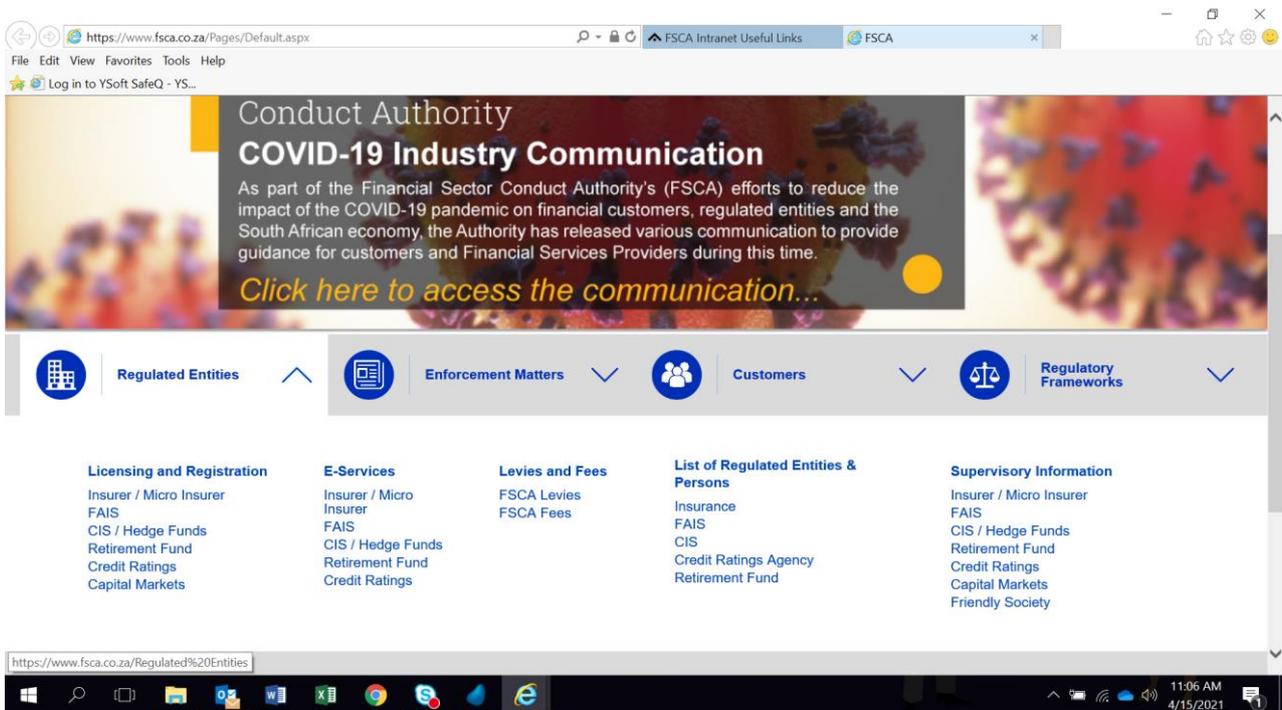
1. **Only authorised financial services providers** (“FSPs”) are able to access the FAIS e-portal. Special provision was made in the communication issued to CIS managers and suspended FSPs to access the DPI since they do not have access to the FAIS e-portal.
2. For purposes of the DPI, **only approved key individuals** are able to register on the FAIS e-portal with a valid identity or passport number.
3. If you have not registered on the FAIS e-portal before, you need to click on the “register” button following which **a password will be system-generated and sent to the e-mail address on record for the person registering** (not the contact person of the FSP). If the e-mail address on record is not updated or was never provided, you will not be able to receive the system-generated password. Ensure that your e-mail address on record is correct.
4. Once you receive the system-generated password, **copy and paste the password** onto the logon page and type in your identity number or passport number where so required.
5. You will be required to then **confirm your details before** you are able to access the list of items displayed on the FAIS e-portal.
6. The DPI will be reflecting **second from the bottom of the list** of items displayed as **“Directive to Provide Information 2021”**.

Practical steps:

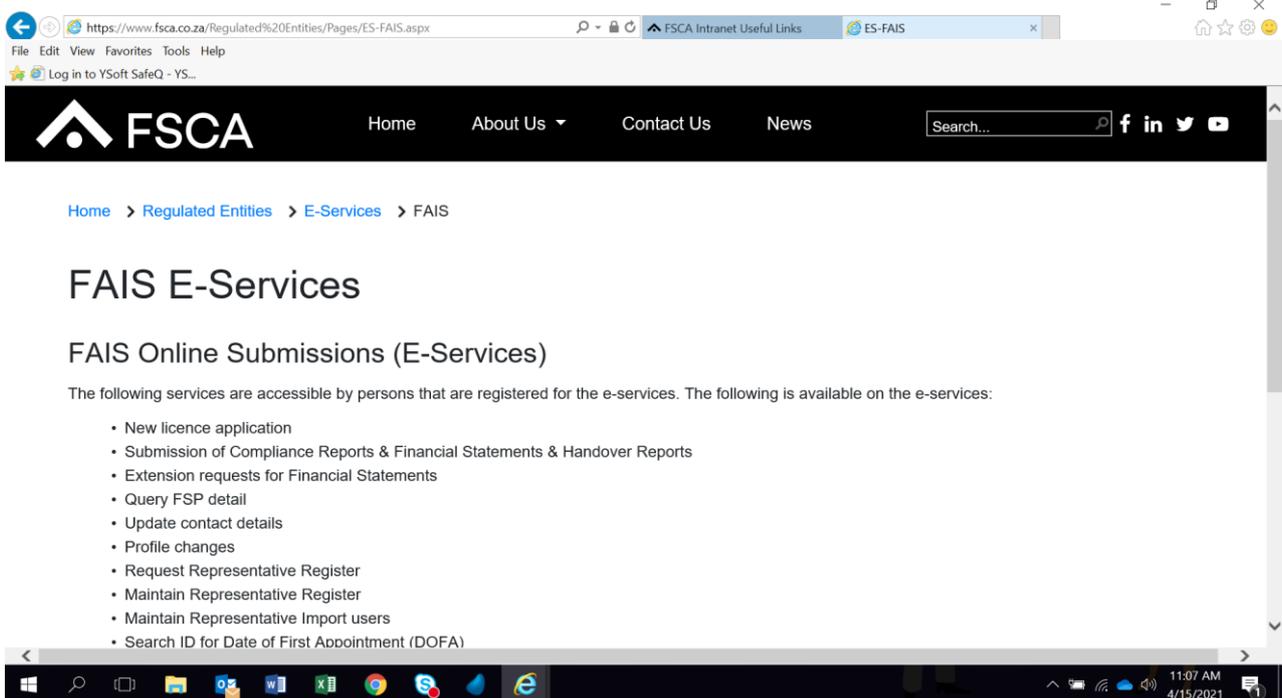
Search for the website of the Authority on the internet using the following address: www.fsca.co.za



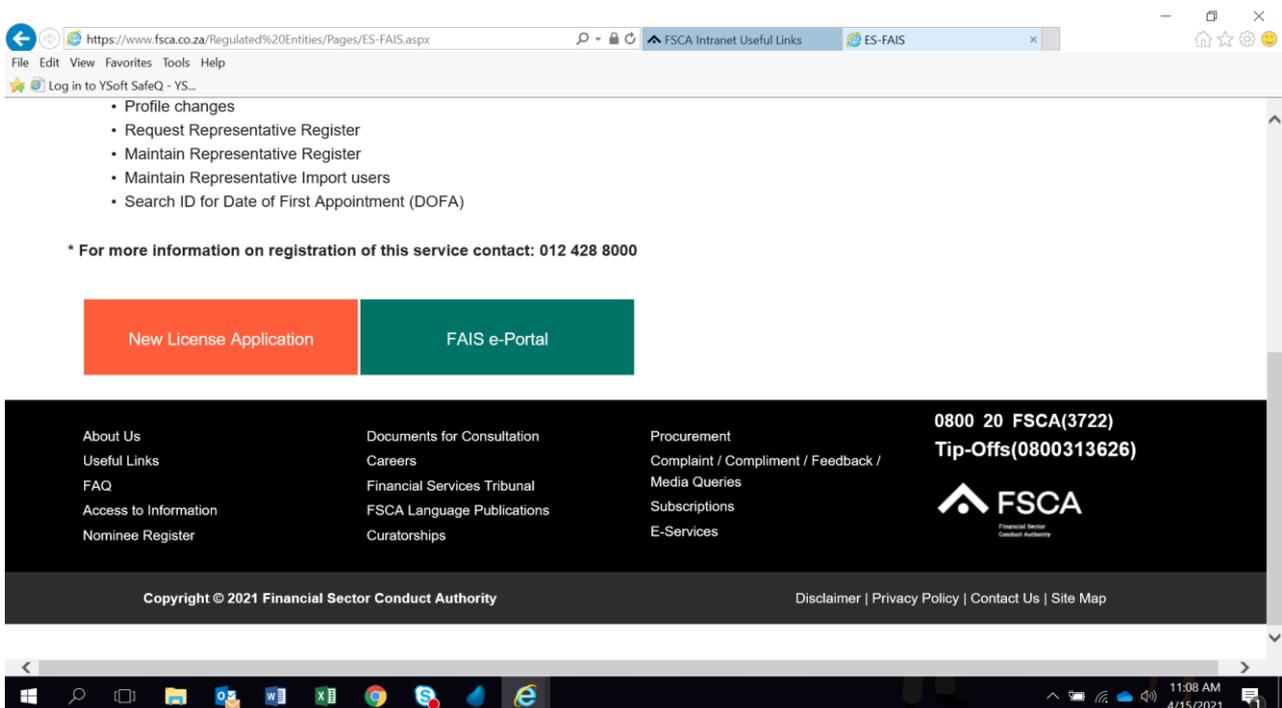
Scroll down to the bottom of the landing page to “Regulated Entities”:



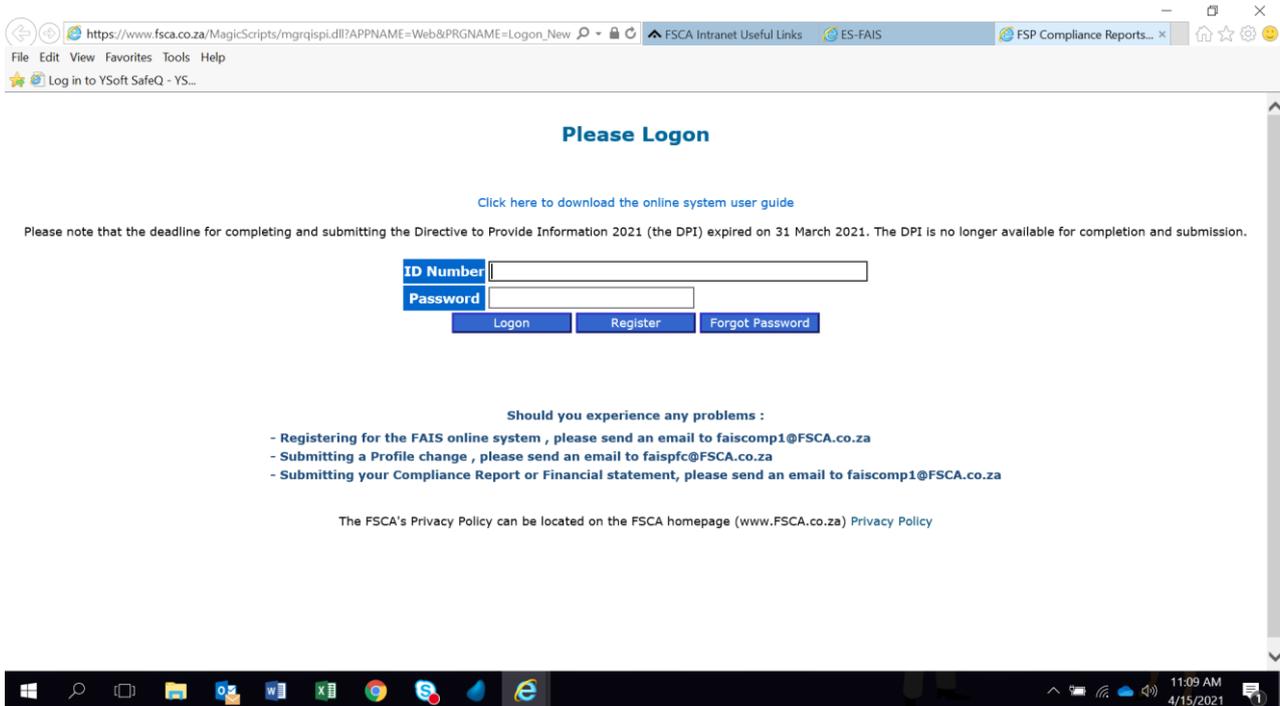
Second from the left there is a tab for E-Services. Click on “FAIS” (third from the top)



Scroll down to the green block titled “FAIS e-portal” and click on the button:



The logon / registration page is now visible:



If you experience issues with registration on the FAIS e-portal...

Note that a dedicated e-mail address is provided: faiscomp1@fsca.co.za. If there are any issues with your registration, the system will automatically generate a notification to you explaining what the issue is i.e your identity or passport number on record is invalid / the e-mail address is incorrect etc. **Send an enquiry to faiscomp1@fsca.co.za immediately and provide the following information** to ensure we can focus our response to assist you:

- Your FSP number
- The name, surname and identity or passport number of the person registering
- The correct e-mail address which should be used to send you the password required to log on
- A description of the issue that you experience i.e your e-mail address must be updated

Important: do not wait for the last day of the deadline to submit the DPI to engage the Authority on issues that you experience that relate to registration on the FAIS e-portal. If your enquiry is not received timeously we may not be able to respond to you before the deadline for submission of the DPI exp