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Section 4(c) of the FIC Act empowers the Centre to provide guidance in relation to a number of matters concerning compliance with the obligations of the FIC Act.

Guidance provided by the Centre is the only form of guidance formally recognised in terms of the FIC Act and the Regulations issued under the FIC Act. Guidance provided by the Centre is authoritative in nature. An accountable institution must comply with the FIC Act and Regulations read with guidance issued by the Centre, and where there is a departure explain the reasons for not adhering to the guidance provided by the Centre. It is important to note that enforcement action may emanate as a result of non-compliance with the FIC Act in areas where there have been non-compliance with the guidance provided by the Centre.
PCC Summary
The Centre views a “person who carries on the business of dealing in motor vehicles” to be any person who is engaged in the business of buying, selling, or exchanging any self-propelled vehicle, including a vehicle having pedals and an engine, or an electric motor as an integral part thereof or attached thereto and which is designed or adapted to be propelled by these means on land, as well as any trailer and caravan.

This includes persons dealing in both new and second hand vehicles.

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Objective
The objective of this PCC is to provide the Centre’s view on the interpretation of “a person who carries on the business of dealing in motor vehicles” as designated in Item 1 of Schedule 3 to the FIC Act.
1. **Introduction**
   1.1 Motor vehicle dealers are listed in Item 1 of Schedule 3 to the FIC Act as reporting institutions. The FIC Act does not provide a definition of a motor vehicle or a motor vehicle dealer, and the purpose of this PCC is to clarify the Centre’s interpretation of these terms.

2. **The Centre’s view**
   2.1 The Centre has taken into consideration definitions contained in National Legislation\(^1\) as well as the interpretation used in the retail motor industry as an indicative interpretation, in determining what is considered a motor vehicle dealer, for purposes of interpreting the term “a person who carries on the business of dealing in motor vehicles” in Schedule 3 to the FIC Act.

   2.2 The Centre considers a motor vehicle to mean **any self-propelled vehicle, including a vehicle having pedals and an engine, or an electric motor as an integral part thereof or attached thereto and which is designed or adapted to be propelled by these means on land and includes any trailer and caravan.**

   2.3 A motor vehicle dealer is considered as any person who is engaged in the business of buying, selling, or exchanging motor vehicles as described above, regardless of whether such vehicles are new or second hand vehicles.

3. **Legal obligations flowing from being a Reporting Institution**
   3.1 The following legal obligations are applicable to motor vehicle dealers in terms of the FIC Act:

   3.1.1 **Registration** – Motor vehicle dealers have a duty to register with the Centre in terms of section 43B of the FIC Act.

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\(^1\) The National Road Traffic Act No.93 of 1996; and The Road Traffic Accident Fund Act No.56 of 1996
3.1.2 **Cash Threshold Reporting** – Motor vehicle dealers are required to report cash transactions above the prescribed threshold of R24 999.99 to the Centre, in terms of section 28 of the FIC Act.

3.1.3 **Suspicious and Unusual Transaction Reporting** – Section 29 of the FIC Act requires that any person, who carries on a business, is in charge of a business, manages a business, or is employed by a business, must report suspicious or unusual transactions to the Centre. This reporting obligation is applicable to a person who carries on the business of dealing in motor vehicles as defined in this PCC.

4. **Conclusion**

4.1 The Centre considers “a person who carries on the business of dealing in motor vehicles” to be any person who is engaged in the business of buying, selling, or exchanging any self-propelled vehicle, including a vehicle having pedals and an engine, or an electric motor as an integral part thereof or attached thereto and which is designed or adapted to be propelled by these means on land, as well as any trailer and caravan.

4.2 This includes persons dealing in both new and second hand vehicles.

For any further enquiries regarding this PCC 07, please contact the Centre on 0860 342 342, or by sending an email to: fic_feedback@fic.gov.za.

*Issued By:*

The Director
Financial Intelligence Centre
02 September 2011