The Financial Intelligence Centre (the Centre) provides the guidance contained in this Public Compliance Communication (PCC) in terms of its statutory function in terms of section 4(c) of the Financial Intelligence Centre Act, Act No. 38 of 2001, as amended (the FIC Act), read together with Regulation 28 of the Money Laundering and Terrorist Financing Control Regulations (the Regulations) issued in terms of the FIC Act.

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
This PCC provides clarity on the documentation that an accountable institution must obtain to verify the particulars of a company or close corporation obtained in terms of regulation 8(a) of the Regulations issued in terms of the FIC Act taking into account the new Companies Act, Act No. 71 of 2008, as amended (the new Companies Act), as well as the amended Close Corporations Act, Act No. 69 of 1984 (the amended Close Corporations Act).

The new Companies Act also established the Companies and Intellectual Property Commission (CIPC).

An accountable institution verifying information obtained in terms of regulation 8(a) of the Regulations to the FIC Act in respect of a South African company, must ensure that it obtains a registration certificate and the notice of incorporation as issued in terms of Section 14(b)(iii) of the new Companies Act from the representative of the company, or alternatively utilise the electronic verification processes as provided for by the CIPC.

An accountable institution verifying information obtained from an existing close corporation established prior to 01 May 2011 must obtain the most recent version of the founding statement and certificate of incorporation, bearing the stamp of the Registrar of Close Corporations and signed by an authorised member or employee of the close corporation, or alternatively utilise the electronic verification processes as provided for by the CIPC.

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Objective
The objective of this PCC is to provide the Centre’s view on the relevant documentation an accountable institution should obtain to verify the particulars of a company or close corporation obtained in terms of regulation 8(a) read with regulations 7 (a), (b) and (c) of the Regulations to the FIC Act taking into account the new Companies Act as well as the amended Close Corporations Act.

1. Introduction
1.1 The CIPC was established through the amalgamation of the Office of Companies and Intellectual Property Enforcement and the Companies and Intellectual Property Registration Office (CIPRO). The CIPC is a juristic person as mandated by the new Companies Act.

1.2 One of the main functions of the CIPC is to ensure the registration of companies, co-operatives, intellectual property rights and the disclosure of information on its business registers.

1.3 Section 21 of the FIC Act requires that an accountable institution must establish and verify the identity of its client prior to establishing a business relationship or concluding a single transaction with the client or the representatives of the client.

1.4 When an accountable institution wishes to transact with a South African company or close corporation regulation 7 of the Regulations to the FIC Act stipulates that the institution must obtain the following information in terms of Regulation 7 (a), (b), (c) and (d):
(a) the registered name of the close corporation or company;
(b) the registration number under which the close corporation or company is incorporated;
(c) the registered address of the close corporation or company; and
(d) the name under which the close corporation or company conducts business.

1.5 In respect of a company, regulation 8(a) of the Regulations states that verification by an accountable institution is achieved by comparing the aforementioned obtained particulars with the most recent versions of the certificate of incorporation (form CM1), notice of registered office and postal address (form CM22), bearing the stamp of the Registrar of Companies and signed by the company secretary.

1.6 In the case of a close corporation the most recent version of the founding statement and certificate of incorporation (form CK1), bearing the stamp of the Registrar of Close Corporations and signed by an authorised member or employee of the close corporation must be presented for verification.

1.7 The above methods of verification in respect of companies and close corporations was an effective way of verification prior to the enactment of the new Companies Act which replaced the previous Companies Act 61 of 1973 as from 01 May 2011, and which substantially amended the Close Corporations Act.

2. The Centre’s view
2.1 The new Companies Act introduced significant new provisions, terminology and changes in the manner in which companies are registered.

2.2 In terms of section 14 of the new Companies Act, the CIPC will assign a unique registration number to a company and endorse a notice of incorporation in respect of that company. The Company will also be issued with a registration certificate.

2.3 The registration certificate includes the registered name, registered address as well as the registration number of the company. The registration certificate is signed by the CIPC Commissioner.
2.4 In terms of section 14 of the Companies Act the registration certificate is proof that all the requirements for the incorporation of a company have been complied with and that the company is incorporated as from the date and time as stated in the certificate.

2.5 The registration certificate meets the requirements of Regulation 7 to the FIC Act insofar it relates to the registered name, registered address and registration number of the company.

2.6 The new Companies Act has amended the verification process of a South African company. Accountable institutions will now require the representative of the company to produce the signed registration certificate and the notice of incorporation to such accountable institution, or alternatively make use of the electronic verification processes as provided for by the CIPC\(^1\).

2.7 In the case of close corporations, section 2 of the amended Close Corporations Act specifically states that no registrations of close corporations will be permissible after 01 May 2011.

2.8 Hence when verifying an existing close corporation, the most recent version of the founding statement and certificate of incorporation, bearing the stamp of the Registrar of Close Corporations and signed by an authorised member or employee of the close corporation must be presented to the accountable institution, or alternatively make use of the electronic verification processes as provided for by the CIPC.

2.9 An accountable institution should as far as reasonably possible require the client to provide the required documentation as part of the verification process, and when verifying the required information the accountable institution should place a date stamp on, or against the obtained required document for record keeping purposes.

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\(^1\) The CIPC has defined processes and procedures to enable institutions to verify CIPC documents at a cost as determined by the CIPC.
3. **Conclusion**

3.1 An accountable institution verifying information obtained in terms of regulation 8(a) read with regulation 7 (a), (b) and (c) of the Regulations to the FIC Act in respect of a South African company, must ensure that it obtains a registration certificate and the notice of incorporation as issued in terms of section 14 of the new Companies Act from the representative of the company, or alternatively utilise the electronic verification processes as provided for by the CIPC.

3.2 An accountable institution verifying the particulars of information obtained from an existing close corporation established prior to 01 May 2011, must ensure it obtains the most recent version of the founding statement and certificate of incorporation, bearing the stamp of the Registrar of Close Corporations and signed by an authorised member or employee of the close corporation, or alternatively utilise the electronic verification processes as provided for by the CIPC.

3.3 The CIPC has implemented processes where an accountable institution can access the required information electronically for verification purposes and institutions should contact the CIPC for further information and guidance on these processes.

3.4 For any further enquiries regarding this PCC24, please contact the Centre on 0860 222 200, or by sending an email to: fic_feedback@fic.gov.za.

**Issued By:**

The Director
Financial Intelligence Centre
12 September 2013
### Comparative Table

**Companies:**

<table>
<thead>
<tr>
<th>FIC Act Obligations Regulations 7(a) to (d)</th>
<th>FIC Act verification requirement in terms of the Companies Act, Act No. 61 of 1973</th>
<th>FIC Act verification requirement in terms of the new Companies Act, Act No. 71 of 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) the registered name of the company;</td>
<td>Verification by an accountable institution is achieved by comparing company information with the most recent versions of the certificate of incorporation (form CM1), notice of registered office and postal address (form CM22), bearing the stamp of the Registrar of Companies and signed by the company secretary.</td>
<td>Verification by an accountable institution is achieved by comparing company information with the registration certificate and the notice of incorporation as issued in terms of Section 14 of the Companies Act as received from the representative of the company, or alternatively electronic verification as provided for by the CIPC</td>
</tr>
<tr>
<td>(b) the registration number under which the company is incorporated;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) the registered address of the company;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(d) the name under which the company conducts business.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Comparative Table

Close Corporations

<table>
<thead>
<tr>
<th>FIC Act Obligation Regulations 7(a) to (d)</th>
<th>FIC Act verification requirement in terms of the Close Corporations Act, Act No. 69 of 1984</th>
<th>FIC Act verification requirement in terms of the amended Close Corporations Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) the registered name of the close corporation;</td>
<td>The most recent version of the founding statement and certificate of incorporation (form CK1), bearing the stamp of the Registrar of Close Corporations and signed by an authorised member or employee of the close corporation must be presented for verification.</td>
<td>Hence when verifying an existing close corporation, the most recent version of the founding statement and certificate of incorporation, bearing the stamp of the Registrar of Close Corporations and signed by an authorised member or employee of the close corporation must be presented to the accountable institution, or alternatively electronic verification as provided for by the CIPC.</td>
</tr>
<tr>
<td>(b) the registration number under which the close corporation is incorporated;</td>
<td></td>
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</tr>
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</tbody>
</table>