

FINANCIAL SERVICES PROVIDERS (FSPs) NOT REGISTERED WITH THE FINANCIAL INTELLIGENCE CENTRE MAY WELL FACE SANCTIONS

All FSPs (with the exclusion of FSPs only registered to provide advisory and intermediary services in respect of short-term insurance and/or health service benefits) must register with the Financial Intelligence Centre (the FIC) in terms of the Financial Intelligence Centre Act, No. 38 of 2001, as amended (the FIC Act).

Registration commenced on **01 December 2010** and all FSPs had to be registered by **01 March 2011**.

What happens if I don't register?

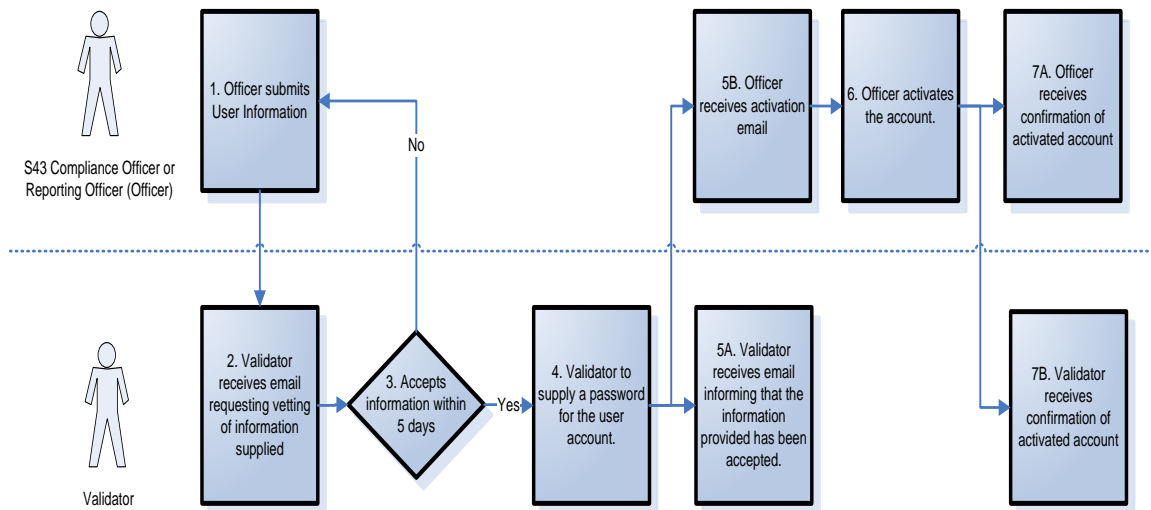
FSPs that fail to register may face administrative sanctions that include a financial penalty of up to R10 million in respect of a legal person. For purposes of determining administrative sanctions, the FIC will look more favourable on FSPs that are registered closer to the cut-off date of **01 March 2011**.

How do I Register?

Registration should be done on the Centre's website at www.fic.gov.za. A guideline for registration, as well as the online registration form is available on the Centre's website under "Registration Form". For further guidance on registration requirements for institutions, please consult Public Compliance Communication 05 (PCC 05), issued by the Centre on **09 December 2010** located on the Centre's website at:

http://www.fic.gov.za/DownloadContent/NEWS/PRESSRELEASE/101209%20PC05%20AIRI%20Registration_Final.pdf

The following is a basic illustration of the initial registration process:



FSPs must note that the description of accountable institutions (AIs) in Schedule 1 of the FIC Act has been amended. Item 8 of Schedule 1 now only refers to a person who carries on a long-term insurance business, (and not, as previously, an insurance broker or an agent of an insurer). Item 12 of Schedule 1 refers to a person who carries on the business of a FSP requiring authorisation in terms of the Financial Advisory and Intermediary Services Act, No. 37 of 2002.

FSPs that only conduct advisory and intermediary services in respect of short-term insurance business and/or health service benefits are specifically **excluded** from the description of Item 12 and are not required to register with the Centre.

Kindly take further note that auditors that are registered with the Independent Regulatory Board for Auditors (IRBA), who are not conducting business that requires authorisation in terms of the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (the FAIS Act), are also not required to register in terms of the FIC Act.

The FIC encourages all those that are required to register to do so as expediently as possible so as to ensure compliance with the FIC Act.

FEEDBACK AND ENQUIRIES

Enquiries may be sent to the FIC by e-mail: fic_feedback@fic.gov.za.

You may also phone the FIC on +27 860 FIC FIC (342 342).

Consult the FIC's website - www.fic.gov.za - to keep abreast of further developments.