

# **Anti-Money Laundering Policy In terms of section 42 of the Financial Intelligence Centre Act, No 38 of 2001**

**for**

## **The Uzumba (Pty) Ltd**

### **Disclaimer**

While these materials are intended for use by the business, which have the right to use them as required to assist in achieving compliance with FICA requirements, please be advised that their use is entirely at the business' own discretion and risk.

Whereas the compiler considered all known provisions applicable to the business, compilers do not assume accuracy and this document will be revised and updated from time to time, to take into account any amendments, orders and determination issued by the supervisory body or any relevant authorities.

#### **(i) Foreword**

Money laundering has been criminalised in section 4 of the Prevention of Organised Crime Act, 1998 (—POCA). A money laundering offence may be described as the performing of any act that may result in concealing the nature of the proceeds of crime or of enabling a person to avoid prosecution or in the diminishing of the proceeds of crime. Apart from criminalising the activities constituting money laundering, South African law also contains a number of control measures aimed at facilitating the detection and investigation of money laundering. These control measures, as contained in the Financial Intelligence Centre Act, 2001, as amended (FICA), are based on three basic principles of money laundering detection and investigation, i.e. that:

- a) intermediaries in the financial system must know with whom they are doing business;
- b) the paper trail of transactions through the financial system must be preserved;

- c) Possible money laundering transactions must be brought to the attention of the Financial Intelligence Centre and the investigating authorities.

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## 1. Introduction

Uzumba (Pty) Ltd (the business) is a business operating in the Krugerrand Industry. The business buys and sells Krugerrands to clients varying from legal entities to non legal entities. The original Krugerrand was created in 1967 by the South African Mint to be used as a key driver for the demand of South African gold in the late 1960's. Since the discovery of gold in South Africa in 1886 this rare and valuable commodity has also become the symbol of South Africa's proud numismatic heritage. It is the easiest way for investors to own and trade gold.

Gold is a high-value consumer and attractive item and dealing with these items makes the business vulnerable to crime syndicates who wish to disguise the true origin of their assets, which exposes the business to liabilities under Anti-Money Laundering (AML) Laws and Combating the Financing of Terrorism (CFT). The Uzumba is a Reporting Institution under FICA, which requires institutions to formulate and implement a Risk Management and Compliance Programme

(RMCP). This RMCP is designed in a manner that will enable the businesses to reasonably:

- (i) identify;
- (ii) assess;
- (iii) monitor;
- (iv) mitigate and
- (v) manage risks that are associated with products or services offered to their clients which may be abused for attempts to facilitate money laundering or the financing of terrorist and related activities.

This RMCP uses a risk-based approach to determine the minimum reasonable and practical measures that the business will implement to achieve FICA objectives. In addition, this RMCP is to be complemented with all legislations applicable to the business' internal controls, standard operating procedures and company policies.

## **2. The purpose of this RMCP**

This document contains control measures aimed at facilitating the detection and investigation of money laundering activities. The RMCP will help the business define different matrices for their various clients, based on the products and services offered, as well as considering the geographical area that may influence their client risk ratings.

RMCP will determine what documents are required from different clients (loyalty clients vs. day clients), as well as the extent, if any, of the verification thereof. Additional information relating to The Uzumba general business operations (i.e. conducting background and credit checks on prospective clients) will also be differentiated clearly from its FICA obligations.

The Uzumba will also include practical examples and expand on processes and procedures to be followed. This especially relates to the identification of potential suspicious and unusual transactions and/or activities in terms of section 29 of the FIC Act, and the subsequent reporting thereof to the FIC.

### **3. The treatment of this RMCP**

#### **3.1. Approval of the Risk Management Compliance Programme**

The board of directors, senior management or other person or group of persons exercising the highest level of authority in the business shall approve the RMCP.

#### **3.2. Review of the Risk Management Compliance Programme**

The Group Manager: Compliance & Assurance, in conjunction with the casino's AMLCO, will review the RMCP at regular intervals to ensure that it achieves the applicable requirements contemplated in the FIC Amendment Act.

#### **3.3. Availability of Risk Management Compliance Programme**

The business may provide access or make the RMCP available to all licensed employees in at least the following manner:

- (a) By maintaining a centralized hard copy; or
- (b) Through electronic resources such as, but not limited to, websites and the intranet.

#### **3.4. Requests for copy of Risk Management Compliance Programme**

3.4.1. Upon receiving a request from the below authorities, the business must make a copy of its RMCP available to:

- (a) The Financial Intelligence Centre (the FIC); or
- (b) A supervisory body who performs regulatory or supervisory functions in respect of the business.

3.4.2. Requests made by the above authorities for copies of the RMCP are to be directed to the business's Anti-money Laundering Compliance Officer.

#### **4. Legal Status and Review of this RMCP**

South African laws criminalise the conduct of (intentionally or negligently) assisting criminals to launder monies obtained from criminal activities. The laws dealing with money laundering in South Africa also contain severe penalties should employees fail to collect and deal with the required information or to report suspicious transactions. This RMCP is legally binding on all Employees, and any non-compliance therewith is to be regarded by the Business as serious misconduct. By complying with this policy, employees of the business will assist in the fight against crime currently affecting every person in South Africa. The Business must review this RMCP as and when required, taking into account any Amendments to the FIC Act or order or determination issued by the FIC.

#### **5. Core pillars of compliance and compliance processes:**

##### **5.1. Registration**

In order for businesses to work properly with the FIC in the fight against money laundering and the financing of terrorism, the provision of section 43B of FICA requires all institutions to register with the FIC. The Uzumba has successfully registered with the FIC. At the time of drafting this document, The Uzumba is a registered as a registered user.

##### **5.1.1. Updating registration details with the FIC**

Regulation 19 of the Regulations deals with the need for institutions to maintain up to date and relevant information. In case where Uzumba has a change in entity registration details, the Reporting Officer (RO) will contact the FIC and notify them of the changes and the FIC will advise of the process of updating registration information.

##### **5.1.2. The Use of Login details**

The FIC issued a directive on 08 April 2014, prohibiting the use of these login details by any person other than the one who initially registered on the FIC's system. If the current registered user no longer holds the position he held at the time of registration with the FIC, the Business will ensure that new login credentials are obtained.

## **5.2. Client Identification and Verification (CIV)**

Section 21 of FICA prohibits **accountable institutions** from establishing business relationships or entering into single transactions with their clients unless they have established and verified the identities of their clients, or persons representing their clients.

Although these provisions are only applicable to Accountable Institutions, Uzumba understands that client profiling allows for easier detection of any unlawful or money laundering activities and place us in a better position to have sufficient information to report reportable transactions. While conducting CIV, clients will not be advised that the requirements are as a result of FICA.

### **5.2.1. Manner in which the business determines prospective clients and clients:**

#### **a). Prospective client**

Uzumba will deem a person to be a Prospective Client if that person intends to enter into a business relationship or conclude a single transaction but:

- a) who has not provided the necessary identification information or documents; or
- b) where the verification of such identification information is still pending; or
- c) where there is inconsistency regarding the accuracy or authenticity of the identification information provided.

#### **b). Client**

Uzumba will deem a person to be a Client when that person has successfully entered into a business relationship or concluded a single transaction after:

- a) providing the necessary identification information or documents; and
- b) the verification of the identification information has been completed; and
- c) where the identification information received regarding the accuracy or authenticity of his or her identification is correct.

**5.2.2 Our rules regarding the identification of clients are as follows:**

- a) Identification is received prior to any transactions being concluded and no transaction will be concluded without identification and verification of client.
- b) Uzumba’s Application Form or Offer to Purchase, which requires identification information of the client must be completed.
- c) No product will be delivered until verification documentation is received.
- d) The person receiving FICA documents must make copies, date and sign copies to note that originals have been seen.
- e) Although Uzumba sells mostly to natural persons and corporate clients, the business is open to sell to any client type. Below is the summary of basic identification and verification information and documents required from a client, irrespective of the deal type:
  - Regulations 3 and 4- deals with the identification of South African citizens and residents;
  - Regulations 5 and 6- deals with information concerning foreign nationals;
  - Regulations 7 and 8- deals with information concerning Close corporations and South African companies;
  - Regulations 9 and 10-deals with information concerning foreign companies;
  - Regulations 11 and 12- deals with information concerning other legal persons;
  - Regulations 13 and 14-deals with information concerning partnerships; and
  - Regulations 15 and 16 -deals with information concerning trusts.

**5.2.3. CIV Requirements for various client types**

<b>Client type</b>	<b>Information required</b>	<b>Verification documents/ Method</b>
<b>South African Citizens</b>	<ul style="list-style-type: none"> <li>● Full names</li> <li>● Date of birth</li> <li>● Identity number</li> <li>● Residential address</li> </ul>	<ul style="list-style-type: none"> <li>● Identity document /or</li> <li>● Driver’s license/ or</li> <li>● or Passport, and</li> <li>Any from the list below:               <ul style="list-style-type: none"> <li>● Utility Bill not older than 3 months</li> <li>● Bank statement from another Bank confirming the particulars of the person</li> </ul> </li> </ul>

		<ul style="list-style-type: none"> <li>● Recent lease or rental agreement</li> <li>● Municipal rates and taxes invoice</li> <li>● Telephone/Cellular account</li> <li>● Valid television licence</li> <li>● Recent Motor vehicle licence</li> <li>● Employer's certificate</li> </ul>
<b>Foreign Citizens</b>	<ul style="list-style-type: none"> <li>● Full names</li> <li>● Date of birth</li> <li>● Passport number</li> <li>● Nationality</li> <li>● Residential address</li> </ul>	<ul style="list-style-type: none"> <li>● Driver's license/or</li> <li>● Passport and</li> <li>● Work permit</li> </ul> <p><b>NB: Non-resident do not need to submit proof of residence</b></p>
<b>South African Companies</b>	<ul style="list-style-type: none"> <li>● Registration name</li> <li>● Registration number</li> <li>● Registered address</li> <li>● Name under which business is conducted</li> <li>● The address from which the company operate</li> <li>● Personal details of the manager/CEO of the company</li> <li>● The mandate officials who are authorized to establish a business relationship</li> </ul>	<ul style="list-style-type: none"> <li>● Company registration certificate</li> </ul> <p>Any of the documents below:</p> <ul style="list-style-type: none"> <li>● Utility bill/</li> <li>● Company statement/</li> <li>● Recent lease or rental agreement/</li> <li>● Municipal rates/</li> <li>● taxes invoice/</li> <li>● Telkom account/</li> </ul>
<b>Other legal person (Includes government)</b>	<ul style="list-style-type: none"> <li>● Name of the legal person;</li> <li>● The address from which it operates;</li> <li>● Its legal form (i.e local municipality); and</li> <li>● Full name, date of birth, identity number, residential address and contact particulars of each natural person who is authorised to act on behalf of the legal person</li> </ul>	<ul style="list-style-type: none"> <li>● Constitution or other founding documents.</li> <li>● Copies of ID of each representative</li> </ul>

#### 5.2.4. Anonymous and Fictitious Clients

5.2.4.1. The Business is strictly prohibited from dealing with anonymous persons, or persons who have fictitious names.

5.2.4.2. The Business must, by adhering to the provisions of this RMCP, ward against the risk of –

- a) dealing with an anonymous person by refusing to on-board as a Client anybody who appears to desire or expresses a desire to transact with the Business anonymously; and

- b) dealing with a fictitiously named person by subjecting all Prospective Clients to the CDD procedures which procedures are aimed at ensuring, amongst other things, that the Business only deals with persons who exist.

### **5.2.5. Customer Due Diligence (CDD)**

The Business must determine whether a Client is an FPPO or DPIIP, by asking the Client in the Questionnaire.

- 5.2.5.1. If the Client is an FPPO, or a high-risk DPIIP looking to establish a Business Relationship, then, in addition to the prescribed CIV procedures, the Employee must –

- a) only on-board the Client with the approval of the Risk Officer;
- b) establish (without having to verify) the Client's source of wealth; and
- c) monitor the Business Relationship more closely than it would monitor any other Business Relationship.

- 5.2.5.2. For low-risk business relationships the business may conduct a simplified customer due diligence to establish and verify the identity of the clients concerned as set out above.

### **5.3. Monitoring for Business Relationship and certain transactions**

Uzumba will examine and keep records of certain business relations and transactions as follows:

#### **5.3.1. Complex or unusually large transactions**

The business shall examine cash desk transactions in at least the manner described herein. The manner in which complex or unusually large transactions are examined may include:

- 5.1.1.1. By comparing the routine manner in which the transactions were concluded in the past for the client against a different or complicated manner requested by the client in current transaction;

5.1.1.2. By comparing the values of previous transactions concluded by a client against the values of current transactions where the values are obviously larger.

5.1.1.3. The examinations concerned shall be made using reasonable and practical methods available to the casino, and shall be conducted at regular intervals.

#### **5.1.2. Unusual patterns of transactions which have no apparent business or lawful purpose**

The business shall examine cash desk transactions in at least the manner described herein. The manner in which unusual patterns of transaction which have no apparent business or lawful purpose are examined may include:

5.1.2.1. Having regard to prescribed reports relating to suspicious transactions and terror financing that were considered by the AMLCO or filed with the FIC.

5.1.2.2. Having regard as to whether or not the transaction was concluded for purposes of gambling activities.

5.1.2.3. By comparing the values of previous transactions concluded by a client against values of current transactions where the values are obviously larger.

5.3.1. The Business must compare each Transaction under a Business Relationship against the information provided by the Client in the Questionnaire pertaining to the –

- a) nature of the Business Relationship; and
- b) the purpose of the Business Relationship; and
- c) the source of the funds that will finance the Business Relationship, and must update such information and any other documents originally forming part of the CDD in respect of that Client where necessary.

5.1.3. Whenever fulfilling the duty described above, the Business must simultaneously consider whether the Transaction that necessitated the information update is reportable.

#### **5.1.4. Enhanced Due Diligence**

The business will screen all suppliers of precious metals and transactions against the lists of persons, entities or countries issued by the government or any competent authority.

### **5.1.5. Keeping of written findings**

- 5.1.5.1. For the examinations referred to above, the business shall document and keep its written findings, which may be achieved, by filing the appropriate records used for the examination in a suitable manner for future purposes.
- 5.1.5.2. Where the findings confirm any suspicion of money laundering or terror financing activities, the relevant prescribed report shall be filed with the FIC by the business.

### **5.4. Cash Threshold Reporting (CTR) Processes**

Uzumba uses EFT to pay its precious metals suppliers. EFT is a business' preferred method of payment. Although the business does not accept cash in the premises, we do not prohibit the use cash in our business transactions.

FICA provides for the obligation to report cash transactions above the prescribed threshold (R24 999.99) in terms of section 28. Uzumba is required to file a cash threshold report with the FIC when it has knowledge of the transaction that exceeds the prescribed threshold.

#### **5.4.1. How to identify reportable cash?**

Uzumba will follow the process below to identify reportable CTRs:

- Check invoices for cash exceeding R24 999.99 physically received from or paid out to a single client or relating to a single transaction; or
- Peruses its bank statement **every week** or a bank deposit slip from the client reflecting a transaction that exceeds R24 999.99.

##### **5.4.1.1. What to look out for?**

When perusing statements and invoices, the RO will look for:

- a) Fractions of one transaction (composite transaction)

Where it appears to the Business that the transactions involving smaller amounts are linked and amount to R24 999.99, they should be considered fractions of one transaction (composite transaction).

b) Aggregated transactions

During the preparation of invoice to the client, the RO will look for any aggregation of smaller amounts with a combined value of R25 000 or more, received or paid to the client within one business day.

c) Dual reporting

In an event that clients deposit money into the dealership's bank account, the dealership will still report the transaction even though the bank could have reported it.

**Notes:**

- a) A report in terms of section 28 deals with cash transactions in excess of the prescribed amount (R25 000) and does not include Electronic transfers or cheques.
- b) CTRs must be reported within 2 days after the RO became aware of the transaction.

**5.5. Suspicious and Unusual Transactions Reporting (STRs)**

Section 29 of FICA 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 FIC. Section 29 of FICA places duty to report STRs on the following persons:

- a) A person who carries on a business at Uzumba, or
- b) A person who is in charge of or manages a business of Uzumba, or
- c) A person who is employed by Uzumba.

**5.5.1. When does the duty to report STR arise?**

If this person knows or suspects that:

- 5.5.1.1. The business has received or is about to receive the proceeds of unlawful activities;

- 5.5.1.2. A transaction or series of transactions to which the business is a party –
- a) Facilitated or is likely to facilitate the transfer of the proceeds of unlawful activities;
  - b) has no apparent business or lawful purpose;
  - c) Is conducted to avoid giving rise to reporting duty under the FIC Act;
  - d) may be relevant to the investigation of an evasion or attempted evasion of a duty to pay any tax, duty or levy imposed by legislation administered by the Commissioner for the South African Revenue Service; or
  - e) The business has been used or is about to be used in any way for money laundering purposes.

### **5.5.2. Indicators of Money Laundering Risks**

We at Uzumba consider the following risk factors, amongst others, to be possible alerts for potential money laundering and thus require diligence:

#### **5.5.2.1. Risk associated with client type**

- a) Clients carrying out large once off cash transactions.
- b) Clients those are not local to the business.
- c) An individual in a public position and/ or a location that carries a higher exposure to the possibility of corruption (including politically exposed persons).
- d) Complex business ownership structures with the potential for concealing beneficiaries.

#### **5.5.2.2. Risks associated with client's behavior**

- a) reluctance of the client to provide identification or the evidence produced is unsatisfactory
- b) where the client appears to be acting on behalf of another person and is unwilling to give details of those they represent
- c) Transactions that do not appear to make commercial sense like down trading.

### **5.5.3. How to detect an STR**

- a) The RO will monitor the client's transaction to see if there is anything unusual or suspicious.
- b) The RO must refer to the information gathered in order to profile clients to assist in the identification of proceeds of crime or transactions that are reportable to the FIC.

### **5.5.4. Internal procedure for reporting STRs**

- a) If any employee of Uzumba becomes aware of a transaction that is suspicious or unusual, such employee will contact the RO to discuss the transaction or any internal party involved.
- b) The RO will after examining the transaction, exercise his discretion to decide whether to continue with the report or not.
- c) If after some consideration the RO finds the transaction reportable, the RO will report such transaction accordingly.
- d) In an instance where the RO decides not to report a transaction, they must document the reasons why the transaction was not reported.

### **5.5.5. Dealing with additional requests subsequent to the reports**

A reporter who submitted a report in terms of section 28, section 29 or section 31 may be requested by:

- a) the FIC; or
- b) an investigating authority acting with the permission of the FIC or under the authority of an authorised officer, to provide the FIC or the investigating authority with such additional information concerning the report and the grounds for the report as they may reasonably require to perform their functions.
- c) The RO will furnish the requested information in the dealership's position to the requesting authority as soon as possible but not later than 5 working days, upon receipt of such request. If for some reason, the requested information is not available. The RO will notify the requesting authority accordingly.

### **5.5.6. How to file a report to the FIC**

- a) All reports must be filed electronically on the goAML EE section of the FIC's website [www.fic.gov.za](http://www.fic.gov.za).
- b) The RO will login with his username and password at the FIC's website,
- c) Go to Reports and select the relevant report type and provide the required information.
- d) If the RO is unsure as to how to complete the report, he must contact the FIC's at 0860 342 342 for assistance by Call Centre Agent.

### **5.6. Record Keeping Process**

Uzumba will not destroy any information relating to its client. However, should the storage space become an issue, Uzumba will keep accurate customer identification and transaction records that can be promptly accessed by the authorities and enable customer transactions to be traced, for **five years** after the transaction was concluded.

#### **5.6.1. Nature of records to be kept**

This will include:

- CIV requirements for various client types as indicated above and client file.
- A spread sheet of reference numbers generated by the system after filing reports.
- A register of all suspicious alerts and the reasons for not reporting transactions that appeared to be suspicious at first glance but had suspicions cleared after some considerations.
- Attendance registers FICA compliance related staff training.

#### **5.6.2. Records kept by third party**

In the event that Uzumba enlists a third party (such as Metro file, Document Warehouse, etc.) to retain records on our behalf in accordance with FICA, Uzumba will provide the FIC with the following details:

- (a) The Third parties;
  - (i) Full name if the third party is a natural person; or
  - (ii) Registered name if the third party is a close corporation or company;

- (b) The name under which the third party conducts business;
- (c) The name and contact particulars of the individual who exercises control over the access to the records;
- (d) The address where the records are kept;
- (e) The address from where the third party exercises control of the records;
- (f) The full name and contact particulars of the individual who liaises with the third party on behalf of Uzumba concerning the retention of records

### **5.7. Training Processes**

One of the most important controls over the prevention and detection of money laundering is to have staff who are alert to the risks of money laundering and terrorist financing, and who are well trained in the identification of unusual activities or transactions which may prove to be suspicious. Uzumba's policy regarding training is as follows:

- a) No new staff member will be allowed to engage with clients before they receive FICA compliance training.
- b) All staff members who were employed before this policy became operational must receive Training within 14 days.
- c) All Sales persons, Administration Managers and anyone who have access to any transaction upon which FICA provisions applies.
- d) Uzumba will provide refresher training to staff members as and when required or as and when the legislative requirements change.
- e) Uzumba will require a training provider to verbally assess the competency of the staff to re-enforce compliance requirements, measures and processes.
- f) Uzumba will ensure that an attendance register is signed by all attendees and kept in the Business.

### **5.8. Appointment and responsibilities of an AML Compliance Officer**

5.8.1. Uzumba, the company will have the Director as the AML Compliance Officer

5.8.2. Her responsibilities and accountabilities are as follows:

5. 8.2.1. To ensure that the business and its employees comply with FICA provisions of and this RCMP, related company policies, procedures and directives regarding the FIC Act are implemented with priority.
- 5.8.2.2. Ensure that all prescribed reports are filed timeously with the FIC.
- 5.8.2.3. Ensure that all prescribed requests (s27 and s32), directives, interventions (s34) and monitoring orders (s35) received from the FIC are addressed timeously or implemented as soon as is practicable (as the case may be).
- 5.8.2.4. Ensure that all relevant employees receive ongoing prescribed FICA training as soon as is practicable and in line with those provisions that are relevant to the functions they perform.
- 5.8.2.5. Ensure that all relevant employees undergo voluntary refresher training.
- 5.8.2.6. Maintain accurate records (including supporting documentation) relating to prescribed reports. These records shall also provide for reasons why reports were not submitted to the FIC.
- 5.8.2.7. Identify areas of risk in relation to money laundering and terror financing and to escalate the risks concerned to the business's Compliance.
- 5.8.2.8. Amend the business's registration particulars and the details of the AMLCO and MLRO as and when required to do so.
- 5.8.2.9. Ensure that the FIC is notified in writing within ninety (90) days after making any change(s) to the business's prescribed registration particulars that were previously furnished to the FIC.
- 5.8.2.10. Notify the FIC without delay of the change of particulars of a third party appointed to keep its records.
- 5.8.2.11. Closely monitor the goAML Message Board and ensure that the appropriate actions are taken by the business.
- 5.8.2.12. Ensure that the reporting obligations including the remediation and successful resubmission of any prescribed reports, especially CTRs and CTRAs, are attended to within the prescribed periods.
- 5.8.2.13. Review and investigate all Founding Reports, investigate the merits thereof and submit, if necessary, file the prescribed report concerned with the FIC within the prescribed periods.

- 5.8.2.14. Remain independent and maintain an unfettered discretion to ultimately decide on whether or not to file a prescribed with the FIC. The AMLCO may engage other employees or management during his/her investigation however he/she shall not be influenced by any of the afore-going persons in making the ultimate decision to file prescribed reports.
- 5.8.2.15. Monitor and escalate goAML system-related matters that prevent or have the potential to prevent reporting to the FIC IT department.
- 5.8.2.16. Ensure that appropriate internal disciplinary action is taken against that any employee that breaches any FIC requirements or this RMCP.
- 5.8.2.17. Facilitate and co-ordinate inspections and audits carried out by the FIC, supervisory body and internal audit.

## **6. Responsibilities and accountabilities of employees**

- 6.1. Employees involved in transactions with clients are to remain vigilant at all times to:
  - (a) Ascertain if transactions or activities are suspicious or unusual;
  - (b) Ascertain if transactions or activities are related to terror financing; and
  - (c) Identify within reason persons listed on the UN Sanctions List
- 6.2. The employees concerned are to report the above transactions or persons to their immediate supervisors or line management to enable the completion of a Founding Report.
- 6.3. Reasonable steps are to be taken by employees to ensure that the clients, who are subject to the possible filing of prescribed reports, are not alerted.
- 6.4. Employees are strictly prohibited from providing or offering to provide clients any assistance to enable client to circumvent any obligation imposed in terms of the FIC Act.
- 6.5. Clients may, however, be assisted in good faith with alternative solutions that do not amount to a circumvention of the FIC Act, this RMCP or gaming legislation.
- 6.6. In addition to the above, employees are to seek the advice of their supervisors, management or the AMLCO if they are faced with any unique situations or uncertainty regarding the casino's FICA obligations.

6.7. Employees shall not take unlawful instructions from their supervisors or management to assist clients who do not comply with the FIC Act or the Casino Retail's RMCP. In such cases, the employee concerned shall report the supervisor or member of management to the AMLCO.

## 7. Disciplinary steps against staff for failure to adhere to this policy

- a) Any staff member who has been trained on FICA requirements and this RCMP is compelled to uphold these rules.
- b) Failure to comply with any of the rules will result in disciplinary actions outlined in the attached CODE OF EMPLOYMENT PRACTISE.

### 1. DEFINITIONS

In this RMCP, the following words and expressions bear the meanings ascribed to them –

- a. **"Accountable Institution"** means any of the entities listed under paragraph **Error! Reference source not found.**;
- b. **"Business"** means the selling business to which this RMCP applies;
- c. **"Business Relationship"** means an arrangement between the Business and a Client that contemplates a series of Transactions over a period of time;
- d. **"Cash"** means paper money, coins or traveller's cheques;
- e. **"CDD"** means the customer due diligence referred to in section 21 of FICA
- f. **"Client"** means a person who has mandated the Business, where –
  - i. such person or its Counter-Party is likely, in the discretion of the Risk Officer, to transfer Value to the Business; or such person or its Counter-Party has firmly indicated that it would like or is ready to transfer Value to the Business in giving effect to a single Transaction or a Business Relationship, and in any given situation, the determination of who the Client is must be made in accordance to the principles articulated in the general notes at the end of each table below;
- g. **"DPIP"** means a domestic prominent influential person, being any person, or immediate family member or known close associate of a person, listed on page 26 below;
- h. **"Employee"** means any person acting as such within the Business (whether as a director, shareholder, member, manager, employee, or contractor), or any other Client-facing staff member of the Business;

- i. **"FATF"** means the Financial Action Task Force (of which South Africa is a member), an international standard-setting body dedicated to combating MLFT, and headquartered in Paris, France;
- j. **"FATF Member State"** means any country listed in page 24;
- k. **"FIC"** means the Financial Intelligence Centre, a juristic person created under chapter 2 of FICA;
- l. **"FICA"** means the Financial Intelligence Centre Act, No 38 of 2001, as amended from time to time;
- m. **"FPPO"** means a foreign prominent public official, being a person, or immediate family member or known close associate of a person, who occupies, or within the past 12 (twelve) months occupied, any of the positions listed on page 26 below, in a country other than South Africa;
- n. **"Governmental Authority"** means any public authority, and includes (without limitation) –
  - 1. the South African Revenue Service; and
  - 2. the Commission for Intellectual Property and Companies; and
  - 3. any organ of state;
- o. **"ID"** means any document issued by a Governmental Authority that describes and identifies a natural person by his or her personal attributes, and which attributes must at least include his or her (i) forename and middle name (or initials), (ii) surname, (iii) unique identifying number, (iv) date of birth, and (v) facial image. ID includes any of the following –
  - 1. green, bar-coded South African identity document;
  - 2. South African identity card;
  - 3. South African passport;
  - 4. South African driver's licence; and
  - 5. foreign passport;
- p. **"Implementation Date"** means the date on which estate agents must be fully compliant with FICA, following the amendments thereto mentioned in paragraph **Error! Reference source not found.**;
- q. **"Legacy Client"** is any person who had a business relationship with the Business before the Implementation Date, and in respect of whom the Business already has customer due diligence information as at the Implementation Date, albeit in terms of the FICA dispensation that applied prior to this RMCP becoming effective;
- r. **"List 1267"** means a list published at the URL [http://www.un.org/sc/suborg/en/sanctions/1267/aq\\_sanctions\\_list](http://www.un.org/sc/suborg/en/sanctions/1267/aq_sanctions_list), on which list appear

persons and entities that are under financial sanctions pursuant to resolution 1267 of the United Nations Security Council, and which list is amended from time to time;

- s. **"MLFT"** means money laundering and the financing of terrorism, where "money laundering" refers to any practice through which the proceeds of crime are dealt with so as to obscure their illegal origins;
- t. **"POCDATARA"** means the Protection of Constitutional Democracy Against Terrorism and Related Activities Act, No 33 of 2004, as amended from time to time;
- u. **"Prospective Client"** means a person who approaches the Business to enlist the Business' services, but that person or its Counter-Party – is not yet likely, in the discretion of the Risk Officer, to transfer any Value to the Business; or has not yet firmly indicated that it would like or is ready to transfer Value to the Business;
- v. **"Questionnaire"** means the list of questions posed to a Client or Prospective Client by the business in fulfilment of the CDD obligations imposed by FICA;
- w. **"Representative"** means, for purposes of the Questionnaire, the person who is authorised to complete the Questionnaire and deal with the Business on behalf of the Client;
- x. **"Risk Officer"** means – the person within the Business charged with overseeing compliance with FICA and this RMCP; or if no specific person has been so charged, then the Business' highest decision-making organ, all of the members of which shall be jointly responsible for the Business' FICA and RMCP compliance; or if the Business does not have any decision-making organs, then the manager of the Business;
- y. **"RMCP"** means the risk management and compliance programme contained in this document, which has been designed in response to the Business' obligations under section 42 of FICA;
- z. **"Terrorist Activities"** means any of the offences specified in POCDATARA, all of which relate to terrorism;
- aa. **"Transaction"** means a transaction between the Business and the Client under which Value will be transferred between the Business on one hand, and the Client, its Principal or its Representative, its Counter-Party or any other person for the Client's account on the other hand; and
- bb. In this RMCP –
  - i. whenever a duty is imposed on the Business in the context of a given single Transaction or a Business Relationship, then that same duty must be read as applying in equal measure to the Employee responsible for that single Transaction or Business Relationship, and *vice versa*;
  - ii. whenever a document is required to be certified, it must have been certified –
    - 1. no longer than 3 (months) before its initial presentation to the Business;and

2. by a Commissioner of Oaths in South Africa, where "Commissioner of Oaths" includes (without limitation) an attorney or any other person who is legally entitled to certify copies as true copies of an original document; and
- iii. any reference to a "person" denotes, depending on the context, a natural person, legal person or trust.

#### **B. LIST OF FATF MEMBER STATES AS AT 19 OCTOBER 2017**

1. Argentina
2. Australia
3. Austria
4. Belgium
5. Brazil
6. Canada
7. China
8. Denmark
9. European Commission
10. Finland
11. France
12. Germany
13. Greece
14. Gulf Co-operation Council
15. Hong Kong, China
16. Iceland
17. India
18. Ireland
19. Italy
20. Japan
21. Republic of Korea
22. Luxembourg
23. Malaysia
24. Mexico
25. Netherlands, Kingdom of New Zealand

26. Norway
27. Portugal
28. Russian Federation
29. Singapore
30. South Africa
31. Spain
32. Sweden
33. Switzerland
34. Turkey
35. United Kingdom
36. United States of America

#### **B. LIST OF FPPO POSITIONS**

The following positions in respect of countries other than South Africa are FPPO positions –

- 1) Head of state;
- 2) Member of royal family;
- 3) Member of cabinet or similar structure;
- 4) Senior member or leader of a political party;
- 5) Senior judicial officer;
- 6) Senior executive of a state-owned entity; or
- 7) High-ranking military officer.

### C. LIST OF DPIIP POSITIONS

The following people are DPIIPs –

- 1) President or deputy president of South Africa;
- 2) Cabinet minister or deputy minister;
- 3) Premier of a province;
- 4) Member of executive council of a province;
- 5) Mayor of a municipality;
- 6) Leader of a political party;
- 7) Member of a royal family or a senior traditional leader;
- 8) Head, accounting officer or chief financial officer of a national or provincial department;
- 9) Manager or chief financial officer of a municipality;
- 10) Chairperson, chief executive officer, accounting authority, chief financial officer or chief investment officer of a public entity;
- 11) Prominent judge in the Constitutional Court, Supreme Court of Appeal or the High Court or any equivalent court;
- 12) Ambassador, high commissioner or senior representative of a foreign country who is based in South Africa;
- 13) Person occupying any of the following positions, in a company that sells goods or services to the government worth more than R25 000.00–
  - i. Chairperson of the board of directors;
  - ii. Chairperson of audit committee;
  - iii. Executive officer; or
  - iv. Chief financial officer.