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INTRODUCTION

The Financial Intelligence Centre Act (FICA) requires that an accountable institution must maintain internal rules providing for:

1. The establishment and verification of client identities
2. Keeping of records
3. Reporting of information

The responsibility of the Financial Services Provider:

1. Guard against crime and unlawful practices
2. Report alleged or attempted crimes and unlawful or unethical activities to persons in authority without protecting any party involved.
3. The accountability and responsibility for the effective management of anti-money laundering procedures lies with the Key Individual and may be delegated to responsible employees.

THE OBJECTIVE OF THE INTERNAL RULES

Enable employees to identify what suspicious and unusual transactions are as well as the reporting process.

Train employees to enable them to comply with the legislation and the internal rules applicable when identifying and verifying client details in accordance with section 21 and 22 of the Financial Intelligence Centre Act.

Enable the FSP and employees to comply with the record keeping requirements of documents.

These rules will at all times be available to all employees as well as for inspection by any regulatory body such as the Financial Services Board.

This document is to be used in conjunction with the FICA and MONEY LAUNDERING MANUAL which can be downloaded from www.masthead.co.za (compliance/templates/FICA templates/FICA and Money Laundering Training Manual)

These internal rules will be followed by all employees of Boshoff Visser Konsult Pty Ltd (11968) when dealing and transacting with clients.
ADOPTION OF FICA INTERNAL RULES

SENIOR MANAGEMENT must acknowledge ownership of the FICA Internal Rules by signing this page.

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<tr>
<th>Name:</th>
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<tr>
<td>Philip Kearney Theron</td>
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<td>Guillaume Johannes Oberholzer</td>
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The SECTION 43 COMPLIANCE OFFICER must also acknowledge the ownership and adoption of this policy by the FSP, by signing this page. By adopting and signing this, he confirms that the policy will be reviewed annually.

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<td>Verona Potgieter (Masthead)</td>
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REGULATORY FRAMEWORK

Money laundering is the manipulation of illegally acquired wealth in order to obscure its true nature or source. The goal of money laundering is to place illegal money in the formal financial system without arousing suspicion. Secondly, to transfer and move money around in a series of complex transactions, so it becomes difficult to trace its original source.

The legislation mentioned below was effected to prevent money laundering:

- **FICA (FINANCIAL INTELLIGENCE CENTRE ACT):** Provides for the established of the Financial Intelligence Centre and it creates obligations for accountable institutions. It also regulates the reporting of terrorist related activities and makes non-compliance with the Act a criminal offence.

- **POCA (PREVENTION OF ORGANISED CRIME ACT):** This act deals with money laundering, racketeering and criminal and civil forfeiture. POCA sets out money laundering offences. It also creates a general reporting obligation for businesses coming into possession of suspicious transactions.

- **POCDATARA (PROTECTION OF CONSTITUTIONAL DEMOCRACY AGAINST TERRORISM AND RELATED ACTIVITIES):** This act provides for new reporting obligations under FICA. The reporting of suspicious and unusual transactions were extended to cover transactions relating to property which is connected to an offence relating to the financing of terrorist and related activities, or to the financing of terrorist related activities.

*It is the responsibility of the Financial Services Provider:*

- Guard against crime and unlawful practices
- Report alleged or attempted crimes and unlawful or unethical activities to persons in authority without protecting any party involved.
- The accountability and responsibility for the effective management of anti-money laundering procedures lies with the Senior management (Key Individual) and may be delegated to responsible employees.
DEFINITIONS

**TRANSACTION:** Means - receiving an instruction or application, or attempt at an instruction or application that will result in an alteration or conclusion of any policy / contract; and / or receiving an instruction or application, or attempt at an instruction or application, that would create an inflow or outflow of funds on any new or existing policy / contract.

**CLIENT:** Means - prospective policyholder; policyholder; policy owner; premium payer; investor; cessionary (if applicable).

**UNLAWFUL ACTIVITY:** Is defined as conduct which constitutes a crime or which contravenes any law, whether such conduct occurred before or after the commencement of [POCA] and whether such conduct occurred in the Republic or elsewhere.

**PROCEEDS OF UNLAWFUL ACTIVITIES:** Is defined for purposes of POCA and FICA as any property or any service, advantage, benefit or reward which was derived, received or retained, directly or indirectly, in the Republic or elsewhere, at any time before or after the commencement of [POCA], in connection with or as a result of any unlawful activity carried on by any person, and includes any property representing property so derived.

**ACCOUNTABLE INSTITUTION:** means all businesses or persons as listed in Schedule 1 to the Act and includes (but is not restricted to), all listed companies, all estate agents, all insurance companies, all insurance intermediaries and all unit trust management companies. All these aforementioned entities have certain obligations in terms of the Act and these are set out in this manual.

**BUSINESS RELATIONSHIP:** as opposed to a once-off transaction means a continuing arrangement between two or more parties at least one of whom is acting in the course and scope of business (typically the institution and a customer or client) where transactions are facilitated between the parties on a regular or habitual basis.
THE PURPOSE OF INTERNAL RULES

Section 42 of the FIC Act requires that an Accountable Institution must formulate and implement internal rules which provide for the necessary procedures to discharge its duty in terms of the Act, its Regulations and Guidance Notes. Section 11 & 12 of the General Code of Conduct also requires that the FSP structure internal control procedures to ensure that all the necessary laws are complied with. The Internal Rules will form part of the FSP’s Risk Management Framework. The internal rules must comply with the prescribed requirement in terms of the FIC Act and its Regulations.

The internal rules must provide for the following regarding the VERIFICATION, RECORDKEEPING AND REPORTING duty of the Accountable Institution:

- The necessary procedures, processes and working methods;
- The responsibility of the management of the institution in respect of compliance with the Act, Regulations and Internal Rules;
- Allocation of responsibilities and accountability;
- The disciplinary steps regarding non-compliance with the Act.

An accountable institution, which fails to develop internal rules in accordance with the Regulations is guilty of an offence, and on conviction liable to imprisonment for a period not exceeding 6 months or a fine not exceeding R100 000.

MANAGEMENT’S RESPONSIBILITY:

The internal rules must be available to each of the institution’s employees and a copy thereof, must on request, be made available to the Centre or the relevant Supervisory Body, in this case, the FAIS Registrar. Failure to make these rules available to employees, the Centre or relevant Supervisory Body, is an offence, and on conviction is liable to imprisonment of a period not exceeding 5 years or a fine not exceeding R10 Million. Each of the employees will sign a declaration that they have read and understand the rules.

The management and Section 43 Compliance Officer accepts ownership for the implementation of this rules. Failure to implement these rules is an offence, and on conviction is liable to imprisonment of a period not exceeding 5 years or a fine not exceeding R10 Million. They will sign the adoption page stating their ownership and commitment to their duties in terms of the FIC Act, Regulations and Internal Rules.

The Section 43 Compliance Officer will review this policy at least annually, to ensure that it remains updated with new and relevant legislation.
Non-Compliance with the FIC Act, Regulations and Internal Rules:

Any employee of BOSHOFF VISER KONSULT (PTY) LTD, who fails to comply with the provisions of the FIC Act, its Regulations and the Internal Rules, whether through negligence or intent, will be formally disciplined in accordance with the FSP’s disciplinary policy and procedure.

If it is found, during this hearing, that the contravention was committed through gross negligence or intent and that this placed the FSP or its employees at risk of being charged under the FIC Act, such a person shall be dismissed.

Any such contravention will be reported by the Section 43 Compliance Officer to the relevant authorities where necessary.

Duties of BOSHOFF VISER KONSULT (PTY) LTD:

The FIC Act provides for certain duties to be performed by an accountable institution. The purpose of these duties is to prevent and deter the individuals involved in money laundering activities from carrying out a profiting from their unlawful activities:

- To register with the Centre;
- Duty to Identify and Verify a Client;
- Duty to Keep Records;
- Duty to Report to the Centre;
- Duty to Implement Internal Rules;
- Duty to Train Employees;
- Duty to implement a Risk Rating Procedure;
- Duty to appoint a Section 43 Compliance officer to monitor the AI’s compliance with the Money Laundering Legislation.

These rules have been formulated to comply with these provisions.
Who must register with the Centre?

Accountable and reporting institutions must, within the prescribed period and manner, register with the Centre in terms of Section 43B of the FIC Act.

Period and Time of Registration:

Regulation 27A of the Regulations provides the period for and manner of registration by every accountable institution. The period of registration commenced on the 1st of December 2011 until, and including, 1 March 2011.

Any accountable or reporting institution who, on commencing a new business, must within 90 days of the day the business opened, register with the Centre.

Electronic Registration:

All registrations must be completed and submitted to the Centre electronically using the user friendly interface on the Centre’s website at www.fic.gov.za. Each accountable or reporting institution will be allocated a unique registration number once registration is completed successfully. The unique registration number for BOSHOFF VISSER KONSULT (PTY) LTD is 11968.

FICA Compliance Officer (Section 43 CO):

The person who is required to initiate the registration process on behalf of BOSHOFF VISSER KONSULT (PTY) LTD is the section 43 Compliance Officer (KEARNEY THERON). He/She must ensure that the entity complies with the provisions of the FIC Act.

Changes to information:

KEARNEY THERON should inform the Centre of any changes to BOSHOFF VISSER KONSULT (PTY) LTD’s details by updating the accounts online within 90 (ninety) days after such change, as required in terms of section 43B (4) of the FIC Act.

Penalties:

Failure to register is an offence in terms of Section 61A of the FIC Act and can result in imprisonment for a period not exceeding 5 years or a fine not exceeding R10 million.
DUTY TO APPOINT A SECTION 43 COMPLIANCE OFFICER

BOSHOFF VISSTER KONSULT (PTY) LTD must appoint a person with the responsibility to ensure compliance by its employees with the provisions of the FIC Act, its Regulations and the Internal Rules and the AI with its obligations under this Act.

KEARNEY THERON is appointed by the AI as the S43 Compliance Officer, as he has the necessary skills and knowledge to perform the duties. He/she is accountable and responsible for the effective management of the anti-money laundering procedures of BOSHOFF VISSTER KONSULT (PTY) LTD.

The Responsibilities of the FICA Compliance Officer:

- Reporting of Cash Threshold Reports and Suspicious or Unusual Transactions online to the Centre.
- Facilitate the training of all employees regarding the Internal Rules, Verification, Reporting and Recordkeeping duties of the AI;
- Maintenance of the Internal Rules and all money laundering related policies and procedure;
- Make the Internal Rules available to all employees;
- Client Risk Rating and Source of Fund verification;
- Liaising with representatives of the Centre;
- Registration of the AI on FIC’s website.

Failure to appoint such a person is an offence and on conviction one is liable for imprisonment not exceeding 5 years or a fine not exceeding R10 Million.

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<tr>
<td>Identity Number</td>
<td>7206105168088</td>
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<tr>
<td>E-Mail Address</td>
<td><a href="mailto:pkt@bvfd.co.za">pkt@bvfd.co.za</a></td>
</tr>
<tr>
<td>Position in FSP</td>
<td>Director</td>
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KEARNEY THERON hereby accept his appointment as Section 43 Compliance Officer.
DUTY TO ESTABLISH AND VERIFY CLIENT’S IDENTITY

The *FIC Act* prevents accountable institutions from establishing *business relationships* OR entering into *single transactions* with their clients, unless they have established and verified the *identities of the clients* concerned and of the *identity and authority of the agents* and principals of the clients. Entering into a business relationship and concluding a transaction without establishing and verifying the client’s identity, is an offence and on conviction, one is liable to imprisonment not exceeding 15 years or a fine not exceeding R100 Million.

If the AI had established a business relationship with a client before this Act took effect, the FICA act requires the institution to establish and verify the identity of its existing clients before they conclude a transaction. The institution must trace all accounts concluded in the course of the business relationship.

**Transaction Types:**

The following is examples of Transactions performed by BOSHOFF VISser KONSULT (PTY) LTD:

- **Collective Investment Schemes:**
  - The giving of a mandate to invest in any collective investment scheme;
  - Any amendment in the original investment mandate of the client;
  - An instruction to transfer or switch the investment to another collective investment scheme;
  - The offering of participating interests for repurchase;
  - The repayment of participants’ interests following the closure of a fund or portfolio.

- **Long-Term Insurance:**
  - The entering into a new long-term insurance policy;
  - An amendment or variation of the terms and conditions of a long-term insurance policy, including a change in the beneficiary or policyholder;
  - An instruction by the client to the long-term insurer to switch or reinvest the underlying assets of a linked policy with linked investment service providers or investment managers;
  - Termination (including the lapsing and surrender), withdrawal, or reinvestment of a long-term insurance policy.
• **Investment Managers:**
  - The entering into a new investment contract;
  - Additional amounts invested in terms of an investment mandate with a client;
  - An amendment or variation of the terms and conditions of an investment mandate;
  - An instruction by the client to switch or reinvest the investment to other linked investment service providers or investment managers;
  - An instruction by the client for a partial withdrawal of investment and the subsequent repayment of the investment in any form;
  - Termination or withdrawal of an investment mandate and the subsequent repayment of the investments in any form.

**Exemptions from the Duty to Identify and Verify:**

The combination of the FIC Act and the Regulations require that institutions identify all clients with whom they do business unless an exemption applies.

BOSHOFF VISser KONSULT (PTY) LTD is an Accountable Institution as envisaged in item 12 of Schedule 1 to the FIC Act.

As such, it is exempted from the verification and recordkeeping duty in respect of every business relationship or single transactions pertaining to the following:

1. Any long term insurance policy, which is a fund policy or a fund member policy, and in respect of which the policyholder is a pension fund, provident fund or retirement annuity fund.
2. Any unit trust or linked product investment effected by a pension fund, provident fund or retirement annuity fund.
3. Any annuity purchased as a compulsory annuity in terms of the rules of a pension fund, provident fund or retirement annuity.
4. Any reinsurance policy issued to another accountable institution.
5. Any long-term insurance policy classified as an assistance policy.
6. Any long term insurance policy which provides benefits only upon the death, disability, sickness or injury of the life insured under the policy.
7. Any long-term insurance policy in respect of which recurring premiums are paid which will amount to an annual total **not exceeding R25 000**. The exemption will fall away, and the duty must be adhered to if the client increase the recurring premium so that the amount of **R25 000** is exceeded; who surrenders this policy within 3 years after commencement or if a loan or a credit against this policy is granted within the 1st 3 years.
8. Any long term insurance policy in respect of which a single premium not exceeding R 50 000,00 is payable. The exemption will fall, and the duty must be adhered to if the client surrenders this policy within 3 years after commencement or if a loan or a credit against this policy is granted within the first 3 years.

9. Any contractual agreement to invest in unit trust or linked product investments in respect of which recurring payments are payable amounting to an annual total **not exceeding R 25 000**. If the client liquidates the whole or part of such an investment within 1 year after the making of the first payment, the exemption falls away and the duty to verify must be adhered to.

10. Any unit trust or linked product investment in respect of which a once-off consideration **not exceeding R 50 000**. If the client liquidates the whole or part of such an investment within 1 year after the making of the first payment; the exemption falls away and the duty to verify must be adhered to.

11. Any other long term insurance policy on condition that within the first 3 years after the commencement of the policy the surrender value of the policy does not exceed 20% of the value of the premiums paid in respect of that policy.

**General Exemption:**

Every accountable institution may accept a mandate from a prospective client to establish a business relationship or to conclude a single transaction, before the accountable institution verified the identity of that prospective client subject to the condition that the accountable institution will have completed all steps which are necessary in order to verify the identity of that client before a transaction is concluded (either in the course of a business relationship or single transaction).

**VERIFICATION PROCEDURE:**

The *Regulations* to the FIC Act require institutions to obtain specific information concerning the identity of their clients. There are different types of clients, and each of them requires their own identification and verification.

- South African citizens or residents
- Foreign Nationals
- South African Companies or Close Corporations
- Foreign Companies
- Partnerships
- Trusts
- Other types of legal persons
Verification Documents:

BOSHOFF VISSE KONSULT (PTY) LTD’s representatives must complete the verification procedure on all transactions falling within the scope of these rules.

- Please refer to Schedule 1 of this Internal Rules for the “Know Your Client” checklists as well as the FICA Risk Rating Checklist, and PEPs FICA Checklist.
- All the required information must be obtained, the information must be verified against the original documentation and the necessary copies of the original documents must be kept as part of the record keeping duty.
- This is the responsibility of the employee entering into the transaction or business relationship with the client.

An institution which fails to obtain or verify the particulars referred to in the “Know your Client” checklists or, is guilty of an offence and on conviction liable to imprisonment for a period not exceeding 6 months or a fine not exceeding R100 000.

Maintaining the correctness of Client’s Particulars (Current Clients):

BOSHOFF VISSE KONSULT (PTY) LTD’s must take reasonable steps, in respect of an existing business relationship, to maintain the correctness of particulars which are susceptible to change.

- The “Know your Client” procedure must be performed with every time the AI enters into a transaction with the client. Should any of the employees become aware of changes in the client’s particulars, the new information should immediately be obtained.

Additional Measures when representing another:

The AI must, in addition to the normal identification and verification requirements, obtain from the person information which provides proof of his authority to act on behalf of a client.

- This includes a Mandate or Power of Attorney.

RISK BASED APPROACH:

The AI must verify certain particulars against information which can be reasonably expected to achieve such verification and is obtained by reasonably practical means. This requirement applies to high risk clients only, and they will have to be subjected to a higher degree of due diligence than lower risk clients. This implies that the greater the risk,
the higher the level of verification and the more secure the methods of verification used, should be.

*This Approach must be followed in the following circumstances:*

**High Risk Clients:**

If the business relationship or single transaction poses a high risk of facilitating money laundering activities, the AI must obtain additional information from the client/prospective client to enable him to build a client profile and to identify the possible proceeds of money laundering activities.

- Employees must use the FICA Risk Checklist in addition to the KNOW YOUR CLIENT Checklist to profile a client.

**Verification in the absence of contact person (non face to face clients):**

Reasonable steps must be taken to establish the existence and verify the identity of that natural person or legal person. BOSHOFF VISSER KONSULT (PTY) LTD’s has identified the following additional measures to be taken when dealing with such clients:

- All documentation must be certified as original documentation before submitting them to the AI.
- These clients are high risk clients and the risk based approach must be followed.
- The responsible person must further provide the details of this client and all supporting documentation (including the FICA Risk Checklist) to the Section 43 Compliance Officer for authorization.

**Politically Exposed Persons (PEPs):**

When identifying the client as a PEP, the responsible person must complete the PEPs FICA Checklist. All clients must be asked whether they fall into this category.

PEPs are defined as individuals who are or have been entrusted with prominent public functions such as heads of state or government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, and important party officials.

The AI must apply proactive measures designed to determine potential suspicious transactions that could possibly emanate from PEPs and report them accordingly.

- The AI must identify whether the client is a PEP;
- Senior management approval for establishing a business relationship must be obtained;
- The AI must take reasonable steps to establish the source of wealth and funds;
• The AI must conduct on-going monitoring on this business relationship. This relationship includes family and close associates of the PEP to ensure that the relationship is not abused to launder proceeds of crime.

**Consolidated List of Terrorist Organisations and Associated Individuals:**

A client whose name is indicated on the United Nations Security Council’s list of terrorist organisations and associated individuals list would be considered a high risk client. The list is frequently updated and may be viewed by navigating to the following internet website link: (http://www.un.org/sc/committees/1267/consolist.shtml).

**Financial Action Task Force (FATF) Member States and Observers:**

A client whom is also citizen of a country that is not indicated on the financial actions task force member states and observers list would be considered a high risk client. The list of member states is frequently updated and may be viewed by navigating to the following internet website link: (http://www.fatf-gafi.org/document/52/0,3343,en_32250379_32236869_34027188_1_1_1_1,00.html).

**CUSTOMER ACCEPTANCE POLICY:**

BOSHOFF VISSE KONSULT (PTY) LTD’s customer acceptance policy takes into account risk indicators, as well as factors such as:

- The client’s background and business activities:
- His country of origin;
- Whether he is a politically Exposed Person or not;
- Source of Fund OR Income.

The FICA RISK RATING Checklist takes these factors into account, and must be completed before we enter into a FICA Related transaction or business relationship with a client. When the client is seen as high risk, additional information must be obtained.

The following clients are accepted as **LOW RISK** clients:

- Local Clients;
- Clients using EFT’s and not cash deposits;
- Existing clients with whom business relationships are already established;
- Clients with whom a relationship is established, and not a single transaction only:
- Client’s whose main source of income/funds are derived from a salary, pension or social benefits from an identified and appropriate source and where the transactions are commensurate with the source.
DUTY TO MAINTAIN RECORDS

Section 22 of the FIC Act refers to records to be kept by Accountable Institutions (AI) in respect of the identification and verification process undertaken by them whenever it establishes a business relationship or concludes a transaction with a client, whether that transaction is a single transaction or one concluded in the course of a business relationship.

Failure to keep records or provide assistance to the Centre is an offence, and on conviction one is liable for imprisonment not exceeding 15 years or a fine not exceeding R100 Million.

What records must be kept?

BOSHOFF VISSER KONSULT (PTY) LTD must keep records of:

Regarding the identity of the client:
- The identity of the client and, if applicable, the identity of the client’s agent or principal;
- The manner in which this identity was established;
- The name of the person who obtained this information;
- Any document of copy obtained by the AI to verify the identity.

Regarding the business relationship OR transaction:
- The nature of the business relationship OR transaction;
- The amounts and parties involved in a transaction;
- All accounts involved in the transactions concluded by the AI in the course of the business relationship or in the single transaction.

Recordkeeping period:

Business Relationship: The records must be kept for at least 5 years from the date on which the business relationship is terminated.

Transaction: The records in respect of the single transaction must be kept for at least 5 years from the date on which the transaction is concluded.

Suspicous Transaction Reporting: If a transaction was reported to the Centre, then these records must be kept for at least a period of 5 years from the date on which the report is made. The need to maintain adequate records for at least 5 years gives effect to the provisions of the FIC Act and is essential to assist with the ultimate investigation and prosecution of crime if applicable.
General Provisions, Processes and Responsibility:

**FICA Recordkeeping Checklist:** The required detail regarding the transactions will be completed on the FICA Recordkeeping Checklist. This Checklist must be completed on every transaction and must be stored in a central file. The person who obtained the information is responsible for completion of the Recordkeeping Checklist.

**FICA Compliance Officer:** The FICA Compliance Officer will be responsible to inform all employees of the record keeping requirements as well as their responsibility to maintain these records as it pertains to BOSHOFF VISSE KONSULT (PTY) LTD’s clients.

**Electronic Recordkeeping:** Records may be kept in electronic form. The necessary disaster recovery plan and backup procedures must be in place. These records must be accessible and easily converted to written proof within 7 days and certified by the FICA Compliance Officer as an exact extract.

**Admissibility of Records:** A record kept, or a certified extract of such a record, or a certified printout of any extract from an electronic record, is on its mere production in a matter before a court admissible as evidence of any fact contained in it of which direct oral evidence would be admissible.

**Recordkeeping Responsibility:** Although it is the primary responsibility of BOSHOFF VISSE KONSULT (PTY) LTD to maintain records, it is the responsibility of every Representative to obtain all the necessary information at the time of the transaction and keep these records safe. Although the basic information is completed on the FICA Recordkeeping Checklist, the supporting documentation must still be kept on client file. No record may be destroyed by a person before the expiry of the five year period referred to.

**Outsourcing of Recordkeeping to 3rd Parties:**

Outsourcing of record keeping requirements is regulated by section 23 to 26 of the FIC Act and Regulation 20 of the Regulations to the FIC Act. Accountable Institutions must comply with these sections when records are being kept by 3rd parties. BOSHOFF VISSE KONSULT (PTY) LTD does not utilise the services of a 3rd party. If this situation changes in the future, the rules will be adjusted to include these provisions.
**Centre’s Access to Records:**

An authorised representative of the Centre has access during ordinary working hours to any records kept by BOSHOFF VISSE KONSULT (PTY) LTD. This representative may examine, make extracts of or copies of any such records. If the records are not public documents, access may only be obtained by virtue of a duly issued warrant.

Any request for access of records must be forwarded to the FICA Compliance Officer (KEARNEY THERON), and when he is satisfied that the representative is authorised and that the Centre is entitled to the records (either in accordance with the warrant or that the documents are public documents), then he must make the relevant documents available without delay.
DUTY TO REPORT

ADVISE FINANCIAL INTELLIGENCE CENTRE OF CLIENTS

If an authorised representative of the Centre request an AI to advise whether a specific person is or has been a client of the AI, or if the specific person acted on behalf of a client of the AI, OR if a client of the AI is acting or had acted for a specific person, the AI must inform the Centre accordingly.

Failure to inform the Centre is an offence, and on conviction one is liable to imprisonment not exceeding 15 years or a fine not exceeding R100 Million.

REPORTING OF CASH TRANSACTIONS ABOVE THE PRESCRIBED LIMIT

Section 28 of The FIC Act provides for the obligation to report cash transactions above a prescribed threshold. This is also known as the Cash Threshold Reporting Obligation or CTR. This reporting provides the Centre with a mechanism to proactively monitor and report on cash transactions which may be linked to money laundering activities so that potential proceeds of crime are timeously identified and investigated.

Who must Report:

The obligation to report applies to Accountable Institutions (AI) and Reporting Institutions (RP). BOSHOFF VISSER KONSULT (PTY)LTD is an Accountable Institution and therefore obliged to report in terms of Section 28.

When does the Reporting Obligation Arise?

The obligation to report arises when CASH in excess of the prescribed amount is being PAID or RECEIVED by BOSHOFF VISSER KONSULT (PTY) LTD (the AI).

The AI will be required to file the CTR Report with the Centre when it obtained knowledge that the transaction exceeds the prescribed amount. This knowledge can either be acquired when the institution physically receives/pays cash exceeding this amount OR peruses its bank statement or a bank deposit slip from the client reflecting a transaction that exceeds this amount.
Any Key Individual, Representative or other employee of BOSHOFF VISser KONSULT (PTY) LTD, that acquire this knowledge, must report this transaction to the FICA Compliance Officer (Kearney Theron) before the end of business that day. He must be provided with all the necessary information to report to the Centre within the prescribed time and manner.

The obligation to report must be done irrespective of whether or not it is a suspicious and/or unusual transaction.

What is the prescribed amount?

The prescribed limit is **R24 999.99** or the equivalent foreign denomination value calculated at the time of the transaction OR an aggregate of smaller amounts which combine to this amount. Therefore, all cash transactions of R25 000 or more must be reported to the Centre.

What are aggregate amounts?

The AI must also report aggregates of smaller amounts which when combined add up to the prescribed amount, where it appears that these transactions are linked and that they should be considered as one transaction.

A period of at least 24 hours applies when considering aggregation.

An aggregate transaction would also give rise to an obligation to report in terms of Section 29 of the FIC Act as well. Section 29 (Suspicious Transaction Reporting) requires the reporting of a suspicion that a transaction or series thereof is conducted to avoid giving rise to another reporting duty.

**Indications of aggregation:**
- The period in which these transactions takes place;
- The fact that these transactions consist of a repetition of the same type of transaction;
- The smaller amounts involve the same person or account holder.

What is understood by “Cash”?

Cash is coin and paper money AND travellers’ cheques, but does not include negotiable instruments. Physical cash received by the AI will be covered.

Physical cash paid out by the AI to a client will be covered by this obligation and must be reported.
Cash DOES NOT include a transfer of funds by means of a bank cheque, bank draft, electronic funds transfer, wire transfer or other written order that does not involve the physical transfer of cash. These methods of transferring funds are not covered by the cash threshold reporting obligation.

Where cash is received by an institution into or from an account held in the name of the AI, there is a duty on the AI as well as the other institution to report such transaction. More than one institution can therefore report in connection to the same transaction.

What is the time period for Reporting?

A report must be sent as soon as possible but no later than 2 days after the person has become aware of the cash transaction or series of cash transactions that exceeded the prescribed amount.

Failure to report within the time period is an offence, and on conviction one is liable to imprisonment not exceeding 15 years and a fine not exceeding R100 Million.

Method of Reporting:

In terms of regulation 22(1) of the Regulations a CTR must be filed with the Centre electronically by making use of the internet-based reporting portal provided at http://www.fic.gov.za.

It is the expectation of the Centre that all accountable and reporting institutions shall acquire login credentials so that they will be able to file CTRs electronically with the Centre in accordance with the requirements of regulation 22(1) of the Regulations. Secure login credentials can be obtained via the Centre’s website at www.fic.gov.za.

REPORTING PROPERTY ASSOCIATED WITH TERRORIST AND RELATED ACTIVITIES

A report under Section 28A of FICA must be sent to FIC as soon as possible but not later than five (5) days after a natural person who is an accountable institution or is in charge of, manages or is employed by an accountable institution, had established that the accountable institution has property associated with terrorist and related activities in its possession or under its control.
INFORMATION TO BE REPORTED CONCERNING A SUSPICIOUS OR UNUSUAL TRANSACTION REPORT

When an accountable institution makes a report concerning property associated with terrorist and related activities under S28A of FICA, the report must contain full particulars in respect of the accountable institution making the report:

- the name of the accountable institution;
- the identifying particulars of the accountable institution, e.g. registration number;
- the address of the accountable institution;
- the type of business of the accountable institution;
- the surname and initials of a contact person; and
- the contact particulars of a contact person.

Method of Reporting:

A report must be made by means of internet based reporting provide by the Centre at: http://www.fic.gov.za. This report may NOT be posted. If you are not a registered user of the website you do not have to register to report. It is important that as much information as possible be included in the report as this will enable the Centre to take action immediately and assess whether to instruct the reporter not to proceed with the transaction.

In respect of the property concerning which the report under S28A of FICA is made, the report must contain as much information as is readily available.

REPORTING OF SUSPICIOUS AND UNUSUAL TRANSACTIONS

The FIC Act provides for the reporting of suspicious and unusual transactions (STR). The reporting of suspicious and unusual transactions is regarded as an essential element of the anti-money laundering programme of every country.

Who must Report:

The duty to report is imposed on all Key Individuals, Representative and other employees of BOSHOFF VISSER KONSULT (PTY) LTD whether or not they deal specifically with clients.

When does the Reporting Obligation Arise?

The obligation to report arises when a person knows or ought reasonably to have known or suspected that certain facts exist. These facts can relate to situations concerning the business itself or transactions to which the business is a party.

Situations relating to the business can be that BOSHOFF VISSER KONSULT (PTY) LTD:
• Has received, or is about to receive, the *proceeds of unlawful activities* OR *property* which is connected to an offence relating to the *financing of terrorist activities*;
• Has been used, or is about to be used, in some way for *money laundering purposes*; OR to facilitate an offence relating to the *financing of terrorist activities*.

*Situations relating to transactions to which BOSHOFF VISSER KONSULT (PTY) LTD is a party and a person is aware or suspects that a transaction/series of transactions with the business:*

• Facilitated, or is likely to facilitate the transfer of proceeds of unlawful activity OR property which is connected to an offence relating to the financing of terrorist activities;
• Does not appear to have a business or lawful purpose;
• Is conducted for the purpose of avoiding giving rise to a reporting duty under this Act;
• May be relevant to the investigation of the evasion of any tax administered by the South African Revenue Service; or
• Somehow relates to an offence relating to the financing of terrorist activities.

**Unlawful Activity:**

Any conduct, which constitutes a crime or contravention of a law, within the Republic or elsewhere. One does not report the suspected crime of unlawful conduct, but the proceeds of such.

**What constitutes a suspicion?**

This implies an absence of proof that a fact exists. One need to consider all the circumstances as well as the normal business practices involved. A suspicious situation may involve several individual factors that on their own seem insignificant, but taken together, they may raise a suspicion. One must evaluate the transaction in relation to what seems appropriate as well as one’s knowledge about the client. This can include his financial history, background and behaviour.

Any person who reasonably ought to have known or suspected that any of the facts referred to in section exists, and who negligently fails to report the prescribed information in respect of a suspicious or unusual transaction or series of transactions or enquiry, is guilty of an offence and on conviction liable to imprisonment not exceeding 15 years or a fine not exceeding R100 Million.
There are indicators of suspicious behaviour but they should not be viewed in isolation and should always be considered in conjunction with other circumstances pertaining to a particular transaction. See page 44 for a list of indicators of suspicious transactions.

**Suspicious Transaction Threshold:**

There is no monetary threshold that applies to this reporting. Once the conclusion is reached that a suspicious or unusual situation exists, the transaction must be reported.

**Can an institution continue with a transaction after a Report has been made?**

The reporter may continue with and carry out a transaction unless the Centre directs him not to proceed with the transaction.

**Confidentiality and Privilege:**

No duty of secrecy or confidentiality prevents any person or institution from complying with the obligation to file a report.

**Legal protection for the Reporter:**

No legal action, whether criminal or civil, can be instituted against a person who complies in good faith with the reporting obligation.

The identity of the reporter is also protected. This person cannot be forced to give evidence in criminal proceedings concerning such a report. A person may choose to do so voluntarily, but if he elects not to testify, no evidence regarding his identity is admissible as evidence in criminal proceedings.

**Tipping-off:**

The person involved may not inform anyone, including the client or any other person associated with a reported transaction, of the contents of a suspicious transaction report or even the fact that such a report has been made.

The FIC Act prohibits the reporter as well as any other person who knows or suspects that a report has been made, from disclosing information regarding that report, except where required by law.

Contravening these prohibitions constitutes offences that carry maximum penalties of imprisonment for a period up to 15 years or a fine up to R10 million.
What is the time period for Reporting?

A report must be sent as soon as possible but not longer than 15 days (excluding Saturdays, Sundays and Public Holidays) after the person has become aware of the facts which give rise to a suspicion. Any person who fails to send a report under section 29 of the Act to the Centre within the period referred is guilty of an offence, and on conviction liable for imprisonment no exceeding 15 years or a fine not exceeding R100 million.

Method of Reporting:

A report must be made by means of internet based reporting provide by the Centre at: http://www.fic.gov.za. This report may NOT be posted. If you are not a registered user of the website you do not have to register to report. It is important that as much information as possible be included in the report as this will enable the Centre to take action immediately and assess whether to instruct the reporter not to proceed with the transaction.

Duty to provide additional information:

The Centre, may request the reporter to furnish the Centre with such additional information concerning the report and the grounds for the report as the Centre may reasonably require for the performance of its functions. When an institution or a person receives such a request, they must furnish the Centre without delay with such additional information as they may have available.

Failing to comply with a request is an offence, and on conviction one is liable for imprisonment not exceeding 15 years or a fine not exceeding R100 Million.

Responsibility of Management:

The management of BOSHOFF VISSE KONSULT (PTY) LTD and the FICA Compliance Officer (KEARNEY THERON) will be responsible to inform all employees of their duty to Report suspicious or unusual transactions.

A person, who suspects that a suspicious or unusual situation exists, will report this immediately to the FICA Compliance Officer who will follow the required steps to report this transaction within the prescribed time limit. The FICA Compliance must be provided with all the necessary information to complete the report.
Conveyance of cash to or from Republic:

A person who intends conveying or who has conveyed or who is conveying an amount of cash or a bearer negotiable instrument in excess of the prescribed amount to or from the Republic must, on demand, report the prescribed particulars concerning that conveyance to a person authorised by the Minister for this purpose. This person must without delay send a copy of the report to the Centre.

Any person, who wilfully fails to report, is guilty of an offence, and conviction liable for imprisonment not exceeding 15 years and a fine not exceeding R100 Million. Failure to send the report is on conviction liable for imprisonment not exceeding 5 years and a fine not exceeding R10 Million.

Electronic transfers of money to or from Republic:

If an accountable institution, through electronic transfer, sends money in excess of a prescribed amount out of the Republic or receives money in excess of a prescribed amount from outside the Republic on behalf, or on the instruction, of another person, it must, within the prescribed period after the money was transferred, report the transfer, together with the prescribed particulars concerning the transfer, to the Centre.

If the institution fails to report to the Centre the prescribed information, one is guilty of an offence and conviction liable for imprisonment not exceeding 15 years and a fine not exceeding R100 Million.
DUTY TO TRAIN EMPLOYEES

BOSHOFF VISSE KONSULT (PTY) LTD must provide training to all of its employees to enable them to comply with the provisions of the FIC Act and the internal rules applicable to them.

Who must receive Training?

Every new employee must receive training within 30 days after their appointment, and subsequently complete the online FICA Test available on Masthead’s website.

All other employees must receive refresher FICA Training on a yearly basis and complete the FICA Test at least once a year.

The training register of the employees must be updated with the training they receive from the AI.

Who must provide the Training?

KEARNEY THERON, the FICA Compliance Officer, is responsible for the training of the employees as well as updating of the training register.

Failure to provide is an offence and on conviction the person is liable for imprisonment not exceeding 5 years or a fine not exceeding R10 Million.
“KNOW YOUR CLIENT” CHECKLIST A

NATURAL PERSONS: SOUTH AFRICAN CITIZENS/RESIDENTS

<table>
<thead>
<tr>
<th>Information to be obtained</th>
<th>Acceptable verification documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Names</td>
<td>Identity document</td>
</tr>
<tr>
<td>Date of Birth</td>
<td>Identity document</td>
</tr>
<tr>
<td>Identity Number</td>
<td>Identity document</td>
</tr>
</tbody>
</table>
| Residential Address                   | A utility or other account bearing the name of the natural person and reflecting the physical address where a service is being rendered.  
  - A recent lease/rental agreement;  
  - Mortgage statement from a bank;  
  - Municipal rates and taxes;  
  - Telkom account;  
  - A Short term insurance schedule reflecting the risk address.  
  *If none of these documents are available:*  
  - A staff member may complete a certification of physical address report.  
  - The client can make a sworn affidavit regarding his/her physical address.  
  *Documentation not older than 3 MONTHS are acceptable.* |
| Income Tax Registration number (Currently Exempted – provide if available) | Any official SARS document reflecting the natural persons’ name and income tax number. |
### NATURAL PERSONS: FOREIGN NATIONALS

<table>
<thead>
<tr>
<th>Information to be obtained</th>
<th>Acceptable verification documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Names</td>
<td>Passport</td>
</tr>
<tr>
<td>Date of Birth</td>
<td>Passport</td>
</tr>
<tr>
<td>Nationality</td>
<td>Passport</td>
</tr>
<tr>
<td>Passport Number</td>
<td>Passport</td>
</tr>
<tr>
<td>South African tax registration number</td>
<td>Any official SARS document reflecting natural persons’ name and income tax number.</td>
</tr>
<tr>
<td>Residential address</td>
<td>Any one of the following documents reflecting the client’s name and residential address were the service is delivered:</td>
</tr>
<tr>
<td></td>
<td>• Municipal rates and taxes invoice;</td>
</tr>
<tr>
<td></td>
<td>• Recent lease or rental agreement;</td>
</tr>
<tr>
<td></td>
<td>• Telkom Account;</td>
</tr>
<tr>
<td></td>
<td>• Mortgage Statement from Bank;</td>
</tr>
<tr>
<td></td>
<td>• Short Term Insurance Schedule reflecting Risk address.</td>
</tr>
<tr>
<td>Income Tax Registration number (Currently Exempted – provide when available)</td>
<td>Any official SARS document reflecting the natural persons’ name and income tax number.</td>
</tr>
</tbody>
</table>
**LEGAL PERSONS: CLOSE CORPORATIONS & SA COMPANIES:**

<table>
<thead>
<tr>
<th>Information to be obtained</th>
<th>Acceptable verification documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered name of the Company or Close Corporation</td>
<td>Most recent version of the CM1 or CK1 (Certificate of Incorporation)</td>
</tr>
<tr>
<td>Registration number under which the Company or CC is incorporated</td>
<td>Most recent version of the CM1 or CK1 (Certificate of Incorporation)</td>
</tr>
</tbody>
</table>
| Registered address of the Company or Close Corporation          | Most recent version of the CM22 or CK 2 (Notice of Registered Office and Postal Address) and one of the following:  
  - A utility or other account bearing the name of the Company or CC reflecting the physical address where a service is being rendered.  
  - A Telkom account  
  - A Short term insurance schedule reflecting the risk address.  
  Public Listed Companies are exempt.                               |
| Name (Trading) under which Company or Close Corporation conducts business | An Account bearing the name of the Company or Close Corporation.                                   |
| Address from which the Close Corporation or Company operates, or if it operates from multiple addresses:  
  - The address of the office seeking to establish a business relationship of single transaction; AND  
  - The address of its head office. | Any one of the following documents reflecting the client’s name and residential address were the service is delivered:  
  - Municipal rates and taxes invoice;  
  - Recent lease or rental agreement;  
  - Telkom Account;  
  - Mortgage Statement from Bank;  
  - Short Term Insurance Schedule reflecting Risk address. |
| Income Tax and VAT Registration Number of the Close Corporation or Company. | Any official document reflecting client income tax number.                                           |
| In the case of a Company:  
  Full Names;  
  Date of Birth;  
  Identity Number;  
  OR  
  Full Names;  
  Date of Birth;  
  Name of Country;  
  OF  
  - The manager of the Company, and  
  - Each Natural person who is authorized to establish a business relationship or single transaction on behalf of the Company.  
  - Each Natural or Legal Person, partnership or Trust holding 25% or more |  
  - ID Document  
  - Passport  
  - Resolution/mandate authorizing the mandated officials to establish the business relationship.  
  - Most recent version of the CM1 or CK1 (Certificate of Incorporation) |
of the voting rights at the general meeting of the company.

| Residential Address; and Contact Particulars OF • The Manager; • Each natural or legal person holding more than 25% voting rights at a general meeting of the company; • Each natural person who can act on behalf of the company (i.e. directors). | Any one of the following documents reflecting the name and residential address were the service is delivered: • Municipal rates and taxes invoice; • Recent lease or rental agreement; • Telkom Account; • Mortgage Statement from Bank; • Short Term Insurance Schedule reflecting Risk address. |

**In the case of a Close Corporation:**

| Residential Address; and Contact Particulars OF • Each member; and • Each Natural person who is authorized to establish a business relationship or single transaction on behalf of the CC. | Any one of the following documents reflecting the client’s name and residential address were the service is delivered: • Municipal rates and taxes invoice; • Recent lease or rental agreement; • Telkom Account; • Mortgage Statement from Bank; • Short Term Insurance Schedule reflecting Risk address. |

| Full Names; Date of Birth; Identity Number; | Natural Person |
| Full Names; Date of Birth; Name of Country; | Foreign National |

| • ID Document | • Resolution/mandate authorizing the mandated officials to establish the business relationship. |

| • Each member; and • Each Natural person who is authorized to establish a business relationship or single transaction on behalf of the Close Corporation. | • Passport |
**LEGAL PERSONS: FOREIGN COMPANIES:**

<table>
<thead>
<tr>
<th>Information to be obtained</th>
<th>Acceptable verification documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name and Number under which it is incorporated; The address where it is situated for purposes of its incorporation.</td>
<td>Official document issued by an authority for recording the incorporation of companies of the country of origin, bearing its: registered name, number and address.</td>
</tr>
</tbody>
</table>
| The name under which it conducts business in the country where it is incorporated; The name under which it conducts business in the Republic; The address from which it operates in the country where it is incorporated, or if it operates from multiple addresses the address of its head office; The address from which it operates in the Republic, or if it operates from multiple addresses the address of the office seeking to establish a business relationship/single transaction | *Any one of the following documents reflecting the name and residential address were the service is delivered:*  
  - Municipal rates and taxes invoice;  
  - Recent lease or rental agreement;  
  - Telkom Account;  
  - Mortgage Statement from Bank;  
  - Short Term Insurance Schedule reflecting Risk address. |
| The income tax and VAT number of the Company (Currently exempted, but provide if available) | Official SARS Document. |
| Full Names; Date of Birth; Identity Number; OR Full Names; Date of Birth; Name of Country; |  
  - The manager in respect of its affairs in South Africa; and  
  - Each Natural person who is authorized to establish a business relationship or single transaction on behalf of the Foreign Company;  
  - Each Natural or Legal Person, partnership or Trust holding 25% or more of the voting rights in the foreign company. |
| OF |  
  - Identity Document  
  - Passport  
  - Resolution/mandate authorizing the mandated officials to establish the business relationship. |
| Residential Address; and Contact Particulars OF | *Any one of the following documents reflecting the name and residential address were the service is delivered:* |
| The Manager in respect of its affairs in the Republic; | Municipal rates and taxes invoice; |
| Each Natural or legal person or trust holding 25% or more of the voting rights in the company; and | Recent lease or rental agreement; |
| Each Natural person who is authorized to establish a business relationship or single transaction on behalf of the Foreign Company. | Telkom Account; |
| | Mortgage Statement from Bank; |
| | Short Term Insurance Schedule reflecting Risk address. |
"KNOW YOUR CLIENT" CHECKLISTS E

OTHER LEGAL PERSONS: (Pension OR Provident Fund)

<table>
<thead>
<tr>
<th>Information to be obtained</th>
<th>Acceptable verification documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Legal Person</td>
<td>• Constitution OR Finding Document of Legal person.</td>
</tr>
<tr>
<td>Its Legal Form</td>
<td>• Constitution OR Finding Document of Legal person.</td>
</tr>
<tr>
<td>Address from which the Legal Person operates</td>
<td>Any one of the following documents reflecting the name and residential address were the service is delivered:</td>
</tr>
<tr>
<td></td>
<td>• Municipal rates and taxes invoice;</td>
</tr>
<tr>
<td></td>
<td>• Recent lease or rental agreement;</td>
</tr>
<tr>
<td></td>
<td>• Telkom Account;</td>
</tr>
<tr>
<td></td>
<td>• Mortgage Statement from Bank;</td>
</tr>
<tr>
<td></td>
<td>• Short Term Insurance Schedule reflecting Risk address.</td>
</tr>
<tr>
<td>Income Tax Registration Number of the Legal Person</td>
<td>• Any SARS document bearing such a number.</td>
</tr>
<tr>
<td>Full Names; Date of Birth; Identity Number; OR Full Names; Date of Birth; Name of Country; (If the mandated official is a Natural Person)</td>
<td>• Identity Document</td>
</tr>
<tr>
<td></td>
<td>• Valid Passport</td>
</tr>
<tr>
<td></td>
<td>• Resolution/mandate authorizing the mandated official to establish the business relationship.</td>
</tr>
<tr>
<td>Residential Address; and Contact Particulars OR Full Names; Date of Birth; Name of Country; (If the mandated official is a Foreign National)</td>
<td>Any one of the following documents reflecting the name and residential address were the service is delivered:</td>
</tr>
<tr>
<td></td>
<td>• Municipal rates and taxes invoice;</td>
</tr>
<tr>
<td></td>
<td>• Recent lease or rental agreement;</td>
</tr>
<tr>
<td></td>
<td>• Telkom Account;</td>
</tr>
<tr>
<td></td>
<td>• Mortgage Statement from Bank;</td>
</tr>
<tr>
<td></td>
<td>• Short Term Insurance Schedule reflecting Risk address.</td>
</tr>
<tr>
<td>Income Tax Registration Number of the Trust (Currently Exempted, but provide if readily available)</td>
<td>Any SARS document bearing such a number.</td>
</tr>
</tbody>
</table>
### TRUSTS:

<table>
<thead>
<tr>
<th>Information to be obtained</th>
<th>Acceptable verification documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name and number of the trust</td>
<td>• Trust deed;</td>
</tr>
<tr>
<td></td>
<td>• Authorization given by Master of the High Court to each Trustee.</td>
</tr>
<tr>
<td>The address of the Master of the High Court where the trust is registered.</td>
<td>• Authorization given by Master of the High Court to each Trustee.</td>
</tr>
<tr>
<td>Particulars of how the beneficiaries are determined.</td>
<td>• Trust deed.</td>
</tr>
<tr>
<td>Full Names; Date of Birth; Identity Number;</td>
<td>• Identity Document</td>
</tr>
<tr>
<td>(If a Natural Person) OR</td>
<td>• Valid Passport</td>
</tr>
<tr>
<td>Full Names; Date of Birth; Name of Country;</td>
<td>• Resolution/Mandate authorizing the person to establish the transaction or business relationship.</td>
</tr>
<tr>
<td>(If a Foreign National)</td>
<td></td>
</tr>
<tr>
<td>Residential Address, and Contact Particulars OF</td>
<td></td>
</tr>
<tr>
<td>• Each Trustee of the Trust; and</td>
<td></td>
</tr>
<tr>
<td>• Each Natural person who is authorized to establish a business relationship or single transaction on behalf of the trust;</td>
<td></td>
</tr>
<tr>
<td>• Each Beneficiary of the Trust referred to by name in the Trust deed OR Particulars of how the Beneficiaries of the Trust are determined.</td>
<td></td>
</tr>
<tr>
<td>• The Founder of the Trust.</td>
<td></td>
</tr>
<tr>
<td>Income Tax Registration Number of the Trust (Currently Exempted, but provide if readily available)</td>
<td>Any one of the following documents reflecting the name and residential address were the service is delivered:</td>
</tr>
<tr>
<td></td>
<td>• Municipal rates and taxes invoice;</td>
</tr>
<tr>
<td></td>
<td>• Recent lease or rental agreement;</td>
</tr>
<tr>
<td></td>
<td>• Telkom Account;</td>
</tr>
<tr>
<td></td>
<td>• Mortgage Statement from Bank;</td>
</tr>
<tr>
<td></td>
<td>• Short Term Insurance Schedule reflecting Risk address.</td>
</tr>
</tbody>
</table>
**PARTNERSHIPS:**

<table>
<thead>
<tr>
<th>Information to be obtained</th>
<th>Acceptable verification documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of the Partnership</td>
<td>• Partnership Agreement</td>
</tr>
<tr>
<td></td>
<td>• Written agreement by all partners confirming there is no partnership agreement.</td>
</tr>
<tr>
<td></td>
<td>• Identity Document if RSA Citizen/Resident</td>
</tr>
<tr>
<td></td>
<td>• Passport if Foreign National</td>
</tr>
<tr>
<td></td>
<td>• Resolution/Mandate of person exercising executive control.</td>
</tr>
<tr>
<td>Full Names; Date of Birth;</td>
<td>(If Natural Person)</td>
</tr>
<tr>
<td>Identity Number; OR</td>
<td></td>
</tr>
<tr>
<td>Full Names; Date of Birth;</td>
<td>(If Foreign National)</td>
</tr>
<tr>
<td>Name of Country; OF</td>
<td></td>
</tr>
<tr>
<td>• Every Partner;</td>
<td>(Do not need to verify business address, but provide if readily available.)</td>
</tr>
<tr>
<td>• The Person who exercises executive control over the partnership; and</td>
<td></td>
</tr>
<tr>
<td>• Each Natural person who is authorized to establish a business relationship or single transaction on behalf of the partnership.</td>
<td></td>
</tr>
</tbody>
</table>
FICA RISK RATING CHECKLIST

This checklist must be completed with every FICA Related Transaction.

Client Name: _______________________________________
Representative: _____________________________________ Date: __________________

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Product Type</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Business Activity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Client attributes (Is he on the United Nations List, PEP)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Duration of client relationship (Single Transaction should be high risk)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Jurisdiction of client (Local – Low/Foreign – High)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Transaction Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Type of entity</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If any one of the above is identified as High Risk, then you need to obtain additional information regarding the source of funds/income to profile the client accordingly. Refer to the Suspicious Transaction Indicators for assistance as well. This transaction must be authorized by the Section 43 Compliance Officer.

Additional Information Obtained:
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

Section 43 Compliance Officer Signature: ________________________________

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PEPs FICA CHECKLIST

This checklist must be completed with every FICA Related Transaction concluded with a politically exposed person

Client Name: _______________________________________
Representative: _____________________________________ Date: __________________

<table>
<thead>
<tr>
<th>Politically Exposed People</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the client one of the following or a close family member or closely associated with one of the following:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heads of state, heads of Government and cabinet ministers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influential functionaries in Government</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Judges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Political party functionaries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior and/or influential officials, functionaries and military leaders and people with similar functions in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member of ruling families</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior and/or influential representatives of religious organisations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If YES, obtain additional information regarding source of funds, the transaction and the client.

Source of Funds/Income:
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

Transaction Details:
___________________________________________________________________________
___________________________________________________________________________
___________________________________________________________________________

If client is a PEP, please obtain senior management authorization.

Section 43 Compliance Officer Signature: _______________________________________

This relationship will be monitored on an on-going basis.
FICA RECORDKEEPING CHECKLIST

This checklist must be completed with every FICA Related Transaction. Records must be kept for a minimum period of 5 years. This checklist must be kept in a FIC Record File, together with the Risk Rating and PEPs Checklist.

Client Name: _______________________________________
Representative: _____________________________________
Date: ________________________________________________

<table>
<thead>
<tr>
<th>Who established the client’s identity</th>
</tr>
</thead>
<tbody>
<tr>
<td>How was the identity established</td>
</tr>
<tr>
<td>(Refer to KYC Checklist and list</td>
</tr>
<tr>
<td>documentation obtained)</td>
</tr>
<tr>
<td>Single transaction/Business Relationship</td>
</tr>
<tr>
<td>What is the transaction amount</td>
</tr>
<tr>
<td>What is the name of the parties involved</td>
</tr>
</tbody>
</table>
VERIFICATION OF PHYSICAL ADDRESS REPORT

Verification report if client does not have an acceptable account held in the client’s name.

I, the undersigned, ..................................................................................................................

Hereby confirm that:

1) I am currently employed by / am an agent for ______________________________ (FSP)

2) On ............................................. (DATE), I physically visited and inspected the
   residential address of our client; ..............................................................

3) His/her physical residential address is

   ..........................................................................................................................
   which I confirmed by obtaining the following information:

   ..........................................................................................................................
   ..........................................................................................................................
   ..........................................................................................................................

SIGNED at ........................................... on this ........ DAY of ...........

..............................................................
(SIGNATURE)
INDICATORS OF SUSPICIOUS TRANSACTIONS

Indicators of Suspicious and Unusual Business:

- The client makes deposits of funds with a request for their immediate transfer elsewhere;
- Unwarranted and unexplained international transfers;
- The payment of commission or fees that appear excessive in relation to those normally payable;
- Lack of concern about high commissions, fees, penalties etc. incurred as a result of a particular type or method of transaction;
- Transactions do not appear to be in keeping with normal industry practices;
- Purchase of commodities at prices significantly above or below market prices;
- Unnecessarily complex transactions;
- Unwarranted involvement of structures such as trusts and corporate vehicles in transactions;
- A transaction seems to be unusually large or otherwise inconsistent with the customer’s financial standing or usual pattern of activities;
- Buying or selling securities with no apparent concern for making profit or avoiding loss;
- Unwarranted desire to involve entities in foreign jurisdictions in transactions;
- A client attempts to convince employee not to complete any documentation required for the transaction;
- A client makes inquiries that would indicate a desire to avoid reporting;
- A client has unusual knowledge of the law in relation to suspicious transaction reporting;
- A client seems very conversant with money laundering or terrorist activity financing issues;
- A client is quick to volunteer that funds are clean or not being laundered.

Indicators in terms of Client Identification:

- The use of seemingly false identity in connection with any transaction, including the use of aliases and a variety of similar but different addresses and, in particular, the opening or operating of a false name account;
- Opening accounts using false of fictitious documents;
- A client provides doubtful or vague identification information;
- A client refuses to produce personal identification documents;
- A client changes a transaction after learning that he must provide a form of identification;
- A client only submits copies of personal identification documents;
- A client wants to establish identity using something other than his or her personal identification documents;
• A client’s supporting documentation lacks important details such as contact particulars;
• Client does not want correspondence sent to his/her home address.
• A client inordinately delays presenting corporate documents; or
• All identification presented by the client is foreign or cannot be checked for some reason.

General Indicators of Suspicious Behaviour:

• A client provides insufficient, vague or suspicious information concerning a transaction;
• Accounts that show unexpectedly large cash deposits and immediate withdrawals;
• A frequent exchange of small denomination notes for large denomination notes;
• Client appears to have accounts with several financial institutions without no apparent reason;
• Involvement of significant amounts of cash in circumstances that’s difficult to explain.

END