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FICA & REPORTING OBLIGATION - PART 4

In terms of the Financial Intelligence Centre Act (FICA) each accountable institution (which includes attorneys and estate agents) has a reporting duty towards the Financial Intelligence Centre (FIC). They have to report any of the following:

1. Cash transactions above the prescribed limit
2. Property associated with terrorist and terrorist related activities
3. Suspicious and unusual transactions
4. Politically exposed persons

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Family members of someone who is a PEP should also be given special attention by accountable institutions. This includes spouses, children, parents and siblings, relatives by marriage and may also include other blood relatives.

A PEP is considered to be a high-risk client. In addition to performing the regular customer due diligence measures accountable institutions should obtain approval for establishing a business relationship with a PEP from senior management. The source of funds and wealth must be established by taking reasonable measures, such as obtaining proof of where the funds originated from. The relationship with a PEP must be monitored on an ongoing basis.

Accountable institutions should put in place appropriate risk management systems to determine whether a customer is a PEP.

A politically exposed person (PEP) is the term used for an individual who is, or has been in the past, entrusted with prominent public functions as set out below.

The following examples can be considered when establishing if someone is a PEP:
• Heads of state, heads of government, cabinet ministers, and MP's;
• Influential functionaries in nationalised industries and government administration;
• Senior judges;
• Senior political party functionaries;
• Senior and/or influential officials, functionaries and military leaders
• Closely associated persons. This includes close business colleagues and personal advisers/consultants to the PEP.