



## financial intelligence centre REPUBLIC OF SOUTH AFRICA

UPDATE NOTICE TO ALL ESTATE AGENTS OPERATING IN SOUTH AFRICA ON THE FINANCIAL INTELLIGENCE CENTRE ACT, NO. 38 OF 2001

The Financial Intelligence Centre (the Centre) is pleased to inform all estate agents operating in South Africa of its intention to implement the cash threshold reporting obligation in terms of section 28 of the Financial Intelligence Centre Act, No. 38 of 2001 (FIC Act), for estate agents on 01 December 2010.

### **Purpose of Cash Threshold Reporting**

Cash Threshold Reporting provides a mechanism to monitor reported cash transactions so that potential proceeds of crime are identified and investigated.

### **Definition of Cash**

Cash is defined in section 1 of the FIC Act as:

- (a) Coin and paper money of the Republic or of another country that is designated as legal tender and that circulates as, and is customarily used and accepted as, a medium of exchange in the country of issue;
- (b) Travellers' cheques. Cash excludes negotiable instruments, transfer of funds by means of bank cheque, bank draft, electronic funds transfer, wire transfer or other written order that does not involve the physical transfer of cash.

Note that where cash in excess of the threshold amount is received or paid by a bank into or from an account held in the name of the estate agent, there is a duty on the bank as well as on the estate agent to report the cash transaction to the Centre under section 28 of the FIC Act.

### **Prescribed Amount**

The prescribed threshold amount is R25 000 or the equivalent foreign denomination value calculated at the

time that the transaction is concluded. In particular, where foreign currency forms part of a cash transaction that requires the completion of a cash threshold report (CTR), the estate agent must apply the exchange rate in effect for the business day of the transaction to calculate the amount in ZAR.

Note that aggregation is applied to the threshold amount over a defined 24-hour period. The threshold amount can be a single cash transaction to the value of R25 000 or an aggregation, where a series of smaller amounts would add to the threshold amount of R25 000. The calculation of aggregated transactions is either an inward or outward direction of cash, but not a combination of the two. It is either withdrawals (payments) or deposits (receipts).

### **Electronic Method of filing a CTR Preferred**

The Centre has developed an electronic process, making use of an internet portal on the Centre's website, for the filing of CTRs with the Centre.

### **Acquiring of New Secure Login Credentials**

Estate agents are requested to acquire new secure login credentials from the Centre by visiting the Centre's website at [www.fic.gov.za](http://www.fic.gov.za). This will enable the estate agent to file CTRs in terms of section 28, suspicious and unusual

transaction reports in terms of section 29, and terrorist property reports in terms of section 28A of the FIC Act, electronically with the Centre.

Each branch of an estate agency is regarded as a separate accountable institution and must acquire separate login credentials from the Centre to enable each branch to separately report a CTR to the Centre.

### **Financial Intelligence Centre Amendment Act**

It is envisaged that section 43B of the FIC Amendment Act, which requires all accountable and reporting institutions to register with the Centre, will be implemented with effect from Wednesday, 01 December 2010. The information provided by an estate agent during the process of acquiring login credentials is similar to the information that will be required for the purposes of registration, once it becomes compulsory.

Estate agents that correctly acquire login credentials prior to Wednesday, 01 December 2010 will be required to confirm that the information supplied is still applicable in order to effect registration.

Upon such confirmation, the estate agent will receive a unique reference number and will be regarded as compliant with section 43B of the FIC Act.

#### **FEEDBACK AND ENQUIRIES**

Feedback may be sent to the Centre by e-mail to [servicedesk@fic.gov.za](mailto:servicedesk@fic.gov.za).

Enquiries may be sent to the Centre by e-mail to [fic\\_feedback@fic.gov.za](mailto:fic_feedback@fic.gov.za).

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

Kindly regularly consult the Centre's website at [www.fic.gov.za](http://www.fic.gov.za) to keep abreast of further developments.