



## **financial intelligence centre**

### **REPUBLIC OF SOUTH AFRICA**

---

#### **NOTICE TO ALL ESTATE AGENTS OPERATING IN SOUTH AFRICA ON REPORTING TO THE FINANCIAL INTELLIGENCE CENTRE**

#### **REVISED SUSPICIOUS AND UNUSUAL TRANSACTION REPORTING AND TERRORIST PROPERTY REPORTING FORMS**

The Financial Intelligence Centre (Centre) is pleased to inform all estate agents that the Centre has upgraded its website and has revised the Suspicious Transaction Report (STR) and Terrorist Property Report (TPR) forms to be filed with the Centre in terms of section 29 and section 28A of the Financial Intelligence Centre Act, 2001 (FIC Act), respectively.

All estate agents are required to immediately use the revised STR and TPR forms when filing these reports with the Centre. The revised reporting forms are accessible via the Centre's website at [www.fic.gov.za](http://www.fic.gov.za).

#### **Acquiring of new secure login credentials by accountable and reporting institutions**

The Centre has also introduced for accountable and reporting institutions a process of acquiring new login credentials for the submission of STRs and TPRs forms to the Centre. To acquire these new login credentials and access the new STR and TPR forms, a link has been provided on the Centre's website at [www.fic.gov.za](http://www.fic.gov.za).

The secure online login process will provide the user with a username and password. This process will benefit frequent reporters as their details will be

automatically pre-populated on the electronic reporting form, when entering their secure log-in credentials.

All estate agents, including regular reporters, are strongly encouraged to acquire new login credentials from the Centre using the revised process as soon as possible.

Do note that all previously acquired login credentials from the Centre will expire shortly.

To acquire your new login credentials from the Centre and to access the new STR and TPR forms, kindly visit the Centre's website at [www.fic.gov.za](http://www.fic.gov.za).

## **ROLL-OUT OF THE CASH THRESHOLD REPORTING PROCESS**

The Centre is pleased to inform all estate agents operating in South Africa of its intention to implement the Cash Threshold Report (CTR) obligation in terms of section 28 of the Financial Intelligence Centre Act, 2001 (FIC Act), for estate agents by **01 December 2010**. Estate agents will then be required to file a CTR with the Centre.

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

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

Section 28 of the FIC Act requires that accountable and reporting institutions, as described in Schedule 1 and Schedule 3 of the FIC Act, must within the prescribed period, report to the Centre the prescribed particulars concerning a transaction concluded with a client if in terms of the transaction an amount of cash in excess of the prescribed amount:

*“(a) is paid by the accountable institution or reporting institution to the client, or to a person acting on behalf of the client, or to a person on whose behalf the client is acting; or*

(b) *is received by the accountable institution or reporting institution from the client, or from a person acting on behalf of the client, or from a person on whose behalf the client is acting.”*

### **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, as defined in the FIC Act, does not include 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. These methods of transferring funds will not be covered by the CTR obligation under section 28 of the FIC Act.

Physical cash payments in excess of the threshold amount received by the estate agent will have to be reported. Where an estate agent pays a client physical cash in excess of the threshold amount this will have to be reported. Estate agents will also be responsible to report cash in excess of the threshold amount received by an agent on their behalf, e.g. cash received by a bank on behalf of an estate agent.

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 will be **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 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. The threshold amount can be a single cash transaction to the value of R25 000 or an aggregation, where multiples of smaller amounts would add to the threshold amount of R25 000. The calculation of aggregated transactions is directional, i.e. either an inward or outward direction of cash, but not a combination of the two. It is either withdrawals (payments) or deposits (receipts).

### **Knowledge of the Transaction**

The estate agent will be required to file a CTR when the estate agent has knowledge of the cash threshold transaction. This knowledge will normally be acquired when the estate agent physically receives or pays out cash to the value of R25 000 or more, or peruses its bank statement or a bank deposit slip from the client reflecting a threshold transaction to the value of R25 000 or more.

### **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.

### **Login Credentials Required to file a CTR**

Estate agents will need to acquire new login credentials from the Centre to electronically submit a CTR to the Centre. This consists of a username and password, which will facilitate an efficient filing process by pre-populating the user information thus ensuring the provided information, is credible.

Estate agents will not have to acquire new login credentials to file a CTR, if they have already acquired new login credentials from the Centre to file a STR or TPR with the Centre. Estate agents are strongly urged to acquire their new login credentials by visiting the Centre's website at [www.fic.gov.za](http://www.fic.gov.za).

### **Individual Branch Login Credentials**

Each branch of an estate agency is regarded as a separate accountable institution and is required to acquire separate login credentials from the Centre to enable each branch to separately report a CTR to the Centre. For example, if estate agency ABC has two (2) branches in Cape Town, one (1) branch in Bloemfontein and another branch in Pretoria, each of these branches will have to acquire separate secure login credentials from the Centre: that means 4 separate login credentials have to be acquired for estate agency ABC.

The reporting by branches of estate agents will enable the Centre to identify the geographical areas from where the reports are received.

### **FEEDBACK AND ENQUIRIES**

The Centre would greatly appreciate feedback on the CTR process.

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).

### **CONCLUSION**

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

**Financial Intelligence Centre**

**June 2010**