

AMENDMENT OF THE FINANCIAL CENTRE INTELLIGENCE CENTRE ACT

The Financial Centre Intelligence Centre (hereinafter referred to as "the Centre") is in the process of enhancing its operating systems in order to optimize its services.

It is now a requirement that due to an upgrade of the Centre's website, estate agencies (indeed all accountable institutions) are now required to use the following new forms (which forms are available on the website) when a report is being filed:-

1. Suspicious Transaction Report (hereinafter referred to as "STR"); and
2. Terrorist Property Report (hereinafter referred to as "TPR"); and
3. Cash Threshold Report (hereinafter referred to as "CTR").

In addition an estate agency is now required to acquire new login credentials from the Centre in order for the estate agency to file reports in terms of the new systems. Please be advised that your existing log on credentials will expire shortly.

You are therefore advised to visit the Centre's website www.fic.gov.za in order to acquire new log on credential and to also advise the Centre of the name and contact details of the compliance officer duly appointed.

ROLL-OUT OF CASH THRESHOLD REPORTING PROCESS

From the 1st of December 2010 estate agents will be required to file a CTR with the Centre in order for the Centre to monitor cash transactions which can potentially be identified as proceeds of crime in order for the same to be investigated.

DEFINITION OF CASH

Cash is defined as coin and/or paper money and travelers' cheques.

What is excluded from the definition of cash?

Any 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.

The threshold for reporting is the sum of R25 000,00 and above. This amount can be made up of a single cost transaction to the value of R25 000,00 or an aggregation where multiples of smaller amounts would add to the threshold of R25 000,00.

What is included:-

- 1) Any cash payment received by the estate agent exceeding R25 000,00 will have to be reported;
- 2) Where an estate agent pays a client physical cash in excess of the threshold this amount will also have to be reported;
- 3) An estate agent will be responsible for reporting cash in excess of R25 000,00 in the event of the agent receiving cash on behalf of for instance a purchaser from a bank or other third party.

If cash is received into the estate agency's bank account then the reporting duty is on the estate agent and on the bank as well to report the cash transaction to the Centre.

The reporting duty arises when the agent becomes aware of the cash payment to the value of R25 000,00 or more, i.e. when the agent physically receives the cash or paid out the cash or it peruses in its bank statement or it receives a bank deposit slip in respect of a cash transaction exceeding R25 000,00 or more.

ELECTRONIC METHOD

The Centre has developed an electronic process, making use of an internet portal on its website facilitating the filing of a CTR.

WHO IS REQUIRED TO OBTAIN LOGIN CREDENTIALS?

It is clearly stated that each branch of an estate agency is regarded as a separate accountable institution and is required to acquire separate login credentials from the Centre. For example, if estate agency X has 40 branches through out the Country then each individual branch will have to acquire separate secure login credentials i.e. 40 different login credentials will have to be acquired.

Should you need any additional information please do not hesitate to contact Johan van Heerden or Peter Dykes alternatively you can visit the website on www.fic.gov.za