

FREQUENTLY ASKED QUESTIONS

About the

DIRECTIVE TO PROVIDE INFORMATION 2024

Issued by

THE FINANCIAL SECTOR CONDUCT AUTHORITY

in terms of

THE FINANCIAL INTELLIGENCE CENTRE ACT, 38 OF 2001

1. PURPOSE

The purpose of this document is to provide practical guidance to accountable institutions relating to the completion of the Directive to Provide Information for 2024 (DPI 2024) issued by the Financial Sector Conduct Authority (FSCA) in terms of the Financial Intelligence Centre Act, No. 38 of 2001 (FIC Act).

2. BACKGROUND

As part of the FSCA's mandate to discharge its duties as a Supervisory Body in terms of Item 1 of Schedule 2 of the FIC Act, the DPI 2024 is issued in terms of section 43A(3) of the FIC Act for completion and submission by accountable institutions supervised by the FSCA.

All accountable institutions designated under Items 5 and 12 of Schedule 1 to the FIC Act are required to complete the DPI 2024.

This also applies to accountable institutions who failed to comply with the DPI previously issued by the FSCA in 2021. The DPI 2024 is available for online completion and submission from **27 May 2024 to 31 July 2024**.

3. FREQUENTLY ASKED QUESTIONS

3.1 QUESTION: What is the DPI 2024?

ANSWER: The DPI 2024 is a **Directive** issued in terms of section 43A(3) of the FIC Act to accountable institutions to provide information to the FSCA in relation to their compliance with the FIC Act.

3.2 QUESTION: Who is required to complete the DPI 2024?

ANSWER: The DPI 2024 must be completed by ***all accountable institutions*** listed under Items 5 and 12 of Schedule 1 to the FIC Act, specifically:

- All Financial Services Providers (FSPs) **excluding** *those FSPs that are exclusively authorised to render financial services in respect of non-life insurance and / or health service benefits only*;
- FSPs that have been approved for the first time in respect of rendering financial advisory and / or intermediary services in respect of crypto assets, ie crypto asset service providers (CASPs);
- All Collective Investment Scheme (CIS) Managers **excluding** *those who exclusively conduct business as described in Part VI of the Collective Investment Schemes Control Act, No. 45 of 2002*.

Accountable institutions that failed to complete and submit the previously issued DPI by 31 May 2021, now have a final opportunity to comply. **This includes accountable institutions who did not previously respond to every question in the DPI.**

Since the DPI 2024 is hosted on the FSCA's FAIS and CIS e-portals, provision has been made for accessing these e-portals.

Note to authorised FSPs: The same login credentials to access the FAIS e-portal for other functionalities must be used. Only Sole Proprietors, Key Individuals and FAIS compliance officers are able to register on the FAIS online e-portal for login credentials. Since the DPI is issued in terms of the FIC Act and the responsibility lies with the management of the accountable institution to provide this information, it is recommended that **key individuals use their existing login credentials to access the DPI**. If the accountable institution has never used the FAIS e-portal before, the key individual should register first before being able to log in.

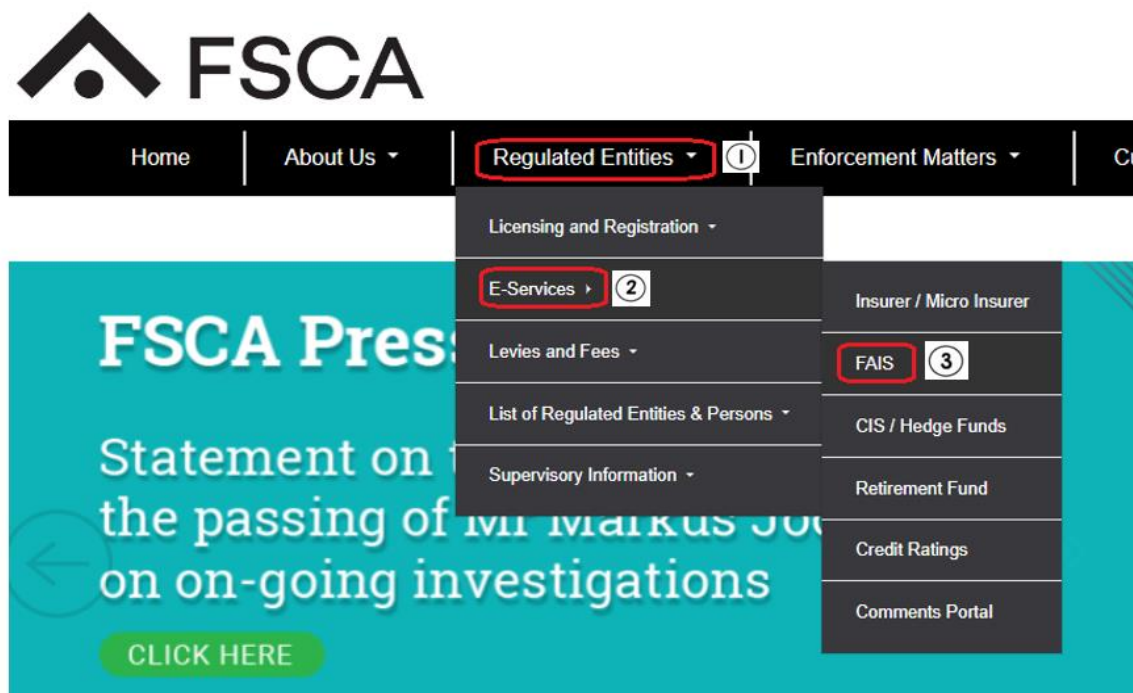
Note that the **login details of the FAIS compliance officer cannot be used** for purposes of accessing and completing the DPI 2024, since login credentials cannot be shared, and the DPI 2024 falls within the purview of the accountable institution (as designated under the FIC Act) not the FAIS compliance officer to complete.

Senior management of every accountable institution impacted by the DPI 2024 should engage their **money laundering compliance officer** for assistance with the completion of the DPI 2024. It is the responsibility of the money laundering compliance officer to ensure the effectiveness of the institution's compliance function in relation to the FIC Act.

3.3 QUESTION: Where can I access the DPI 2024?

ANSWER:

For FSPs:



Go to www.fsca.co.za

Click on the drop-down arrow next to **“Regulated Entities”** (number 1 in the screen shot above)

Click on the drop down arrow next to **“E-Services”** (number 2 in the screen shot above)

Click on the **“FAIS”** (number 3 in the screen shot above)

For CIS Managers:



Go to www.fsca.co.za

Click on the drop-down arrow next to “Regulated Entities” (number 1 in the screen shot above)

Click on the drop down arrow next to “E-Services” (number 2 in the screen shot above)

Click on the “CIS / Hedge Funds” (number 3 in the screen shot above)

On the login screen type in the relevant **login details** OR register using the relevant **identity number**.

Once logged in, a menu of items relating to information and services for FSPs / CIS Managers will appear in the respective e-portals.

The DPI will reflect on this menu as “Directive to Provide Information 2024”.

Click on the **dot** next to “Directive to Provide Information 2024” to access the DPI.

3.4 QUESTION: Is it compulsory to complete the DPI 2024 even if I have a small business and do not receive client money?

ANSWER: Yes. All accountable institutions as described under paragraph 3.2 above, are required to complete and submit the DPI 2024.

3.5 QUESTION: When can I access the DPI 2024?

ANSWER: The DPI 2024 will be available from 27 May 2024 to 31 July 2024.

It will not be available before or after this date.

3.6 QUESTION: What information will be required in the DPI 2024?

ANSWER: The DPI 2024 is comprehensive and addresses all the requirements in that accountable institutions must comply with in terms of the FIC Act. This includes questions related to the accountable institution's risk-based approach, risk management and compliance programme, customer due diligence, training, record keeping, reporting, registration, screening and the like.

The questions are formulated to allow for “**yes**”, “**no**” and “**not applicable**” to be selected in response to every question. It is advisable for accountable institutions to keep their **risk management and compliance programmes** at hand as this will assist greatly in completing the DPI 2024.

Accountable institutions will not be required to provide statistical information or upload any supporting documents.

Accountable institutions are reminded to keep the **ORG ID number*** issued to them by the Financial Intelligence Centre (FIC) at hand as this will need to be provided in the DPI 2024. (See Question 3.7 below).

Accountable institutions must be honest and truthful when providing responses to all questions. The responses will be tested by the FSCA through its ongoing supervisory activities. The failure to be honest and truthful may result in the imposition of administrative penalties by the FSCA.

Upon opening of the DPI 2024:

- Please read the explanatory note and the abbreviations at the top before proceeding to the background information.
- Complete the background information comprehensively. If the accountable institution is not an FSP, type in “N/A” where relevant. If the accountable institution is not a CIS Manager, type in “N/A” where relevant.
- Proceed to answer every question. Where more than one option is provided, note that the options not answered as “yes” should still be responded to as “no” or “not applicable”.
- Remember to save responses frequently during the completion process.
- Try to complete the DPI 2024 in one sitting where possible. Based on previous experiences, some accountable institutions completed it partially or even fully but later forgot to submit on time which rendered them non-compliant with the Directive.

3.7 QUESTION: What is an ORG ID number*

ANSWER: An ORG ID number is the number that issued to accountable institutions when they register with the FIC (**not the FSCA**). All accountable institutions are required to register with the FIC in terms of section 43B of the FIC Act.

The FIC is using the GoAML system that enables accountable institutions to comply with reporting obligations under the FIC Act. Accountable institutions that have not yet registered with the FIC on the GoAML system **should not use this as a delay for completion and submission of the DPI 2024**. These accountable institutions are urged to immediately contact the FIC at 012 641 6000 or visit their website at www.fic.gov.za to start the process of registration with the FIC.

Do not confuse registration as an accountable institution with the FIC, with the registration required on the FAIS or CIS e-portals.

The FSCA published a webinar on its official YouTube channel that explains the registration obligations and process. Please click on this link to access the webinar for assistance in registering with the FIC: https://youtu.be/iKL_D82T1wA

3.8 QUESTION: Will the DPI 2024 be made available in soft copy or hard copy?

ANSWER: The DPI 2024 will **be available exclusively online** from 27 May 2024 to 31 July 2024. It is therefore important for accountable institutions to urgently ensure they registered on the relevant e-portal to access the DPI 2024.

3.9 QUESTION: What will happen if I fail to complete the DPI 2024?

ANSWER: The DPI 2024 is issued in terms of section 43A(3) of the FIC Act as a Directive and therefore compulsory to complete as directed. Failure to complete and submit the DPI 2024 will be a contravention of the FIC Act and may result in the imposition of administrative penalties by the FSCA.

3.10 QUESTION: What are some common mistakes / misunderstandings / clarifications to bear in mind when completing the DPI 2024?

ANSWER:

- The accountable institution does not read the explanatory note and the abbreviations in the DPI 2024, which leaves them struggling to understand abbreviations used / the format of the questions etc.
- The FSP number is captured incorrectly by the person completing the DPI 2024. This will result in responses not reflecting on the accountable institution's profile once submitted.
- The ID / business registration number is provided where the ORG ID number is required.
- The accountable institution procrastinates / delays and experience issues with registration on the e-portal which causes it to not meet the deadline for submission.
- The accountable institution completes the DPI 2024 but forgets to submit it before the deadline expires.
- “Assets under management” does not apply to Category I FSPs.
- “Senior management” includes the sole proprietor.
- Reference to “compliance officer” relates specifically to the money laundering compliance officer in terms of the FIC Act and not any other type of compliance officer appointed by the accountable institution.

- Reference to a “group” relates to a group of companies that constitutes a holding company and subsidiaries (whether local or foreign).
- Reference to other “regulators” relates to supervisors that regulate the accountable institution in terms of other legislation and includes regulators in other jurisdictions.
- Reference to “client” includes all clients (foreign and local).
- A “business relationship” implies an ongoing relationship between the accountable institution and the client.
- A single transaction includes all transactions concluded other than those concluded during the course of a business relationship.
- Reference to “internal” and “external audit” functions exclude monitoring conducted by the FSP’s appointed FAIS compliance officer. The reference relates to persons that are qualified in the auditing profession and appointed by the FSP / CIS Manager in this capacity. Where such functions do not exist, the response should reflect that.
- Accountable institutions that appoint a third party for record keeping purposes are required to capture the information about the third-party record keeper separately on the FAIS e-portal. This facility is a permanent facility available on the FAIS e-portal.

4. ENQUIRIES

- For general enquiries related to the DPI 2024, call the FSCA toll free on 0800 203 722.
- For enquiries related to issues with registration on the e-portal, send an e-mail to Gerald.Maidi@fsca.co.za or Akashen.Rampersadh@fsca.co.za.
- For enquiries related to technical / interpretational issues, send an e-mail to Kgomotso.Molefe@fsca.co.za
- **To assist the FSCA process enquiries as soon as possible please ensure that the following information is provided when making an enquiry:**
 - FSP number / CIS number
 - Name and ID or passport number
 - Contact details
 - Clear description of the query.

FINANCIAL SECTOR CONDUCT AUTHORITY

DATE: 27 May 2024