****

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 1249 [NW1390E]**

**DATE OF PUBLICATION: 19 MAY 2017**

**1249. Mr D J Maynier (DA) to ask the Minister of Finance:**

(1) Whether he has put any plans in place to implement the provisions of the Financial Intelligence Centre Amendment Act, Act 1 of 2017; if not, why not; if so, what are the relevant details;

(2) by what date will (a) each provision, (b) each category of (i) accountable institutions and (ii) transactions and (c) the specified Act in its entirety come into effect?
NW1390E

**REPLY:**

(1) Yes, I have gazetted the dates for the coming into operation of most clauses in the Act, and our plans to facilitate implementation of the Act. Together with the Government Notice No. 563 in Gazette No. 40916, now technically amended by the attached Notice No. 601 in Gazette No. 40939, published on Tuesday, 13 June 2017, the National Treasury issued the attached Press Statement informing the public that I have signed and gazetted the implementation of the Financial Intelligence Centre Amendment Act of 2017 (“the FICA Act”). The Press Statement was accompanied with more detailed information in the following attached documents:

1. **Government Notice** containing the two commencement dates of 13 June 2017 and 2 October 2017 for most of the provisions in the Act. I expect the remaining provisions to be in operation no later than 1 April 2018. These provisions relate to the freezing of assets related to UN Security Council decisions and to private companies doing business with Government. They require some preparatory work before they can be implemented.
2. A roadmap document, titled “***Roadmap for the Implementation of the Financial Intelligence Centre Amendment Act, 2017 (Act No. 1 of 2017) for supervisors and accountable institutions***”.

This important document (also) details the various FICA Act provisions and their categories which took effect on 13 June 2017, those taking effect on 2 October 2017, and lastly those intended to take effect (or full effect) after 2 October 2017 (which I expect to be no later than 1 April 2018) (see pages 3 to 9). This document also contains timelines on various actions which must be undertaken from June to December 2017 (see page 12).

1. A high-level National Treasury document, for public consultation, titled “***A new approach to combat money laundering and terrorist financing***”.

This document sets out the vision and strategy on the implementation of the new risk-based approach and a more consultative and consumer-friendly approach in relation to regulatory and policy issues like financial inclusion and the approach towards Prominent Influential Persons.

1. **Draft Government Notices,** for public consultation, on withdrawal of exemptions and amendments to the Regulations, and **Draft Guidance**,alsofor public consultation, from the Financial Intelligence Centre, providing draft guidance on how the new measures contained in the FICA Act can be implemented.

(2)(a) Please refer to the attached commencement Notice, Press Statement and the roadmap document on commencement dates, which provide more detailed information.

(2)(b)(i) The provisions of the FICA Act will apply to all accountable institutions. There is, though, an acknowledgement that not all of them will be in the same state of readiness; for example, the banks, by being at the centre of facilitating (legitimate) financial flows and combating illicit financial flows, are or will likely be more ready than other institutions.

(2)(b)(ii) The only two outstanding areas, namely on freezing of assets and prominent influential persons in the private sector would be implemented and operationalised, respectively, no later than 1 April 2018, though I hope it is even sooner. These relate to sections 17, 20, 21(b) and 39 of the FICA Act and paragraph (b) of the list of domestic prominent influential persons in Schedule 3A, inserted by section 59 of the FICA Act, requiring a Ministerial notice to set a threshold. These provisions require consultations within Government, systems upgrades by both supervisors and / or accountable institutions, including the ability to generate appropriate databases on or develop systems capability to search persons doing business with Government above a certain rand value threshold.

(2)(c) No later than 1 April 2018, or hopefully sooner if all processes can be concluded faster.