Dear Sir / Madam

OUTsurance Life Insurance Company Limited (OUTlife) refers to the proposed amendments to Schedules 1, 2 and 3 of the Financial Intelligence Centre Act 38 of 2001, as amended (the FIC Act).

We take note that the Financial Intelligence Centre (FIC) had previously published its intention to significantly amend the content in Schedule 1 of the FIC Act. Among the original proposed amendments, it seemed that the FIC intended to reduce the compliance obligations aimed at long-term insurers, by limiting the scope to long-term insurers who offered risk products with an investment component. It was our interpretation that long-term risk products would no longer fall into the ambit of the FIC Act, due to the low money laundering and terrorist financing risk that these products pose.

It seems that the FIC has done an about-turn on this proposed amendment, as the latest draft has left the description of long-term insurers as is in Schedule 1.

We would respectfully request clarity as to why this is the case, as in terms of our experience, log-term risk products pose very little risk. Aside from products that allow for lump sum payments upfront, the real risk with these products only materialises at claim stage.

Our concern is, that as accountable institutions, we would still be required to apply stringent FIC Act controls for products that carry virtually no risk and result in us not being able to provide these products to certain classes of individuals. From a financial inclusion perspective, we are failing to provide services to a range of perspective clients such as foreign nationals legally present in South Africa.

We would appreciate further feedback in this matter.

Kindest regards,

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