

COMMUNIQUÉ

THE FINANCIAL INTELLIGENCE CENTRE'S NON-LIFE INSURANCE WORKING GROUP

Thursday, 30 January 2020: In 2018, the non-life insurance working group (NLIWG) was formed to commence an assessment of the money laundering and terrorist financing risks faced by the industry.

Led by the Financial Intelligence Centre (FIC), the working group consists of the Prudential Authority (PA), the Financial Sector Conduct Authority (FSCA), the South African Insurance Association (SAIA), the Financial Intermediaries Association (FIA), the South African Underwriting Managers Association (SAUMA) and the Insurance Crime Bureau (ICB).

SAIA, the FIA and SAUMA have appointed Deloitte to conduct the risk assessment. The accounting and auditing firm is in the process of finalising the risk assessment survey before it is sent out to relevant participants in the non-life insurance industry. Once the survey responses are received, they will be collated and evaluated. This will provide the information for an assessment of money laundering and terrorist financing risks in the non-life insurance sector.

Also in 2016, the FIC proposed to include certain business categories which are currently outside the scope of the Financial Intelligence Centre FIC Act, 2001 (Act 38 of 2001). The proposal is to potentially include these business categories as items in Schedule 1 to the FIC Act (list of accountable institutions)ⁱ.

Only after the risk assessment is concluded and a reliable report is produced on the survey results, will a decision be taken on whether the non-life insurance business is to be included or not as an accountable institution in Schedule 1 to the FIC Act.

ⁱ Accountable institutions are businesses listed in Schedule 1 to the FIC Act. These businesses are obliged to comply with the Act's anti-money laundering and combating of financing of terrorist activities requirements such as customer due diligence, record-keeping, etc.

Issued by:

The Financial Intelligence Centre

For more information please contact communications@fic.gov.za or visit www.fic.gov.za.

Note to editors: As South Africa's national centre for the gathering and analysis of financial data, the role of the Financial Intelligence Centre (FIC) is to safeguard the integrity of the country's financial system and its institutions. In pursuit of this, the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), mandates the FIC to assist in the identification of the proceeds of crime, in combating money laundering and in the financing of terrorism, and facilitate effective supervision and enforcement of the Act.

Under this legislation, financial and non-financial institutions are required to fulfil certain compliance obligations, including filing of transactions reports to the FIC. The information provided in these reports form the basis upon which analysis is conducted to develop financial intelligence reports for use by a wide range of law enforcement agencies and other government institutions to facilitate the administration and enforcement of the laws of the Republic. The FIC Act also sets out the enforcement and penalty regime for non-compliance with the FIC Act.

For more about the FIC visit www.fic.gov.za

HEADLINE STATISTICS AS AT 31 MARCH 2019	
42 353	Institutions registered with the FIC
288 434	Reports on suspicious or unusual transactions
5.2 m	Cash threshold reports received
5.5 m	Total number of reports received
R53.6 m	Value of assets frozen as suspected proceeds of crime
R2.14 b	Value of proceeds recovered through FIC's actions
1 054	Referrals of financial intelligence reports
1 840	Requests for information
29	Contributions to judicial actions
875	Total FIC (138) and supervisory body (737) inspections conducted