

03022020 Legislative Update: Non-life insurers may also perform a customer due diligence on you in future for purposes of the Financial Intelligence Centre Act, 2001 (“FICA”)

FIC Communiqué: 30 January 2020

Currently only life insurance companies are obliged to comply with FICA’s requirements to perform a customer due diligence (“CDD”) process on their clients. *(This was previously known as “know-your-client” (‘KYC’))*

This situation may change in future to include the non-life insurance sector. The non-life insurance working group (“NLIWG”) was formed in 2018 to commence an assessment of the money laundering and terrorist financing risks faced by the industry.

A risk assessment survey will be conducted soon, to include relevant participants in the non-life insurance industry with the aim of obtaining the necessary information for an assessment of money laundering and terrorist financing risks in the non-life insurance sector.

After the risk assessment is concluded and a reliable report is produced on the survey results, a decision will be taken if the non-life insurance business is, in the same way as the life insurance business, to be included or not as an accountable institution in Schedule 1 to FICA.

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

Please contact our Governance Risk and Compliance Department if you require any assistance in this regard.

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