

FINANCIAL INTELLIGENCE CENTRE (FIC)

Circular 3/2015 – Additional Reporting Obligations

Activation of additional obligations for Accountable institutions (AIs) and Reporting Institutions (RIs) to report cash threshold reports (CTR's), and electronic fund transfer reports (EFT's) in terms of section 32 and 34 respectively of the Financial Intelligence Act 2012, Act 13 of 2012 as amended (FIA).

Introduction

This circular is issued in terms of Section 9(2)(e) of the FIA.

The purpose of this circular is to assist and guide all Accountable institutions (AIs) and Reporting Institutions (RIs) in complying with the additional obligations to report CTR's and EFT's and is not intended to replace any of the provisions of the FIA and its complementing regulations.

Cash Threshold Reports (CTRs)

- a)** All transactions concluded **by or on behalf of a client**¹ in cash (received and paid) above the threshold of N\$99,999.99 must be reported to the FIC within 5 working days as from date the transaction was concluded, by all AIs and RIs except for AIs listed in item 5 of schedule I of the FIA (Casino's);
- b)** All transactions concluded **by or on behalf of a client** in cash (received and paid) above the threshold of N\$24,999.99 must be reported to the FIC within 5 working days as from date the transaction was concluded by AIs listed in item 5 of schedule I of the FIA (Casino's) ;
- c)** Considering the thresholds described in (a) and (b) above, an AI or RI is required to put mechanisms in place to detect transactions structured in a manner to avoid the reporting threshold. If related transactions occur within 24 hours of each other and collectively exceed the prescribed threshold, then same must be reported to the FIC; Furthermore, the AI/RI can assess if such

¹ Client in terms of the FIA is defined as a person who has entered into a business relationship or a single transaction with an accountable or reporting institution, and the word customer has a corresponding meaning. This therefore means that only transactions involving clients are reportable.

a transaction is suspicious/unusual when compared to the established financial profile of the client and may escalate a Suspicious Transaction Report (STR) to the FIC if deemed necessary.

- d) The type of transactions reportable are limited to:
 - i) Cash received or cash payment (including cashing of cheques); and
 - ii) Cash deposit or cash withdrawal.

- e) In order to facilitate effective implementation of the cash threshold reporting regime, the following transactions are currently excluded from the reporting scheme:
 - i) All transactions involving Namibian Government Institutions, State Owned Enterprises, Local Authorities or any other Namibian public authority accounts;
 - ii) All transactions not executed on behalf of a client, but directly between AIs listed in items 4 (Banks), 6 (Agribank, DBN and NHE) and 10 (NAMPOST) of schedule I would be deemed to be inter-bank transactions and should therefore not be reported.

Electronic transfer of funds Reports (EFT reports)

- a) **All** (irrespective of the amount involved) international electronic transfers of money **in** or **out** of Namibia executed or facilitated by an Accountable or Reporting Institution **on behalf or on the instruction of a client** must be reported to the FIC with the prescribed information within 5 working days as from date the transaction was concluded;

- b) All electronic transfers of money **within** (domestic) Namibia executed or facilitated by an Accountable or Reporting Institution **on behalf or on the instruction of a client** in excess of the threshold of N\$99,999.99 must be reported to the FIC with the prescribed information within 5 working days as from date the transaction was concluded;

- c) Accountable Institutions listed under items 4 (Banks) and 13 (Money or Value Transfer Businesses and/or Authorized Dealers with Limited Authority) are required to report electronic transfers of money as required in (a) and (b) above;

- d) The following types of electronic transfers of funds are currently excluded from being reported:

- i) All transactions between AIs listed in items 4(Banks), 6 (Agribank, Development Bank of Namibia and NHE) and 10 (NAMPOST) of schedule I of the FIA would be deemed to be inter-bank transactions and should therefore not be reported;
- ii) All card (Debit, Credit,) transactions; and
- iii) All transactions involving Government Institutions, State Owned Enterprises, Local Authorities or any other Namibian public authority accounts.

Methods of reporting CTRs and EFTs to the FIC

Accountable institutions and reporting entities can report CTRs and EFTs to the FIC through:

- a) Electronic submission (online/web based or xml by clicking on <https://www.fic.na/goaml/>); or
- b) Manual submission (completed forms can be send to helpdesk@fic.na or dropped off in the reporting box on the ground floor at the entrance to the Bank of Namibia)

Effective date

The effective date of the CTR and EFT reporting obligations is **28 January 2015 as per the attached regulations to the FIA.**

Non-compliance with the provisions of this Circular

Any non-compliance with the directions and specifications contained in this circular is a criminal offence in terms section 63 of the FIA.

Further information

Enquiries can be directed to the FIC Help Desk by:
Email to helpdesk@fic.na
Tel: + 264 - 61-283 5100/5287
Fax: +264 - 61-283 5656/5950

The information contained in this document is intended only to provide a summary and a general overview on these matters and is not intended to be comprehensive. This document may contain statements of policy which reflect FIC's administration of the legislation in carrying out its statutory functions.

The guidance provided by the Centre in this circular, even though authoritative, is not intended to replace the FIA including Regulations issued thereunder.

Date issued: **30 January 2015**

Director: Financial Intelligence Centre