
ADMINISTRATIVE SANCTION //

SIMONIS STORM SECURITIES (PTY) LTD (“SIMONIS”)

1. On 17 October 2019, NAMFISA imposed an administrative sanction on Simonis Storm Securities (Pty) Ltd (“Simonis”) a registered stockbroker and member of the Namibian Stock Exchange (“NSX”) in terms of the Stock Exchanges Control Act, 1985 (Act No. 1 of 1985). Being an Accountable Institution (“AI”) in terms of Schedule 1 of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) (“FIA”), Simonis is obliged in terms of section 39 of the FIA to put measures in place in order to effectively mitigate the risks of Money Laundering (“ML”), Terrorist Financing (“TF”) and Proliferation Financing (“PF”) in accordance with the FIA and subordinate instruments.
2. Section 56(14) of the FIA, requires that administrative sanctions so imposed must be made public unless the Chief Executive Officer of NAMFISA is of the opinion that there are exceptional circumstances to preserve confidentiality.
3. Having considered the available facts, information and representations, NAMFISA hereby publishes the administrative sanction imposed on Simonis.
4. **Administrative Sanction**
 - 4.1. NAMFISA in terms of Section 56(3)(f) imposed a financial penalty on Simonis in the amount of **N\$ 2 million (Two Million Namibia Dollar)**, of which **1 million (One Million Namibia Dollar)** is suspended for a period of **2 years** on condition that Simonis will not be non-compliant with similar provisions of the FIA and subordinate instruments.



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4.1.1. The administrative sanction was not imposed because NAMFISA and the FIC found Simonis to have facilitated transactions involving money laundering or the financing of terrorism or the financing of proliferation activities, but because of weaknesses in the controls as highlighted below:


4.1.1.1. Failure to conduct adequate Customer Due Diligence (CDD). The sampled records indicate business relationships that were established with some juristic persons and legal arrangements without obtaining the relevant identification information such as the particulars of beneficial owners. In this regard –

- information pertaining to the nature of business whereby the source of funds is indicated as 'business' was not obtained from clients.
- copies of identification documents were not obtained from some of the clients.

4.1.1.2. Failure to obtain and verify some clients' information in respect of clients who had active business relationships with it (Simonis) prior to FIA coming into force.

4.1.1.3. Failure to satisfy NAMFISA that its Money Laundering/ Terrorist Financing/ Proliferation Financing (ML/TF/PF) risk assessment which was found to be inadequate by the Financial Intelligence Centre (FIC) is updated to cover the risk areas, namely; clients and geographical origin of clients' businesses, products/services and delivery channels.

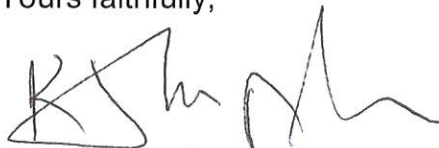
4.1.1.4. Failure to conduct transaction monitoring, which is attributed to incomplete CDD information.



- 4.1.1.5. Failure to conduct Enhanced Due Diligence (EDD) in respect of Politically Exposed Persons (PEPs) to effectively mitigate the potential ML/TF/PF risks posed by PEPs.
- 4.1.1.6. Failure to ensure that an independent audit review is conducted on Anti-Money Laundering/ Combating Terrorist Financing/ Combating Proliferation Financing (AML/CFT/CPF) controls.
- 4.1.1.7. Failure to ensure staff training on AML/CFT/CPF national measures and internal policies, procedures and controls.
- 4.1.1.8. Failure to screen clients against the United Nations Security Council (“UNSC”) sanctions lists.
- 4.1.1.9. Failure to take remedial actions to address the non-compliance identified in 2012 and 2017 respectively.

Should there be need for more information or clarification, kindly contact Mr. Vilho Nkandi at telephone (061) 2905223 or via e-mail at vnkandi@namfisa.com.na.

Yours faithfully,



Kenneth S. Matomola

Chief Executive Officer