
ADMINISTRATIVE SANCTION //IJG SECURITIES (PTY) LIMITED (“IJG”)

1. On 22 August 2022, NAMFISA in terms of section 56(3)(f) of the Financial Intelligence Act 13 of 2012 (“FIA”) imposed a financial penalty on IJG Securities (Pty) Ltd (“IJG Securities”) of **N\$ 1 Million (One Million Namibia Dollar)** as determined by the FIC, of which **N\$ 500 000 (Five Hundred Thousand Namibia Dollar)** was suspended for a period of **2 years** on condition that IJG Securities does not contravene the provisions of the FIA or any other subordinate legislation.

2. The above cited financial penalty was imposed for non-compliance observed in the 2013, 2017 and 2019 Compliance Assessments of IJG Securities, as highlighted below:
 - 2.1 Inadequate ML/TF/PF Risk Assessment, constituting non-compliance with Sections 39(1) and 23 of the FIA, and Regulation 24 of the regulations under the FIA.

 - 2.2 Failure to conduct adequate Customer Due Diligence (CDD) constituting non-compliance with Sections 21(2), 21(3), 22 and 24(1)(a) of the FIA, and Regulation 12 of the regulations under the FIA, whereby –
 - sampled records indicate business relationships that were established with some natural persons, companies and other legal arrangements without obtaining the relevant identification information and particulars of beneficial owners.

- sampled records indicate that information pertaining to source of funds involved in the transactions and source of income was not obtained for some natural persons.
- sampled records indicate that some of the files did not contain copies of identification documents of clients who are natural persons nor was there evidence of identity verification done by IJG Securities in respect of the said clients.
- sampled records indicate that some of the files contained expired or invalid identification documents of clients who are natural persons or beneficial owners.

2.3 Failure to monitor transactions, constituting non-compliance with Section 24(1) of the FIA. NAMFISA attributed the failure to monitor transactions to inadequate CDD information, which undermines efforts to monitor transactions in order to detect and report suspicious transactions and activities to the FIC.

2.4 Failure to conduct enhanced due diligence (EDD) in respect of high-risk clients, especially clients who meet the criteria of Politically Exposed Persons (PEPs) to effectively mitigate the potential ML risk posed by PEPs, constituting non-compliance with Section 23 of the FIA.

2.5 Failure to report suspicious transactions and activity, constituting non-compliance with Sections 33 and 22(2), read with Regulation 27 of the regulations issued under the FIA.

2.6 Ineffective cash transaction monitoring system to detect cash transactions above the prescribed limit of N\$ 99 999.99 leading to failure to report cash transactions above the prescribed limit of N\$ 99 999.99, constituting non-compliance with Section 32, read with Regulation 23 of the regulations issued under the FIA.

2.7 Failure to screen clients against the United Nations Security Council (“UNSC”) Sanctions Lists, constituting non-compliance with Regulation 15(5) of the regulations issued under the FIA.

2.8 Failure to take adequate remedial actions to address the non-compliance identified in 2013 and 2017 respectively.

3. Section 56(14) of the FIA requires that administrative sanctions imposed must be made public unless the Chief Executive Officer of NAMFISA is of the opinion that there are exceptional circumstances that warrant preservation of confidentiality.

4. Having considered the available facts and information, the Chief Executive Officer of NAMFISA hereby publishes the administrative sanction imposed on IJG Securities.

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

1 December 2022