



Business Ethics and Good Corporate Values for sustainability in the financial services industry

AML/CFT Compliance

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1. The **Financial Intelligence Act** on Business Ethics and Corporate Governance Values
2. NBFIs Obligations as per the Financial Intelligence Act
3. Impact of the failure to adhere to the FI Act and uphold business ethics and corporate governance values
4. NBFIRA's AML/CFT supervisory model through FIA Act.
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The Financial Intelligence Act, Ethics & Corporate Governance Values

- The Act is the main legislation tool for NBFIRA to prevent and suppress financial crimes, more especially money laundering, terrorism and proliferation financing. It enforces ethical conduct and good corporate values to prevent financial crime.
- Only ethical and those upholding good corporate values will be able to comply and thereby avoid penalties that come with the Act.
- Failure to comply to the Act will attract sanctions which include hefty fines and sometimes business closure, bad reputation, and that cannot be sustainable.

Thus, Sustainable Strategies for Financial Institutions strictly require compliance to business ethics, good corporate values all of which are found in the Legislation and applicable Standards.

The FIA Obligations on NBFIs


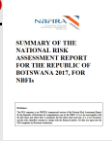


The Act & Regulations as amended in 2018 require the following;

- **AML/CFT Governance** - AMLCO Designation, Independence, Roles/Powers of Compliance Function at Management and/or Board Level, independent Audit.
- **AML/CFT Risk Management System & Controls** - Policies, Systems, Internal Procedures & Rules.
- **Training** - AMLCO, Staff on FI Act obligations and AML/CFT subject at least annually.
- **Due Diligence** – Customer/Beneficiary/Employee Due Diligence, Identification & Verification, Enhanced Due Diligence, Prominent & Influential Persons, High Risk Business & Jurisdictions.

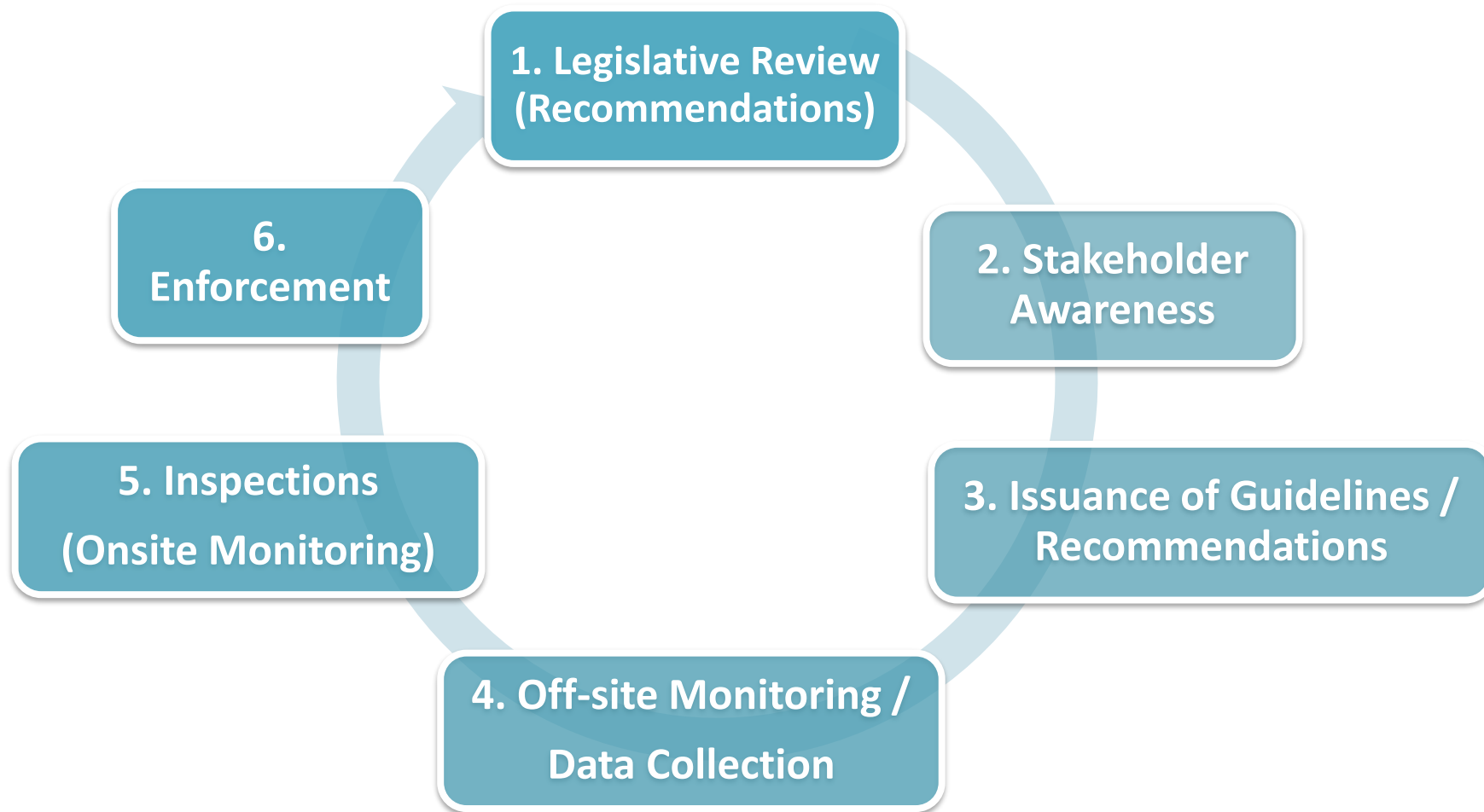
Cont.d Obligations

- **Transactions & Monitoring** (Ongoing Due Diligence) – Screening against Suspicious/Uncharacteristic Transactions and UNSC sanctioned persons.
- **Reporting** – Suspicious Activity, Sanctioned Persons, Cash Transaction & Wire Transfers above reporting thresholds.
- **Record Keeping** – for 5 years after transaction, 5 years after end of business relationship.

FI Act Obligations & Sanctions

Compliance Duty	FIA Sections	Guidance Notes, Directives	Administrative Sanction (Max)	Criminal Sanction (Personal)
General Background				
Governance of AML/CFT Compliance function	9(1)b, c, d, e, f, h 9(2)a (i, ii)	Guidance Letter and AML/CFT Policy guide	 P1.5 M	P250K 5 year jail
AML/CFT Risk Management Systems & Controls	9(1)a, d, e, g 9(2)a (ii)	NRA Summary	 P1M	
Training	9(2)a(ii) 9(2)b(i-iii)		P1M	
Customer Due Diligence & Monitoring (KYC/CDD)	10(1), 10C, 9D(1), 9B(1), 10(3), 10B, 9C(1), 10 (1A),10A, 10D, 10F, 10G	KYC Guidance Form	 P200K License Revocation	P250K 10 year jail
Record Keeping	11(1), 12		P500K	P500K, 10 year jail
Reporting (STR, CTR, WT)	17,18,21,25,26	Guidance Note	 P5M License Revocation	P3M 20 year jail
File Sampling				

NBFIRA Supervisory Model through FI Act



Conclusion - Ethics, Values and the Law

- The importance of **Ethics and Values** cannot be overstated.
- The country is in dire need for ethical financial institutions that uphold good corporate values and comply to regulations to safeguard stakeholder interests (pension assets), and
- the financial sector at large for economic stability and growth.

Thank You !

NBFIRA

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