



SOUTH AFRICAN RESERVE BANK
Prudential Authority

Media release

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South African Reserve Bank imposes administrative sanctions on Centriq Life Insurance Company Limited

The South African Reserve Bank (SARB) has imposed administrative sanctions on Centriq Life Insurance Company Limited (Centriq) as a result of its non-compliance with Directive 4 of 2022, issued in terms of section 43A(3) of the Financial Intelligence Centre Act 38 of 2001 (FIC Act), following Centriq's late submission of its biannual risk return for the fourth quarter of 2022.

The Prudential Authority (PA) is mandated to supervise and enforce compliance by accountable institutions¹ (AIs) with the provisions of the FIC Act or any order, determination or directive made in terms thereof.

On 21 June 2022, the PA issued Directive 4 of 2022, requiring banks as defined in the Banks Act 94 of 1990, mutual banks as defined in the Mutual Banks Act 24 of 1993 and long-term insurers as defined in the Long-Term Insurance Act 52 of 1998, to submit on a periodic basis risk returns that allow the PA to assess whether these AIs have appropriate and adequate anti-money laundering and counter-financing of terrorism (AML/CFT) measures and controls in place that would enable them to effectively comply with the provisions of the FIC Act.

The administrative sanctions imposed upon Centriq stem from its failure to comply with Directive 4 of 2022 and consist of a caution not to repeat the conduct which led to the non-compliance and a financial penalty of R200 000, which was wholly suspended for 36 months as from 27 February 2024 on condition that Centriq remains compliant with its Directive 4 of 2022 obligations during the suspension period, failing which the R200 000 suspended penalty becomes immediately payable.

Centriq has cooperated with the PA and undertaken the necessary remedial action to address the identified compliance deficiencies and control weaknesses.

¹ Schedule 1 of the FIC Act provides details of all entities subject to the FIC Act.

It is emphasised that the administrative sanctions imposed are due to Centriq's failure to comply with Directive 4 of 2022 and not because Centriq was found to have been involved in or facilitated transactions involving money laundering or the financing of terrorism.

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