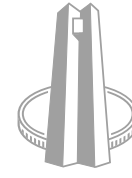


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SOUTH AFRICAN RESERVE BANK
Financial Surveillance Department

14/6/2_2022
2022-09-20

Exchange Control Circular No. 18/2022

Beneficial ownership

Financial Action Task Force (FATF) Recommendation 26, inter alia, states that countries should ensure that financial institutions are subject to adequate regulation and supervision and are effectively implementing the FATF Recommendations. Competent authorities or financial supervisors should take the necessary legal or regulatory measures to prevent criminals or their associates from holding, or being the beneficial owner of, a significant or controlling interest, or holding a management function in, a financial institution.

The South African Reserve Bank is listed as a supervisory body under Schedule 2 of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), as amended (FIC Act). Additionally, section 45(1) of the FIC Act provides that every supervisory body is responsible for enforcement of, and compliance with, the FIC Act or any order, determination or directive made in terms of the FIC Act by all accountable institutions (AIs), as listed in Schedule 1 of the FIC Act, regulated or supervised by it.

The Financial Surveillance Department (FinSurv) is committed towards implementing the FATF Recommendations on anti-money laundering and countering the financing of terrorism.

In view of the findings identified during the recent FATF Mutual Evaluation of South Africa and the subsequent work conducted by FinSurv in this regard, it has become necessary to institute amendments to the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority (ADLA Manual) with a

view to strengthen the regulation and supervision of the Authorised Dealer in foreign exchange with limited authority industry.

For ease of reference, attached is a schedule highlighting the amendments made to the ADLA Manual.

The amended ADLA Manual may be accessed on the South African Reserve Bank's website, www.resbank.co.za by following the links: Home > What we do > Financial Surveillance > Financial Surveillance documents.

A handwritten signature in black ink, consisting of several overlapping strokes that form a stylized, somewhat abstract shape.

Head of Department: Financial Surveillance

Amendments to the Currency and Exchanges Manual

A. Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority

Item no	Section of the Manual	Amendments in the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority
1.	A.1	Beneficial owner definition included
2.	A.3(B)(ii)(e)(aa)	Removal of 'ultimate'
3.	A.3(B)(ii)(e)(bb)	Removal of 'ultimate' and renumbered as A.3(B)(ii)(f)
4.	A.3(B)(ii)(e)(cc)	Renumbered as A.3(B)(iii)
5.	A.3(B)(ii)(e)(dd)	Renumbered as A.3(B)(ii)(e)(bb)
6.	A.3(B)(ii)(e)(ee)	Renumbered as A.3(B)(ii)(e)(cc)
7.	A.3(B)(ii)(e)(ff)	Renumbered as A.3(B)(ii)(e)(dd)
8.	A.3(B)(ii)(e)(gg)	Renumbered as A.3(B)(ii)(e)(ee)
9.	A.3(B)(ii)(e)(hh)	Renumbered as A.3(B)(ii)(g)
10.	A.3(B)(ii)(f)	Renumbered as A.3(B)(v)
11.	A.3(B)(iv)	Include additional provision
12.	A.3(C)(ii)	'in principle' replaced with 'conditional'
13.	A.3(C)(iii)(a)	Amended to include beneficial owner(s), senior exchange control officer and the anti-money laundering compliance officer
14.	A.3(C)(iv)	'in principle' replaced with 'conditional'
15.	B.2(A)(v)	Reference to A.3(B)(iii)(o)(cc) amended to A.3(C)(iii)(a), include reference to A.3(B)(iv) as well as Annexure C
16.	B.2(A)(vi)	Reference to A.3(B)(iii)(o)(cc) amended to A.3(C)(iii)(a), include reference to A.3(B)(iv) as well as Annexure C
17.	B.2(A)(vii) and (viii)	Include two additional provisions
18.	B.2(A)(vi) to (xxv)	Renumbered
19.	Annexure A, Application for authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority, point 1	Amended to include 'beneficial owner'

20.	Annexure A, Application for authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority, point 3(e)(aa)	Amended to remove 'ultimate'
21.	Annexure A, Application for authorisation to conduct the business of an Authorised Dealer in foreign exchange with limited authority, point 4	Amended to remove point 4
22.	Annexure A	Amended to include a declaration 'Annexure A – Declaration'
23.	Annexure B – Statement by directors/shareholders holding/proposing to hold office	Amended title to include 'beneficial owner(s)'
24.	Annexure B – Statement by directors/shareholders holding/proposing to hold office	Amended header to include 'beneficial owner(s)' and 'supported by documentary evidence'
25.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 5	Amended to include 'beneficial owner'

26.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 7	Amended to read ‘Current residential address(es) in all countries’
27.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 8	Amended to include ‘including other countries’
28.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 13	Amended to include ‘beneficial owner’
29.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 15	Amended to include ‘beneficial owner’
30.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 18	Amended to include ‘beneficial owner’
31.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 20	Amended to include ‘beneficial owner’
32.	Annexure B – Statement by directors/shareholders	Amended to include ‘beneficial owner’

	holding/proposing to hold office, point 21	
33.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 26	Amended to include ‘beneficial owner’
34.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 30	Amended to read ‘How many shares in the company are registered directly or indirectly in your name? Provide the name(s) of the holders of the shares, the number of shares held and the class of shares’
35.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 34	Amended to include ‘beneficial owner’
36.	Annexure B – Statement by directors/shareholders holding/proposing to hold office, point 35	Amended to include ‘where you have citizenship(s) and where you reside (even if it is from time to time)’
37.	Annexure B – Declaration	Amended to include ‘beneficial owner’
38.	Annexure C – Consent and declaration form	Include additional Annexure