SASFIN BANK LIMITED

MONEY LAUNDERING CONTROL: GUIDELINES FOR CLIENTS

SASFIN – MONEY LAUNDERING GUIDELINES

Definition of Money Laundering

"Money laundering" or "Money Laundering Activity" means an activity which has or is likely to have the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which anyone has in such proceeds, and includes any activity which constitutes an offence in terms of section 64 of the Financial Intelligence Centre Act or sections 4, 5 or 6 of the Prevention Act.

South Africa introduced a Money Laundering Control Law in the form of FICA; this places South Africa in line with worldwide trends to fight Money Laundering and Terrorist Financing. Sasfin Bank is an "Accountable Institution" in terms of FICA and has an obligation to comply with the requirements thereto.

The Financial Intelligence Centre Act (FICA) requires all banks to identify their clients and they may not establish a business relationship or conclude a single transaction with a client unless the requirements have been adhered to. In terms of Regulation 21 of the Money Laundering and Terrorist Financing Control Regulations, all banks are required to obtain certain additional information before a business relationship or single transaction may be concluded. This is commonly known as 'KYC' or 'Know Your Client'.

Opening an account or establishing a business relationship

1. **KYC Requirements for Individuals**
2. **KYC Requirements for Sole Proprietorships**
3. **KYC Requirements for Close Corporations**
4. **KYC Requirement for Companies**
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6. **KYC Requirements for Listed Companies**
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1. KYC requirements for Individuals

Information for individuals is set out in regulations 3, 4, 5 and 6 of FICA

The KYC requirements for individuals, being South African Citizens and / or who are South African Residents and / or Non-South African Citizens and / or legal guardians or authorised person, are as follows:

Documents required	
Full names Date of birth Identifying number Nationality (if Foreign national)	South African issued green bar-coded identity document Or if not available: valid driver's licence* or valid passport* ** Subject to approval of Sasfin*
Income tax reference number (if issued)	A document issued by the South African Revenue Service to verify your income tax reference number. *(currently subject to an interim dispensation)*
Residential address Document must reflect: ➢ name / initials and surname ➢ Physical address or property descriptions (i.e erf / stand numbers)	Any one of the following documents may be accepted: ➢ Retail accounts, i.e. clothing / pharmacy / veterinary / doctors accounts, etc (less than 3 months) ➢ Bank statement from another bank (less than 3 months) ➢ Correspondence from a Body Corporate / Share Block Association (less than 1 year) ➢ Life assurance, short term insurance, health insurance / medical aid, funeral policies, etc. (less than 1 year) ➢ Mortgage statement (less than 6 months) ➢ Motor vehicle license documentation (less than 1 year) ➢ Rental / lease agreement (less than 1 year) ➢ SARS document produced by SARS or a document to be used for tax purposes. (less than 1 year) ➢ Telephone account (less than 3 months) ➢ Television license (less than 1 year) ➢ Utilities account, e.g. rates & taxes, water & electricity, etc. (less than 3 months) If none of the above can be provided in your own name, an affidavit from a person who you are living with at the same address, may confirm that you are living at the same address with the applicable confirmation documents. Ask your consultant for a standard form of the affidavit accepted by Sasfin for this purpose.

2. KYC requirements for Sole Proprietorships

Information for Sole Proprietorships is not specifically provided for in the regulations of FICA. To this end, the KYC requirements for sole proprietorships follow that for "Other Legal Persons" which are set out in regulations 11 and 12 of FICA.

The KYC requirements for sole proprietorships are as follows:

Documents required	
Business name (i.e. operating name)	A Letterhead or any other document showing the operating name.
Business address (i.e. operating address) Document must reflect: ➢ Operating name ➢ Physical address or property descriptions (i.e erf / stand numbers)	Any one of the following documents may be accepted: ➢ Retail accounts, i.e. clothing / pharmacy / veterinary / doctors accounts, etc (less than 3 months) ➢ Bank statement from another bank (less than 3 months) ➢ Correspondence from a Body Corporate / Share Block Association (less than 1 year) ➢ Life assurance, short term insurance, health insurance / medical aid, funeral policies, etc. (less than 1 year) ➢ Mortgage statement (less than 6 months) ➢ Motor vehicle license documentation (less than 1 year) ➢ Rental / lease agreement (less than 1 year) ➢ SARS document produced by SARS or a document to be used for tax purposes. (less than 1 year) ➢ Telephone account (less than 3 months) ➢ Television license (less than 1 year) ➢ Utilities account, e.g. rates & taxes, water & electricity, etc. (less than 3 months) If none of the above can be provided in your own name, a letter from a person who you are living with at the same address, may confirm that you are living at the same address with the applicable confirmation documents. Ask your consultant for a standard letter accepted by Sasfin for this purpose.
Income tax reference number (if issued)	A document issued by the South African Revenue Service to verify your income tax reference number
persons connected to sole proprietorships (i.e. agents / authorised person, etc)	The KYC requirements for individuals would apply.

3. KYC requirements for Close Corporations

Information for Close Corporations is set out in regulations 7 and 8 of FICA.

The KYC requirements for Close Corporations are as follows:

Documents required	
Registered name Registration number Registered address Names of all members of the Close Corporation	The most recent CK1 (Founding Statement), **AND** CK2 (Amended Founding Statement) **OR** CIPRO certificate (Company and Intellectual Properties Registration Office) **AND** Letter of Confirmation from Auditors to confirm members.
Business address (i.e. operating address) Document must reflect: ➢ Business name ➢ Physical address or property descriptions (i.e. erf / stand numbers)	Any one of the following documents may be accepted: ➢ Retail accounts, i.e. clothing / pharmacy / veterinary / doctors accounts, etc (less than 3 months) ➢ Bank statement from another bank (less than 3 months) ➢ Correspondence from a Body Corporate / Share Block Association (less than 1 year) ➢ Life assurance, short term insurance, health insurance / medical aid, funeral policies, etc. (less than 1 year) ➢ Mortgage statement (less than 6 months) ➢ Motor vehicle license documentation (less than 1 year) ➢ Rental / lease agreement (less than 1 year) ➢ SARS document produced by SARS or a document to be used for tax purposes. (less than 1 year) ➢ Telephone account (less than 3 months) ➢ Television license (less than 1 year) ➢ Utilities account, e.g. rates & taxes, water & electricity, etc. (less than 3 months) If none of the above can be provided in your own name, a letter from an Auditor (Accountable institution in terms of FICA), may confirm the Business Address. Subject to approval of Sasfin.
Registered Address	If different to Business Address
Head office address	If different to the Business Address and or Registered Address
Income tax reference number (if issued)	A document issued by the South African Revenue Service to verify the income tax reference number

VAT registration number (if issued)	A document issued by the South African Revenue Service to verify the VAT registration number
All members and person(s) authorised in terms of a resolution, power of attorney, etc).	The KYC requirements for individuals would apply.

4. KYC requirements for South African Companies

Information for South African companies is set out in regulations 7 and 8 of FICA.

The KYC requirements for South African companies are as follows:

Documents required	
Registered Name, number and Address	Form CM1 (Certificate of Incorporation) **AND** Form CM22 (Notice of Registered Office and Postal Address) **AND** Forms CM29 (Contents of Register of Directors, Auditors and Officers) **OR** CIPRO certificate (Company and Intellectual Properties Registration Office)
Business name (i.e. operating name)	Company letterhead
Business address (i.e. operating address) Document must reflect: ➢ Business name ➢ Physical address or property descriptions (i.e erf / stand numbers)	Any one of the following documents may be accepted: ➢ Retail accounts, i.e. clothing / pharmacy / veterinary / doctors accounts, etc (less than 3 months) ➢ Bank statement from another bank (less than 3 months) ➢ Correspondence from a Body Corporate / Share Block Association (less than 1 year) ➢ Life assurance, short term insurance, health insurance / medical aid, funeral policies, etc. (less than 1 year) ➢ Mortgage statement (less than 6 months) ➢ Motor vehicle license documentation (less than 1 year) ➢ Rental / lease agreement (less than 1 year) ➢ SARS document produced by SARS or a document to be used for tax purposes. (less than 1 year) ➢ Telephone account (less than 3 months) ➢ Television license (less than 1 year) ➢ Utilities account, e.g. rates & taxes, water & electricity, etc. (less than 3 months) If none of the above can be provided in your own name, a letter from an Auditor (Accountable institution in terms of FICA), may confirm the Business Address. Subject to approval of Sasfin.
Head office address	If different to the registered address and / or business address

Income tax reference number (if issued)	A document issued by the South African Revenue Service to verify your income tax reference number
VAT registration number (if issued)	A document issued by the South African Revenue Service to verify your VAT registration number
Names of all shareholders and Managers (CEO / MD, etc) and authorised persons by way of resolutions	Confirmation letter company's accountant / auditor / company secretary listing all directors and shareholders who hold 25 %, or more, of the voting rights at an Annual General Meeting **AND** The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.

5. KYC requirements for Foreign Companies

Information for foreign companies is set out in regulations 9 and 10 of FICA.

Branches of foreign companies that own immovable property in South Africa are required to register as 'external companies' in terms of the Companies Act, 61 of 1973. These 'external companies' are regulated by the South African Registrar of Companies. KYC requirements for these types of companies are the same as those for South African companies.

The KYC requirements for foreign companies are as follows:

Documents required	
Name and number under which it is incorporated.	Official documentation reflecting the registered name and registration number of the foreign company, as well as proof of registration of any name changes since incorporation (if applicable)
Address where it is situated for purposes of its incorporation	Official documentation reflecting the registered address of the foreign company
Name and address under which it conducts business in South Africa.	If the business name and / or business address is/are different to the registered name and / or registered address, an approved document to verify physical address, reflecting at least the business name and business address. (i.e. Company letterhead)
Head office address	If different to the registered address and / or business address
Income tax reference number (if issued)	A document issued by the South African Revenue Service to verify your income tax reference number
VAT registration number (if issued)	A document issued by the South African Revenue Service to verify your VAT registration number
Names and residential address of all shareholders and Managers (CEO / MD, etc) and authorised persons by way of resolutions	Confirmation letter company's accountant / auditor / company secretary listing all directors and shareholders who hold 25 %, or more, of the voting rights at an Annual General Meeting **AND** The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.

6. KYC requirements for Listed Companies

Information for South African companies (and Close Corporations) are set out in regulations 7 and 8 of FICA and the requirements to establish (i.e. obtain) and verify (i.e. validate) information for foreign companies are set out in regulations 9 and 10 of FICA.

Exemption 6(1) to FICA provides exemption from certain KYC obligations in respect of public companies that are listed on an approved securities exchange, so there are different KYC requirements for foreign companies that are also listed companies.

List of securities exchanges that have been recognised / approved in terms of FICA

- American Stock Exchange
- Amsterdam Exchanges N.V.
- Athens Stock Exchange
- Australian Stock Exchange Ltd
- Barcelona Stock Exchange
- Bolsa de Comercio de Buenos Aires
- Bolsa de Madrid
- Bolsa de Comercio de Santiago
- Bolsa de Valores de Bilboa
- Bolsa de Valrores de Lima
- Bolsa de Valores de Lisboa
- Bolsa de Valores do Rio de Janeiro
- Bolsa de Valores de Sao Paulo
- Bolsa Mexicana de Valores
- Bourse de Montréal
- Brussels Exchanges Ltd
- Canadian Venture Exchange
- Chicago Board Options Exchange Inc
- Colombo Stock Exchange
- Copenhagen Stock Exchange
- Deutsche Börse AG
- Helsinki Exchanges Group Ltd
- Irish Stock Exchange
- Istanbul Stock Exchange
- Italian Stock Exchange
- Jakarta Stock Exchange
- JSE Securities Exchange South Africa
- Korea Stock Exchange
- Kuala Lumpur Stock Exchange
- Ljubljana Stock Exchange Inc
- London Stock Exchange
- Malta Stock Exchange
- National Association of Securities Dealers Inc
- New York Stock Exchange Inc

- New Zealand Stock Exchange
- OM Stock Exchange
- Osaka Stock Exchange
- Oslo Bors
- Paris Bourse SBF SA
- Philippine Stock Exchange Inc
- Singapore Exchange
- Société de la Bourse de Luxembourg SA
- Swiss Exchange
- Taiwan Stock Exchange
- Tehran Stock Exchange
- The Bermuda Stock Exchange Ltd
- The Chicago Stock Exchange Inc
- The Stock Exchange of Hong Kong Ltd
- The Stock Exchange of Thailand
- The Tel Aviv Stock Exchange Ltd
- The Toronto Stock Exchange
- Tokyo Stock Exchange
- Warsaw Stock Exchange
- Wiener Börse AG

7. KYC requirements for Other Legal Persons

Information for other legal persons are set out in regulations 11 and 12 of FICA.

Other legal persons include all non-individual clients that cannot be categorised into any of the other categories of clients that are defined in the Regulations to FICA (i.e. Close Corporations, South African companies, foreign companies, listed companies, partnerships and trusts).

Other legal persons also include the following exceptions from the "partnerships" and "trusts" categories of clients, as follows:

Partnerships:

- Professional partnerships, consisting of more than twenty (20) partners, which are incorporated in terms of section 30(2) of the Companies Act, 61 of 1973 as "Professional Partnerships", limited by partners' liability, and which are recognised as such in terms of government gazette notice(s) issued from time to time, as follows:
  - **Public Accountant or Auditor** designated by Government gazette notice number R54 dated 11 January 1974;
  - **Attorney, Notary and Conveyancer** designated by government gazette notice number R57 dated 11 January 1974;
  - **Professional Engineer** designated by government gazette notice number R1813 dated 26 September 1975;
  - **Quantity Surveyor** designated by government gazette notice number R2391 dated 19 December 1975;
  - **Pharmacist** designated by government gazette notice number R1194 dated 13 June 1980;
  - **Stockbroker** designated by government gazette notice number R89 dated 22 January 1982;
  - **Architect** designated by Government gazette notice number R2398 dated 23 October 1987;
  - **Medical Practitioner, dentist or psychologist or a supplementary health service profession** contemplated in section 32 of the Medical, Dental and Supplementary Health Service Professions Act, 56 of 1974 designated by government gazette notice number R1272 dated 2 August 1996.
- Informal associations of individuals, for a common purpose / goal, where there are more than 20 individuals involved in such an informal association - e.g. stokvels, savings clubs, burial societies, etc;

Trusts:

- Trusts that were established in terms of a testamentary writing (i.e. in terms of a last will and testament);
- Special trusts that are established in terms of an order of court (e.g. a trust set up in terms of an order of court to administer payment of the proceeds of a settlement to applicants in respect of a land restitution claim; a trust set up in terms of an order of court for the care of minors; etc); and
- Trusts established for the benefit of beneficiaries of a pension-, provident- or retirement- fund.

The KYC requirements for other legal persons are as follows:

Documents required	
Legal form, Registered name and number (where applicable)	Name address and legal form with the constitution or other founding document in terms of which the legal person is created
Registered address (if applicable) Document must reflect: ➢ Legal name ➢ Physical address or property descriptions (i.e erf / stand numbers)	Any one of the following documents may be accepted: ➢ Retail accounts, i.e. clothing / pharmacy / veterinary / doctors accounts, etc (less than 3 months) ➢ Bank statement from another bank (less than 3 months) ➢ Correspondence from a Body Corporate / Share Block Association (less than 1 year) ➢ Life assurance, short term insurance, health insurance / medical aid, funeral policies, etc. (less than 1 year) ➢ Mortgage statement (less than 6 months) ➢ Motor vehicle license documentation (less than 1 year) ➢ Rental / lease agreement (less than 1 year) ➢ SARS document produced by SARS or a document to be used for tax purposes. (less than 1 year) ➢ Telephone account (less than 3 months) ➢ Television license (less than 1 year) ➢ Utilities account, e.g. rates & taxes, water & electricity, etc. (less than 3 months) If none of the above can be provided in your own name, a letter from an Auditor (Accountable institution in terms of FICA), may confirm the Business Address. Subject to approval of Sasfin.
Business name and address (i.e. operating)	If the business and / or business address is/are different to the registered name and / or registered address, an approved document to verify physical address, reflecting at least the business name and business address
Head office address	If different to the registered address and / or business address
VAT registration number (if issued)	A document issued by the South African Revenue Service to verify your income tax reference number
Names and address of each natural person who purports to be authorised on behalf of the legal person	The KYC requirements for individuals would apply.

8. KYC requirements for Partnerships

Information for partnerships is set out in regulations 13 and 14 of FICA.

Certain partnerships (as noted in “other legal persons”) are excluded from the FICA definition of partnerships.

The KYC requirements, for all other partnerships, are as follows:

Documents required	
Name of the partnership	Partnership agreement, or (if no partnership agreement exists) a letter from the partnership confirming that no written partnership agreement exists, identifying the business name of the partnership
Names of all partners, including every member of a partnership *en commandite*, an anonymous partnership or any similar partnership	The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.
Name and address of person who exercised executive control over the partnership	The KYC requirements for individuals would apply.
Each natural person who is authorised on behalf of the partnership	The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.

9. KYC requirements for Trusts

Information for trusts is set out in regulations 15 and 16 of FICA.

Certain trusts (as noted in "other legal persons) are excluded from the FICA definition of trusts.

The KYC requirements, for all other trusts, are as follows:

Documents required	
Identifying name and number	Trust deed **OR** other founding document, in terms of which the trust is created
Address where the trust was registered	Letters of Authority issued by the Master of the High Court where the Trust was registered (or equivalent document, for international trusts)
Income tax reference number (if issued)	A document issued by the South African Revenue Service to verify your income tax reference number
Name(s) and address of the founder(s) of the trust	The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.
Name(s) and address of each of the appointed trustee(s) of the trust	Letters of Authority issued by the Master of the High Court where the Trust was registered (or equivalent document, for international trusts) **AND** The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.
Name(s) and address of each appointed beneficiary(ies) of the trust or the manner in which beneficiaries of the trust are determined	Trust deed, or other founding document, in terms of which the trust is created **AND** The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.
Names and address of each natural person who purports to be authorised on behalf of the trust	The KYC requirements for individuals / close corporations / companies / foreign companies / listed companies / other legal persons / trusts would apply.