

MONEY LAUNDERING CONTROL MEASURES

Identifying and reporting on suspicious transactions

According to section 29 of FICA, Deton Private Wealth must report (together with grounds of the suspicion) in the prescribed format within a prescribed period of fifteen days if they become aware or know or suspect the following:

- Deton Private Wealth, or the involved employee/representative, have received or are about to receive proceeds of unlawful activities.
- A transaction that, amongst others :
 - facilitates the transfer of proceeds of unlawful activities;
 - has no apparent business or lawful purpose;
 - is conducted for the purpose of avoiding reporting duty;
 - may be relevant to the investigation of an evasion of any tax, duty or levy payable to SARS.
- Deton Private Wealth is being used or is about to be used for money laundering purposes.

Origin of Funds

Proof of the origin of funds may be required where:

- a person poses a high risk of facilitating money laundering activities;
- where this proof enables you to identify the proceeds of a suspected unlawful activity or money laundering activity.

The following documentation may be required by the Money Laundering Control Officer (MLCO) to verify the origin of funds:

- Salary - payslip;
- An inheritance - copy of the will;
- Disposal of property or other assets - sale agreements;
- Investment maturity letter.

Identifying Suspicious Or Unusual Transactions

Knowledge of, or suspicion of suspicious and unusual transactions must be reported by Deton Private Wealth to the MLCO. All suspicious and/ or unusual transactions are to be reported irrespective of the size of the transaction and even if the transaction is not concluded, or if only enquiries are made.

The Act defines knowledge as being when you ought reasonably to have known or suspected a fact, if the conclusions that you ought to have reached, would have been arrived at by an independent, reasonably diligent and vigilant person, having regard to your general knowledge, skill, training and experience.

The following are guidelines on what may give rise to your duty to report the transaction as suspicious or unusual to your MLCO:

- Unusual numbers of cash transactions for substantial amounts or a large number of small transactions that add up to a substantial amount.
- Where anyone in the company knows or suspects that Deton Private Wealth is about to, or has received the proceeds of any unlawful activity.
- Where the money is received for no apparent business or lawful purpose.

- Where the client is investing a substantial amount but has no tax reference number (if the client earns more than R60 000 per annum a tax number is required by law).
- Where the business is conducted in a manner so as to avoid a reporting duty in terms of these rules (i.e. splitting of investments).
- Where the funds received may be as a result of any tax evasion or attempted evasion.
- A delay in the provision of information to enable verification to be completed.
- Any transaction that is unnecessarily complex.
- Transactions with companies whose identity or beneficial ownership is difficult to establish.
- The formation of companies or trusts with no apparent commercial or other purpose.
- A client requesting special arrangements for vague purposes.
- Any transaction involving an undisclosed party.
- Early termination of the investment.
- A transfer of money or a product to a third party.
- Attempts to use a third party cheque to make payment.
- A lack of concern on the part of a client for the performance of an investment, with more concern for the conditions of encashment.
- The applicant requests to make payment with foreign currency or by wire transfer from another country without substantiation.
- The client provides fictitious information.
- The client uses a mailing address in another jurisdiction and the telephone has been disconnected when phoned for verification. Any employees, agents or brokers who suddenly show a lavish lifestyle; an unexpected and dramatic increase in sales; or use their own business address as the delivery address for a client's documentation.