

Money laundering

**Our obligation to comply with
the Financial Intelligence
Centre Act.**



**Standard
Bank**

Impact on account opening procedures as from 1 July 2003

Money laundering has been identified as the third biggest business activity internationally. Therefore, a number of governments throughout the world have agreed to fight organised crime and terrorism.

As early as 1989, the Financial Action Task Force was constituted to further this objective. South Africa has become the 32nd member country imposing onerous duties on us to prevent money laundering.

Money laundering defined

Money laundering is a process by which criminals hide or disguise the proceeds of their crime so that they appear to have originated from a legitimate source.

This means that criminals can use the property, which is the benefit received from their crime, without suspicion or detection. Financial Intelligence Centre Act 38 of 2001 (FICA) and similar laws passed by countries around the world make the process of laundering the proceeds of crime more difficult.

South Africa now has a money laundering control law in the form of FICA, which puts the country in line with worldwide trends to fight this sort of activity.

Standard Bank, like all other banks, is one of the so-called “accountable institutions” that are obliged to comply with FICA. Others include estate agents, long-term insurance brokers, attorneys, bureaux de change and investment brokers.

The Act requires us to put in place various measures to combat money laundering. From 1 July 2003 banks may not open an account for a new customer unless all required information and documents have been supplied.

Our business ethics

Even before the implementation of FICA, we were committed to fighting money laundering and other criminal activities. We know we have a moral and ethical responsibility to play our part in combating crime in the country.

Opening a bank account

Here are details of what information and documents will be required when a new customer opens an account. We may request additional documents and information besides those listed below.

As an individual you will be required to provide:

- Identity document
- One of the following documents reflecting your name and residential address:
 - Electricity or water bill
 - South African Revenue Services (SARS) tax return (less than one year old)
 - Payslip or salary advice*
 - A bank statement* (from another financial institution)
 - Lease or rental agreement
 - Municipal rates and taxes invoice*
 - Mortgage statement
 - Telephone account*
 - Recent life insurance policy document
 - Recent short-term insurance document

- Recent correspondence from a body corporate or share block association
- A valid TV licence document.

** These have to be no older than three months.*

You will also be asked to provide information on your source of income, where the funds you expect to use in your transactions with us, come from and the type of activities that can be expected on the account.

If you are a guardian of a minor, or if you are going to appoint a third-party signatory, secondary card holder or someone else to act on your behalf the above information should be provided for them together with the written confirmation of authority and their contact details.

If you do not live alone and all documents relating to your address are in the other person's name, then a marriage certificate will be acceptable. However, if it is a friend, parent, child or unmarried couple living together, an affidavit confirming the following details has to be completed by the other person:

- Your name and address
- Name, date of birth, identity number and residential address of the person supplying the required information
- Your relationship with the person
- Confirmation that the residential address supplied is shared.

As a close corporation you will be required to provide:

- Registered name and registration number

- Founding statement and Certificate of Incorporation (Form CK1) and an Amended Founding Statement (CK2), if applicable
- One of the following documents reflecting the trade name and physical business address:
 - An original company letterhead
 - Electricity or water bill*
 - A bank statement* (from another financial institution)
 - Recent lease or rental agreement
 - Municipal rates and taxes invoice *
 - Telkom account *
 - SARS tax return (less than one year old).

** These have to be no older than three months.*

You will also be asked to provide information on your source of income, where the funds you expect to use in your transactions with us, come from and the type of activities that can be expected on the account.

All members, authorised signatories or any person who may act on behalf of the close corporation must also provide the same information as for the individuals as detailed above. Written confirmation that they are authorised to act on behalf of the close corporation and the contact details need to be supplied.

As a listed company you will be required to provide:

- Registered name and registration number
- Annual financial statements or any document that proves the listing on a recognised stock exchange
- Details of physical business address or, if the company has more than one address, that of the head office and the office applying to use the account.

Any person authorised to act on behalf of the listed company must also provide written confirmation that they have authority to act on behalf of the listed company.

As an unlisted company you will be required to provide:

- Registered name and registration number
- Certificate of Incorporation (Form CM1)
- Notice of Registered Office and Postal Address (CM22)
- Trade name and physical business address reflected on one of the following documents:
 - An original company letterhead
 - Electricity or water bill*
 - A bank statement* (from another financial institution)
 - Recent lease or rental agreement
 - Municipal rates and taxes invoice *
 - Telkom account*
 - SARS tax return (less than one year old).

** These have to be no older than three months.*

You will also be asked to provide information on your source of income, source of funds expected to be used in concluding transactions in the course of the business relationship and the type of activity that can be expected on the trust account.

A foreign company must provide both the physical business address in the country of incorporation and that of its South African operation. If your company has more than one address, that of the head office and the local office applying to use the account must be provided.

The following must provide the same information and proof as for individuals, their contact details and written confirmation that they have the authority to act on behalf of the unlisted company:

- Shareholders who hold 25% or more of the voting rights at a general meeting
- Authorised signatories
- Principal executive officer
- Anyone else who may act on behalf of the unlisted company.

As a partnership, excluding professional partnerships, you will be required to provide:

- Name of the partnership
- Partnership agreement, if applicable
- Physical business address, if applicable.

The following persons related to the partnership must provide their contact details and the same information and proof as for individuals as well as written confirmation that they have the authority to act on behalf of the partnership:

- Partners and authorised signatories
- The person who exercises executive control
- Those authorised to act on behalf of the partnership
- Any person who may act on behalf of the company as well as written confirmation of this authorisation.

As an inter vivos (living) trust you will be required to provide:

- Name of trust
- Identifying number

- Trust deed or other founding document in terms of which the trust created
- List of named beneficiaries
- List of authorised trustees
- Address of the relevant Master's Office where the trust is registered
- The authorisation given by the Master's Office to each trustee to act in that capacity (notice in terms of section 7 of the Trust Property Control Act 57 of 1988)

The following related to the trust must provide their contact details:

- Founder
- Beneficiaries named in trust deed
- Co-trustees
- Any person who contributes to the trust
- Any person authorised to act on behalf of the trust must provide the same information and proof as for individuals as well as the written authority.

You will also be asked to provide information on your source of income, source of funds expected to be used in concluding transactions in the course of the business relationship and the type of activity that can be expected on the trust account.

If you are a legal entity, for example, stokvel or charity, you will be required to provide:

- Name and legal form
- Constituting documents, if available
- VAT registration number (if issued)
- Income tax registration number (if issued)

- Physical business address on the constitution or founding document, if available
- Contact details of any person authorised to act on behalf of the entity as well as written confirmation to act on its behalf.

You will also be asked to provide information on the source of income, source of funds expected to be used in concluding transactions in the course of the business relationship and the type of activity that can be expected on the legal entity account.

The authorised signatories and persons who act on behalf of the legal body will be required to provide written confirmation of authority to act, contact details as well as the information and documentation as set out under individuals.

Get more information

For further information on how FICA could affect you please speak to a staff member at the enquiries desk in your branch. You can also find out more about the prevention of money laundering on the government's website at www.fic.gov.za.



Standard Bank supports the
Office of the Banking Adjudicator.
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www.standardbank.co.za

