

Our reference
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To AML&CTF Compliance Officer

Guidance Note No. 7 of 2017

**AML&CTF COMPLIANCE SUPERVISION- CUSTOMER DUE DILIGENCE
REQUIREMENT**

This Guidance Note is issued to assist and inform reporting entities in complying with the new amendments to Section 12 (“Obligation to identify customer”) of the Anti-Money Laundering & Counter Terrorism Financing Act 13 of 2014 (as amended) (the “AML&CTF Act”).

This section sets out the obligations to identify a customer and paragraph 12(1) (d) applies to a person if they conduct an occasional transaction that exceeds the prescribed threshold under section 27 or 28, whether they are conducted as a single transaction or by way of two or more transactions that appear to be linked. This is relevant to ensure that an entity must carry out the prescribed identification process on a person(s) to know their customer before engaging or providing a service to them.

In addition, pursuant to subsection 12(2) a reporting entity must carry out the identification process on three (3) different customer types and 12 (2A) ensures that a reporting entity must verify that a person is authorised to undertake the transaction concerned on behalf of another person.

Furthermore, if a reporting entity is unable to carry out the prescribed identification process on a person, the entity; (a) must not open an account for the person; and (b) must not enter into a business relationship with the person; and (c) if a business

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relationship already exists with the person, must terminate the existing business relationship.

These measures are necessary to ensure that reporting entities are complying with the obligations set out in the said Act.

Yours faithfully,



Floyd Ray Mera
Director



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