



Financial Sector
Conduct Authority

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ENQUIRIES:	Nomsa Banda	D. DIALLING NO.:	012 367 7187
OUR REF:	FSP 15658:	FAX:	012 346 6941
DATE:	19 September 2018	E-MAIL:	Nomsa.Banda@fsca.co.za

Per Registered Mail

E-mail: MahdieF@sanlaminvestments.com.

Dear Mr Fakier

NOTICE OF ADMINISTRATIVE SANCTION

1. Introduction

- 1.1 We refer to our letter dated 19 December 2017 in which you were notified of the Financial Sector Conduct Authority's ("Authority")¹ intention to impose a financial penalty against SATRIX MANAGERS (RF) (PTY) LTD ("SATRIX") for a contravention of the Financial Intelligence Centre Act 38 of 2001 ("FIC Act") based on the findings of an on-site inspection that was conducted at the premises of SATRIX on 2 and 3 February 2017.
- 1.2 For the record, SATRIX was afforded an opportunity to make representations as to why the Authority should not impose the aforementioned intended penalty. On 18 January 2018, SATRIX submitted its representations and same were duly considered.
- 1.3 Having regard to the available facts and information, the Authority is satisfied that SATRIX, an authorised financial services provider and an accountable institution as envisaged in terms of section 12 of schedule 1 of the FIC Act, contravened the FIC Act. Accordingly, the Authority hereby issues this Administrative Sanction Notice.

¹ The Authority came into existence on 1 April 2018 with the advent of the so-called "twin peaks" model of regulation introduced by the Financial Sector Regulation Act, 9 of 2017 ("FSR Act") during 2017. The Authority is now responsible for the regulatory and supervisory functions previously performed by the Financial Services Board ("FSB"), which include responsibility in terms of section 45(1) of the FIC Act to supervise and enforce compliance with the FIC Act or any order, determination or directive made in terms of the FIC Act by all accountable institutions regulated or supervised by it.

2. Nature of Non-compliance

2.1 As at 3 February 2017, SATRIX failed to comply with:-²

2.1.1 Section 43B(1) of the FIC Act in that SATRIX had not registered with the Financial Intelligence Centre ("the Centre"). SATRIX only registered subsequent to the inspection referred to in paragraph 1.1 above.

2.1.2 Section 21(1)(a) of the FIC Act in that SATRIX established business relationships or concluded single transactions with clients before verifying the identity of clients. This is so because SATRIX's take on process of new clients required the completion of application forms by clients' containing the banking details of SATRIX and the submission of documents required for identification purposes. Clients were also required to submit proof of deposits of investments together with their application forms. This occurred before the verification of the identification information concerning clients.

2.1.3 Regulation 24(4) of the Regulations promulgated in terms of GN R1595 in GG 24176 of 20 December 2002 as amended, in that SATRIX, using the services of Automated Outsourcing Services (Pty) Limited ("AOS"), failed to report 11 cash threshold transactions³ within the maximum period allowed (i.e. as soon as possible but within two days after becoming aware thereof).

3. Particulars of Administrative Sanction

3.1 In terms of section 45C(1), read with sections 45C(3)(e), and 45C(6)(a) of the FIC Act, the Authority hereby imposes a financial penalty in an amount of **R60,000.00** (Sixty Thousand Rand only) on SATRIX.

3.2 In arriving at the penalty the Authority considered the: i) the nature, seriousness and possible risk associated with the non-compliance; ii) the duration of the noncompliance (from October 2016 to February 2017); and iii) number of transactions involved to wit 11 (eleven) transactions.

² Reference to the FIC Act and Regulations is as prior to the amendments effected in terms of Act 1 of 2017 and GN R1062 in GG 41154 of 29 September 2017

³ Cash transaction in excess of R24,999.99 as required in terms of section 28(1) of the FIC Act read with Regulation 22B

- 3.3 The aforementioned financial penalty must be paid into the following account on or before 30 October 2018.

Account Name: The National Revenue Fund
Account Holder: National Treasury
Account Number: 80302505
Bank: South African Reserve Bank
Code: 910145
Reference: FSCA Sanction – SATRIX/2018(1)

- 3.4 Proof of payment must be submitted to the Authority and Centre at Nomsa.Banda@fsca.co.za and copy Charl.Geel@fsca.co.za and enforcement@fic.gov.za respectively.

4. Right of Appeal

- 4.1 In terms of section 45D of the FIC Act read with Regulation 27C of the Regulations, SATRIX may lodge an appeal within 30 days from the date of receipt of the Notice. The Notice of Appeal and proof of payment of the mandatory appeal fee must be:-

- 4.1.1 hand delivered to:

The Secretary: FIC Act Appeal Board
Byls Bridge Office Park, Building 11
13 Candela Street
Highveld Extension
Centurion

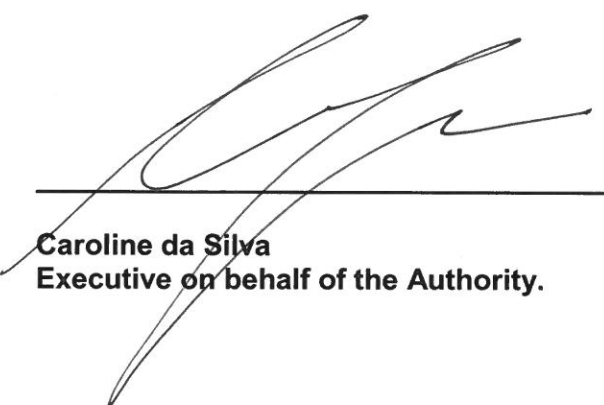
- 4.1.2 sent via electronic mail to:

The HOD: Legal Department
Conduct Authority
For attention: Adv. Nonku Tshombe
(Nonkumbulo.Tshombe@fsca.co.za)

- 4.2 Mr Vongani Khosa is the Secretary of the FIC Act Appeal Board and may be contacted at Vongani.Khosa@fic.gov.za. and telephonically at (012) 641 6241/082 437 6731. Further details of the appeal process can be found on the FIC's website at www.fic.gov.za.

5. Publication of Sanction

- 5.1 The Authority will make public the decision and the nature of the sanction imposed in terms of section 45C(11) of the FIC Act as per **Annexure A** attached hereto.



Caroline da Silva
Executive on behalf of the Authority.

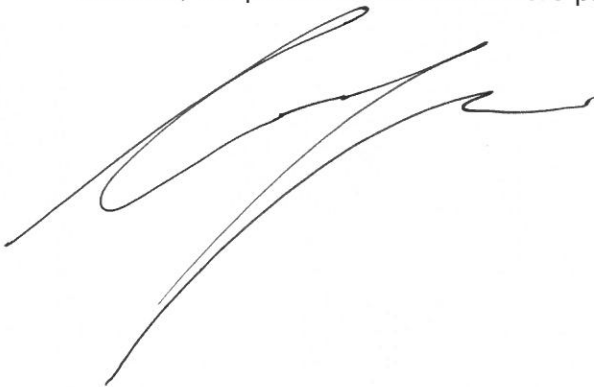
ANNEXURE A

ADMINISTRATIVE SANCTION SATRIX MANAGERS (RF) (PTY) LTD ("SATRIX")

In terms of section 45C(1), read with sections 45C(3)(e), and 45C(6)(a) Financial Intelligence Centre Act 38 of 2001, and after having regard to all available facts, information, factors and representations, the Financial Sector Conduct Authority imposed a financial penalty in an amount of R60,000.00 (Sixty Thousand Rand only) on SATRIX for its failure to comply with the following provisions of the FIC Act and Regulations promulgated in terms of GN R1595 in GG 24176 of 20 December 2002 as amended:

1. Section 43B(1) of the FIC Act;
2. Section 43(b) of the FIC Act;
3. Section 21(1)(a) of the FIC Act;
4. Regulation 24(4) of the Regulations.

The aforementioned financial penalty must be paid on or before **30 October 2018** into the bank account, the particulars of which were provided to SATRIX.



Transitional Management Committee:

AM Sithole (Commissioner) DP Tshidi CD da Silva JA Boyd MM du Toit LP Kekana K Gibson OB Makhubela SE Mmakau