

ENQUIRIES:	Ms Avheani Nenguda	D. DIALLING NO.:	012 428 8106
OUR REF:	FSP 14068	FAX:	012 346 1901
DATE:	12 February 2020	E-MAIL:	avheani.nenguda@fsc.co.za

MR VAN GREUNEN
ALDES CAPITAL (PTY) LTD
MENLYN WOODS OFFICE PARK, OFFICE BLOCK C
291 SPRITE STREET, FAERIE GLEN
PRETORIA
0040

E-mail: ferdi@aldes.co.za

Dear Sir

NOTICE OF ADMINISTRATIVE SANCTION

1. The Financial Sector Conduct Authority (FSCA) is satisfied on available facts and information, in particular the factors mentioned in section 45C(2) of the Financial Intelligence Centre Act 38 of 2001 (FIC Act) and representations received, that Aldes Capital (Pty) Ltd (Aldes), an authorised financial services provider and an accountable institution as envisaged in terms of item 12 of schedule 1 to the FIC Act, has failed to comply with the FIC Act. Accordingly, the FSCA hereby issues this Administrative Sanction Notice (the Notice).

2. Nature of Non-compliance:

Training

2.1. In terms of section 43 of the FIC Act, an accountable institution is required to provide ongoing training to its employees to enable them to comply with the provisions of the FIC Act and Risk Management and Compliance Programme (RMCP) applicable to them.

2.2. Aldes failed to comply with **section 43 read with section 62 of the FIC Act**, in that-

2.2.1. The FSCA found that at the time of the inspection employees were not trained on the FIC Act and RMCP. This conclusion is based on

the fact that the FSP has failed to provide evidence that training was conducted.

2.2.2. Subsequent to the notice of intention to impose an administrative sanction, Aldes stated that employees were trained on the FIC Act and RMCP on 13/14 March 2019, however Aldes failed to provide evidence to that fact.

2.3. In terms of section 62 of the FIC Act, an accountable institution that fails to provide training to its employees in accordance with section 43 is non-compliant with the FIC Act and is subjected to an administrative sanction.

Record Keeping

2.4. In terms section 22(2)(a) and 23 read with section 47 of the FIC Act and Guidance Note 7 issued by the FIC, an accountable institution must keep record of copies of or references to information provided to or obtained by the accountable institution to verify a person's identity and such information must be kept for at least five years from the date the business relationship is terminated or single transaction concluded.

2.5. Aldes failed to keep identity records for two clients at the time of the inspection.

2.6. Subsequent to the inspection, Aldes obtained the clients' identity documents.

3. Reasons for imposing the administrative sanction

3.1. Non-compliance with the FIC Act is a serious contravention;

3.2. All accountable institutions had 18 months grace period to implement the amendments to the FIC Act;

3.3. The FSCA does not have any information to suggest that Aldes has previously failed to comply with any law;

3.4. Aldes failed to provide evidence that training has been conducted to its employees even after the notice of intention to sanction was issued.

3.5. Aldes has remediated the non-compliance relating to record keeping requirement.

3.6. The representative of Aldes have cooperated with the FSCA inspectors.

4. Particulars of the administrative sanction

In terms of section 45C(1), read with sections 45C(3)(c), and 45C(6)(a) of the FIC Act, the FSCA hereby imposes the following administrative sanction on Aides:

4.1. In terms of section 45C(3)(c) of the FIC Act Aides is directed to:

4.1.1. Ensure that continues training be conducted to employees on the FIC Act and RMCP and provide proof thereof.

4.1.2. Ensure that clients' identity records are kept for at least five years from the date the business relationship is terminated, or single transaction concluded.

4.2. In terms of section 45C(3)(e) of the FIC Act, the FSCA imposes a financial penalty of R15,000.00 on Aides as follows:

4.1.1. R10,000.00 for failing to provide ongoing training on its RMCP and FIC Act to employees

4.1.2. R5,000.00 for failure to keep clients' identity documents.

4.1.3. Aides is directed to pay the financial penalty to the total of R15,000.00 on or before 28 February 2020.

4.1.4. The financial penalty is payable via electronic fund transfer to:

Account Name	:	NRF – FIC Act Sanctions
Account Holder	:	National Treasury
Account Number	:	80552749
Bank	:	South African Reserve Bank
Code	:	910145
Reference	:	FIC Sanction – Aides Capital (Pty) Ltd /2019

4.1.5. Proof of payment must be submitted to the FSCA to Ms A Nenguda.

5. Right of appeal:

5.1. In terms of section 45D of the FIC Act, read with Regulation 27C of the Regulations promulgated in terms of GN R1595 in GG 24176 of 20 December 2002 as amended, Aldes 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:-

5.1.1. hand delivered to:

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

5.1.2. sent via electronic mail to:

The HOD: Office of General Counsel
FSCA
Attention: Adv C Geel (Charl.Geel@fsca.co.za)

5.2. Mr Vongani Khoza, Secretary of the FIC Act Appeal Board, may be contacted at Vongani.Khosa@fic.gov.za and telephonically at (012) 641-6241 / 082 437 6371 should ABC require further information regarding the appeal process. Details of the appeal process can also be found on the FIC's website at www.fic.gov.za.

6. Failure to comply with the administrative sanction

6.1. In terms of section 45(C)(7)(b) of the FIC Act, should Aldes fail to pay the prescribed financial penalty in accordance with this notice and an appeal has not been lodged within the prescribed period, the FSCA may forthwith file with the clerk or registrar of a competent court a certified copy of this notice, which shall thereupon have the effect of a civil judgement lawfully given in that court in favour of the FSCA.

7. Publication of sanction:

7.1. The FSCA will make public the decision and the nature of the sanction imposed in terms of section 45C(11) of the FIC Act.

Yours faithfully

A handwritten signature in black ink, appearing to be 'K.S. Dikokwe', written over a horizontal line.

K.S Dikokwe
For the Financial Sector Conduct Authority

