



Financial Sector
Conduct Authority

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ENQUIRIES:	Themba Manganyi	DIALLING NO.:	(012) 422 2908
OUR REF:	FSP 1013	E-MAIL:	Themba.manganyi@fsca.co.za
DATE:	14 December 2022		

Mr. JD Botma
Jannie Parsons Future Financials (Pty) Ltd
154 Orion Avenue
Monument Park
0105

By email: danie@jpfin.co.za

Dear Mr. JD Botma,

NOTICE OF ADMINISTRATIVE SANCTION

1. The Financial Sector Conduct Authority (FSCA) is satisfied that Jannie Parsons Future Financials (Pty) Ltd (JPFF), an authorised financial services provider and an accountable institution as envisaged in terms of item 12 of schedule 1 of the FIC Act, has failed to comply with the Financial Intelligence Centre Act 38 of 2001 (FIC Act). Accordingly, the FSCA hereby issues this Administrative Sanction Notice (the Notice).
2. On 18 and 19 October 2021, and as part of its supervisory duties, the FSCA conducted a desk-based and virtual inspection in respect of JPFF in terms of section 45B of the FIC Act to determine its level of compliance with the FIC Act. The inspection found that JPFF is non-compliant with the FIC Act.
3. **Nature of Non-compliance:**

3.1. Risk Management and Compliance Programme (RMCP)

- 3.1.1. In terms of section 42(1) and (2) of the FIC Act, an accountable institution must develop, document, maintain and implement a programme for anti-money laundering and counter-terrorist financing risk management and compliance.

Executive Committee:

Commissioner: U. Kamlana | Deputy Commissioners: A. Ludin | K. Gibson | F. Badat

3.1.2. JPFF failed to comply with sections 42(1) and (2) of the FIC Act, in that as at the time of the inspection JPFF failed to develop a RMCP, and as a result, did not document, maintain and implement a programme for anti-money laundering and counter-terrorist financing risk management and compliance. Consequently, the institution failed to identify, assess, monitor, mitigate, and manage the risk that the provision by the accountable institution of products or services may involve or facilitate money laundering activities or the financing of terrorist and related activities.

3.2. Customer due diligence (CDD)

3.2.1. In terms of section 21(1) of the FIC Act, when an accountable institution engages with prospective client to enter into a single transaction or to establish a business relationship, the institution must, in the course of concluding that single transaction or establish that business relationships and in accordance with its RMCP establish and verify the identity of the client.

3.2.2. JPFF failed to comply with section 21(1) of the FIC Act, in that at the time of the inspection, JPFF had not verified the identity of 24 of 33 sampled clients.

3.3. Targeted financial sanctions (TFS)

3.3.1. In terms of section 28A read with section 26A – 26C of the FIC Act, accountable institution is required to scrutinise (screen) client information to determine whether their clients are listed in terms of section 25 of Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (POCDATARA) and listed by the Security Council of the United Nations contemplated in a notice referred to in section 26A (1) of the FIC Act.

3.3.2. As at time of the inspection on 18 October 2021, JPFF did not screen the 33 sampled clients against the TFS Lists.

4. Reasons for imposing the administrative sanction:

4.1. The non-compliance as detailed above is a serious violation of the provisions of the FIC Act.

4.2. All accountable institutions were given a grace period of 18 months, since the amendments to the FIC Act, to implement the amended provisions of the FIC Act.

4.3. The FSCA has no record of a previous non-compliance with any law on the part of JPFF.

4.4. JPFF has cooperated with the FSCA pre, during and subsequent to the virtual inspection. JPFF acknowledged the aforementioned non-compliance and undertook to take remedial steps which have been noted by the FSCA:

4.4.1. At the time of the inspection JPFF did not have a RMCP. Subsequent to the inspection, JPFF submitted an RMCP (first RMCP) to the FSCA on 9 November 2021. The first RMCP had deficiencies which were highlighted in the feedback letter issued to JPFF dated 10 December 2021. In response to the feedback letter dated 14 January 2022, JPFF submitted an amended RMCP (second RMCP). The second RMCP was analysed, and the deficiencies identified were outlined in the notice of intention to sanction issued on 24 June 2022. On 08 July 2022 JPFF submitted a newly drafted RMCP (third RMCP) together with its representation. The third RMCP was analysed and the deficiencies noted were raised in the follow up letter dated 26 September 2022. On 07 October 2022, in response to the follow up letter, JPFF submitted another RMCP (final RMCP). The final RMCP addressed all deficiencies outlined in the follow up letter.

4.4.2. On 14 January 2022, JPFF only submitted CDD records in respect of 32 of the 33 sampled clients as evidence of verification of identity, risk

rating and screening of clients against the TFS sanction list. On 7 October 2022, in response to the follow up letter dated 26 September 2022, JPFF submitted the outstanding CDD documents in respect of the 1 outstanding client file.

5. Particulars of the administrative sanction:

- 5.1. In terms of section 45C(1), read with sections 45C(3)(e), and 45C(6)(a) of the FIC Act, the FSCA hereby imposes the following administrative sanction on JPFF:
 - 5.1.1. a financial penalty of R300 000 for non-compliance with section 42(1) and (2) of the FIC Act.
 - 5.1.2. a financial penalty of R240 000 for non-compliance with section 21(1) of the FIC Act.
 - 5.1.3. a financial penalty of R330 000 for non-compliance with section 28A read with section 26B of the FIC Act.
- 5.2. JPFF is directed to pay the financial penalty of R400 000 on or before **31 December 2022**.
- 5.3. The payment of the remaining R470 000 of the total financial penalty is hereby suspended for a period of 3 years from the date of this Administrative Sanction, on condition that JPFF remains fully compliant with sections 42(1) and (2), section 21(1) and section 28A read with section 26 of the FIC Act.
- 5.4. Should JPFF be found to be non-compliant with provisions of the FIC Act detailed on paragraph 5.3. above, within the 3 years suspension period, the suspended penalty of R470 000 becomes immediately payable.
- 5.5. 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 – Jannie Parsons Future Financial (Pty) Ltd

- 5.6. Proof of payment must be submitted to the FSCA at Themba Manganyi (Themba.manganyi@fsca.co.za) and copy Charl Geel (Charl.geel@fsca.co.za).

6. Right of appeal:

- 6.1. 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, JPFF 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:-

6.1.1. hand delivered to:

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

6.1.2. sent via electronic mail to:

The HOD: Office of General Counsel
FSCA
Attention: Mr S Rossouw (Stefanus.Rossouw@fsca.co.za)

- 6.2. The Secretary of the FIC Act Appeal Board may be contacted at AppealBoardSecretariat@fic.gov.za and telephonically at (012) 641-6243 should JPFF 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.

7. Failure to comply with the administrative sanction:

- 7.1. In terms of section 45(C)(7)(b) of the FIC Act, should JPFF 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.

8. Publication of sanction:

- 8.1. 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



Kedibone Dikokwe
Divisional Executive: Conduct of Business Supervision
Financial Sector Conduct Authority