

ENQUIRIES:	Mpho Radebe	D. DIALING NO.:	(012) 422 2848
OUR REF:	FSP 15992	FAX:	-
DATE:	24 May 2021	E-MAIL:	mphe.radebe@fscs.co.za

Mr B Bosch
Worldwide Advisory Services (Pty) Ltd
Unit 2
266A Bryanston Drive
Bryanston
2191

Per E-mail: byron@wwas.co.za

Dear Mr Bosch

NOTICE OF ADMINISTRATIVE SANCTION

1. The Financial Sector Conduct Authority (FSCA) is satisfied that Worldwide Advisory Services (Pty) Ltd (WWAS), 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. Nature of Non-compliance:

2.1. In terms of section 42(2)(a) and (m) of the FIC Act read with Guidance Note 7 issued by the Financial Intelligence Centre (the FIC), an accountable institution's Risk Management and Compliance Programme (RMCP) must enable the accountable institution 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 (ML) activities or the financing of terrorist (TF) and related activities. The RMCP must determine the processes by which enhanced due diligence is conducted for higher risk business relationships and when simplified customer due diligence might be permitted in the institution.

2.1.1. At the time of the inspection, WWAS's RMCP did not comply with the requirements set out in sections 42(2)(a) and (m) of the FIC Act read with Guidance Note 7 issued by the FIC, in that the RMCP did not provide for:

- a) The ML/TF risks identified and how the risks could be realised;
- b) The effective risk scales to classify categories of clients in terms of the ML/TF risks; and
- c) The customer due diligence that will be applied to different risk categories of clients based on the risk classification.

2.2. In terms of sections 42(2)(o) and (p) of the FIC Act, the RMCP must enable the accountable institution to determine when a transaction or activity is reportable to the FIC and provide for the processes for reporting the information.

2.2.1 At the time of the inspection, WWAS's RMCP did not enable the accountable institution to determine when a transaction or activity is reportable in terms of sections 28 and 28A of FIC Act nor did the accountable institution have procedures to report such transactions and activities.

2.3. In terms of section 21C of the FIC Act an accountable institution must, in accordance with its RMCP, conduct ongoing due diligence in respect of business relationships.

2.3.1 At the time of the inspection, WWAS did not conduct ongoing due diligence on 4 sampled clients.

3. Other relevant factors:

3.1. The non-compliance findings are serious contraventions of the FIC Act;

- 3.2. All accountable institutions were given 18 months to implement the amended provisions of the FIC Act which includes the non-compliance identified by the FSCA.
- 3.3. WAS has cooperated with the FSCA during the inspection.
- 3.4. The responses received on 31 January 2021 and 11 February 2021 respectively demonstrated that the findings as set out in paragraph 2.2.1 and 2.3.1 to be remediated.
- 3.5. Based on the above, the FSCA is satisfied that the revised RMCP has materially improved and deemed it appropriate to partially suspend the financial penalty outlined in the notice of intention to sanction.

4. Particulars of the administrative sanction:

- 4.1. 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 WWAS:
 - 4.1.1. A financial penalty of R10 000 for non-compliance with section 42(2)(a), (m), (o) and (p) of the FIC Act, read with Guidance Note 7 issued by the FIC.

The payment of the R10 000 is suspended for a period of 3 years from the date of this Administrative Sanction, on condition that WWAS remains fully compliant with section 42(2)(a), (m), (o) and (p) of the FIC Act read together with Guidance Note 7 issued by the FIC.

Should WAS be found to be non-compliant with section 42(2)(a), (g), (m), (o) and (p) of the FIC Act, read together with Guidance Note 7 issued by the FIC, within the 3 years suspension period the suspended penalty of R10 000 becomes immediately payable.

4.1.2. A financial penalty of R40 000 for non-compliance with section 21C of the FIC Act.

WAS is directed to pay the financial penalty of R20 000 on or before 21 June 2021 for failure to conduct ongoing and enhanced due diligence.

The payment of the remaining R20 000 is suspended for a period of 3 years from the date of this Administrative Sanction, on condition that WWAS remains fully compliant with section 21C of the FIC Act read together with Guidance Note 7 issued by the FIC.

Should WAS be found to be non-compliant with section 21C of the FIC Act, read together with Guidance Note 7 issued by the FIC, within the 3 years suspension period the suspended penalty of R20 000 becomes immediately payable.

4.2. The financial penalty of R20 000 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 – Worldwide Advisory Services (Pty) Ltd

4.3. Proof of payment must be submitted to the FSCA at mpho.radebe@fsca.co.za and copy charl.geel@fsca.co.za.

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, WWAS 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: Mr S Rossouw (Stefanus.Rossouw@fsc.co.za)

5.2. Mr G Dudeni, Secretary of the FIC Act Appeal Board, may be contacted at Gcinikhaya.Dudeni@fic.gov.za and telephonically at (012) 641-6243 should WWAS 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 WWAS 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.



Kedibone Dikokwe
For the Financial Sector Conduct Authority