THE FINANCIAL INTELLIGENCE CENTRE ACT, NO 37 OF 2001
ANTI-MONEY LAUNDERING CONTROL SYSTEMS

Prepared in accordance and as part of the broader market conduct framework implemented by the FSCA.

MANUAL

For: PinnAfrica Insurance Underwriting Managers (PTY) LTD
[referred to as PinnAfrica]
FSP Number: 39123

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1. INTRODUCTION

1.1. This document constitutes the FSP's anti-money laundering policy and control systems as required by **FICA.** The identification and verification requirements are only applicable to accountable institutions ("AI's" whilst the reporting requirements are applicable to all persons who qualify as set out below.

1.2. FICA imposes the following obligations:

1.2.1. **Know your client ("K Y C") duty to identify and verify (If applicable)**
1.2.2. **record keeping**
1.2.3. **reporting**
1.2.4. **develop and implement internal rules to ensure compliance with legal obligations.**

2. ANTI MONEY LAUNDERING POLICY

2.1. The **FINANCIAL SERVICE PROVIDER** is committed to:

2.1.1. preventing, detecting, monitoring and reporting confirmed or suspected money laundering;
2.1.2. client's identification and verification ("know your client"; "K Y C" (if applicable)
2.1.3. record – keeping
2.1.4. money laundering control training
2.1.5. monitoring of accounts; activities; policies and procedures.

2.2. The FSP has formulated and implemented internal rules concerning –

2.2.1. the establishment and verification of the identity of persons who the FSP must identify in terms of FICA.
2.2.2. the information of which record must be kept in terms of FICA.
2.2.3. the Manner in which and place at which such records must be kept.
2.2.4. the steps to be taken to determine when a transaction is reportable to ensure that the FSP complies with its duties under FICA.
2.2.5. such other matters as may be prescribed.

2.3. The FSP's internal rules are available to each of its employees involved in transactions to which FICA applies.

3. WHAT IS MONEY LAUNDERING?

3.1. Money laundering is the processing of criminal proceeds to disguise their original source. Once illicit proceeds have been integrated into the legitimate financial system, it has been laundered.

4. WHEN IS A TRANSACTION SUSPICIOUS OR UNUSUAL

4.1. When a person who carries on a business or is charged of or manages a business or who is employed by a business and who knows or suspects that:

4.2. the business has received or is about to receive the proceeds of unlawful activities.

4.2.1. the transaction or series of transactions to which the business is a party –

4.2.1.1. facilitated or is likely to facilitate the transfer of the proceeds of unlawful activities.

4.2.1.2. has no apparent business or lawful purpose.

4.2.1.3. is conducted for the purpose of avoiding giving rise to a reporting duty under FICA; or

4.2.1.4. may be relevant to the investigation of evasion or attempted evasion of duty to pay any tax; duty or levy imported by legislation administered by the Commissioner of the South Africa Revenue Services.

4.2.2. the business has been used or is about to be used in any way for money laundering purposes; the Transaction must be reported to the FIC.

5. WHO IS THE FIC?

5.1. The Financial Intelligence Centre ("**FIC**") is an intelligence centre established to identify the proceeds of unlawful activities and to combat money laundering activities.

6. ACCOUNTABLE INSTITUTION ("AIs")

6.1. Identification and verification of obligations are applicable to a list of ALs, including:

6.1.1. a person who carries on a "long-term insurance" business as defined in the Long-Term Insurance Act, 1988, including an insurance broker and an agent of an insurer;

6.1.2. a person who carries on a "short-term insurance" business as defined in the Short-Term Insurance Act, 1988, including an insurance broker and an agent of an insurer;

6.1.3. a person who carries on a business of rendering investment advice or investment broking services, including a public accountant who carries on such business.

6.1.4. registered investment managers.

6.2. PS: Short-Term Insurance Brokers are not currently AI's. FICA should be consulted for the full list of AIs

7. EXEMPTIONS IRO KYC BY AIs

7.1. Certain exemptions in respect of the KYC requirements exist in respect of:

7.1.1. another AI

7.1.2. another country

7.1.3. stock exchange listed companies

7.1.4. insurance and investment providers – i.e., certain Long–Term insurance policies e.g., any long-term insurance policy which provides benefits only upon the death, disability or injury of the life insured under the policy.

NB: These exemptions are specific and are not blanket exemptions. The FICA Regulations should be consulted to establish whether an exemption is applicable. A copy of the Regulations is available on request from the Compliance Officer.

8. APPOINTMENT OF MONEY LAUNDERING CONTROL OFFICER ("MLCG")

8.1. The Financial Services Provider must appoint a person who will be responsible to ensure compliance by:

8.1.1. employees of the Financial Service Provider with the provisions of FICA and the internal rules applicable to them;

8.1.2. the FSP with its obligations under FICA.

9. INTERNAL RULES

9.1. KYC requirements must be applied to all new and existing clients – refer to TABLE A for KYC guidelines.

9.2. The first requirement of KYC is identification and verification.

9.3. The second requirement of KYC is to ensure that adequate information is obtained on the type of business, the prospective client expects to undertake with the FSP and the source or origin of the funds involved.

9.4. The KYC process must be repeated every 2 years by asking your client to confirm in writing that all their information and documentation obtained from them originally is still correct.

9.5. Whenever the FSP establishes a business relationship or concludes a transaction with a client, whether the transaction is a single transaction or concluded in the course of a business relationship which the FSP has with the client, the FSP must keep record of:

- 9.5.1. the identity of the client
- 9.5.2. if the client is acting on behalf of another person-
  - 9.5.2.1. the identity of the person on whose behalf the client is acting.
  - 9.5.2.2. the client's authority to act on behalf of that other person;
  - 9.5.2.3. if another person is acting on behalf of the client;
    - 9.5.2.3.1. the identity of that other person
    - 9.5.2.3.2. that other person's authority to act on behalf of the client.
  - 9.5.2.4. the manner in which the identity of the persons referred to above was established.
  - 9.5.2.5. the nature of that business relationship or transaction;
  - 9.5.2.6. in the case of a transaction;
    - 9.5.2.6.1. the amount involved.
    - 9.5.2.6.2. the parties to the transaction
  - 9.5.2.7. in the case of a transaction:
    - 9.5.2.7.1. the amount involved.
    - 9.5.2.7.2. the parties to the transaction
  - 9.5.2.8. All accounts that are involved in:
    - 9.5.2.8.1. transactions concluded by that FSP in the course of that business relationship;
    - 9.5.2.8.2. that single transaction;
  - 9.5.2.9. the name of the person who obtained the information referred to above on behalf of the FSP
  - 9.5.2.10. any document or copy of a document obtained by the FSP in order to verify a person's identity in terms of FICA;
  - 9.5.2.11. records may be kept in electronic format;
  - 9.5.2.12. records must be kept for at least 5 years from the date on which the business relationship was terminated or the transaction concluded.

9.6. If an employee has formed a suspicion or has knowledge of an unusual transaction, a suspicion disclosure report must be made to the FIC within a period of 15 working days of the knowledge being acquired or suspicion of the event or transaction arose.

9.7. Suspicion disclosure reports are made by internet submission or by facsimile.

9.8. The report contains certain prescribed information and takes a standard form (refer to Appendix 1 or see www.fica.gov.za) for a downloadable version of the reporting form.)

9.9. The contact details of the **FIC** are:

Financial Intelligence Centre
Private Bag X177
Centurion
0046
Tel: (012) 641 6000
Fraud Hotline: 0800 701 701
Website: https://www.fic.gov.za/connect/

An employee may make a suspicion disclosure report directly to the FIC or via the MLCO. An external suspicion report should not be made as a matter of routine without undertaking reasonable internal enquiries to determine that all available information has been taken into account.

10. TIPPING OFF

10.1. No person who made or must make a report in terms of the FICA may disclose that fact or any other information regarding the contents of any such report to any other person, including the person in respect of whom the report is or must be made, otherwise than:

10.1.1. within the scope of the powers and duties of that person in terms of any legislation;

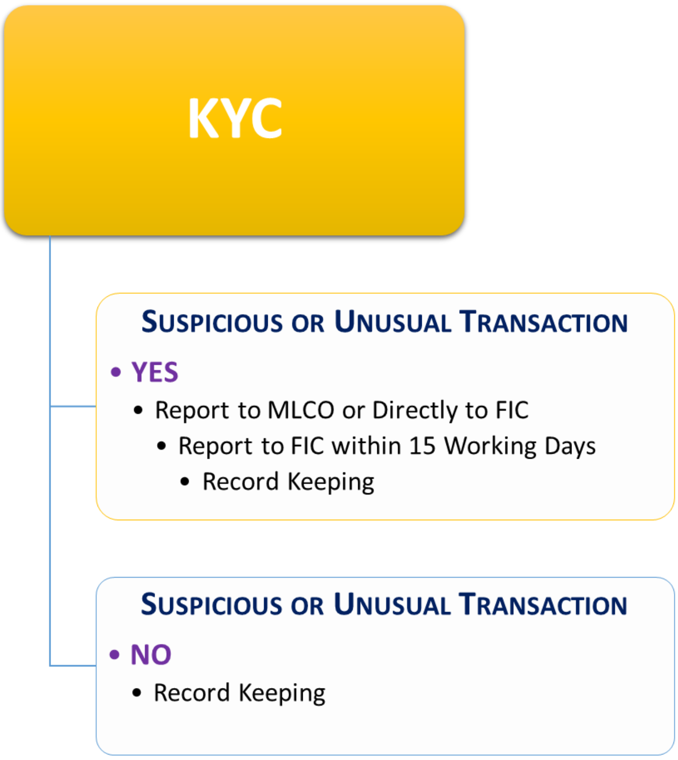
10.1.2. for the purpose of carrying out the provisions of FICA;

10.1.3. for the purposes of legal proceedings, including any proceedings before a judge in chambers; or

10.1.4. in terms of a court order.

11. STAFF TRAINING

11.1. The FSP will provide training to its employees to enable them to comply with the provision of FICA and the internal rules applicable to them. This policy forms the basis of such training.



12. TABLE A

No	Type of Client	Identification Requirements	Verification requirements
1.	**Natural Persons**	A natural person's identity comprises of: • Full Name • Date of Birth • Identity Number (identity document for South African citizens and residence otherwise a passport); • current, permanent residential address.	
2.	**Legal Persons e.g., companies, close corporations**	A legal person's identity comprises: • its registered number • its registered corporate name and trading names used; • its registered address and any separate principal trading addresses; • its managers; • its members or controlling shareholders (those with more than 25% of voting rights); • the nature of the legal person's business.	**Company:** Listed Company • No further steps are required Unlisted Company • Memorandum and articles of association • Certificate of Incorporation (CM1 and CM2), stamped by the registrar and signed by the company secretary. • Relevant extracts from public registers **Close Corporations:** • Founding Statement and certificate of incorporation. • Certificate of Incorporation • Letterheads • Extracts from public registers. **Club of Relevant Society** • Constitution • Relevant Extracts from Public Registers **Documents required to verify legal persons trade name and address:** • a municipal service accounts • copies of title deeds • copies of lease agreements • a Telkom Account • a Bank Account • a SARS document • visit the business premises. **Non-face to face** • This is High Risk • Additional checks are required e.g., electronic enquires made to recognized databases such as a credit bureau, or telephonic confirmation using local and national telephone directories.
3.	**Agents**	Identify and verify the identity of both the client and the agent in the manner set out above. The authority to act must be established and verified e.g., power of attorney, court order or mandate. The written authority should contain the contact details of the authorizing person and these should be independently verified, e.g., through the telephone directory, in addition to a telephonic confirmation taking place with the authorizing party.	

4.	**Trusts**	The identity of a trust comprises: The trust: • The name and number • The Address of the Master of the High Court where registered; if applicable. The Trustees: • Identify and verify the natural persons and their authority to act • Persons authorized to act on behalf of the trust • Identify and verify the natural persons and their authority to act The Settlor/s: • Identify and verify the natural persons and their authority to act The beneficiaries: • Identify and verify the natural and legal persons	• A copy of the trust deed or founding documents • Authority for trustees to act: an official document or the authorization granted by the High Court. • Verify identities of natural persons or legal persons related to the trust as set out above.
5.	**Intermediaries e.g., Stockbrokers, investment consultants, attorneys, accountants or banks (excluding mere referrals)**	Both the intermediary and the underlying clients should be identified and verified. If the intermediary is an AI that is able to certify that its money laundering procedures are legally compliant, then the FSP can waive the identification and verification procedures in respect that the intermediary has identified and verified the underlying clients in terms of FICA. If the intermediary is not an AI or cannot certify its money laundering procedures as FICA compliant, then the FSP must identify and verify both the intermediary and the person/s on whose behalf the intermediary is acting. Refer to identification and verification procedures set-out above.	