

WHAT IS FICA?

FICA is the Financial Intelligence Centre Act, 2001

To combat money laundering and unlawful activities, the South African government introduced the Financial Intelligence Centre Act 38 of 2001 ("FICA").

In terms of this legislation Investment Solutions Limited ("Investment Solutions"), as a registered long-term insurer, is an accountable institution. Consequently, obligations arise necessitating Investment Solutions to identify and verify all existing clients and keep updated records thereof. The verification process for an individual investor includes obtaining the following documentation:

- A certified copy of your identification document
- Verification of your residential address through the provision of an certified/original copy of your utility bill reflecting your residential address
- A cancelled bank cheque or a certified copy of your bank statement

Furthermore, the legislation also puts an obligation on Investment Solutions to report any suspicious or unusual transactions, whether the transaction is concluded or not, to the Financial Intelligence Centre ("FIC"). For example, if in our dealings with a client, Investment Solutions or any of its employees knows or suspects that the client is involved in any conduct that contravenes any South African law including, but not limited to, conventional money laundering activities, tax evasion and breach of exchange control, then it is obliged to report this to the FIC.

In the future the Act will also require Investment Solutions to report all cash transactions and all foreign currency transactions above prescribed limits to the FIC.

Where a report is made to FIC, the Act specifies that Investment Solutions may not in any way bring this to the attention of the client or tip off the client.

The FIC will not investigate or prosecute any criminal activity; it will collect and analyse data submitted to it. Once it has done so the data will be passed onto the relevant investigating authorities. Intelligence services and South African Revenue Service, which will carry out such investigations.

Investment Solutions is committed to aiding the government in its attempt to curb crime in South Africa, as well as ensuring that our business is not associated with any unlawful activity. We believe this will not only serve the best interests of Investment Solutions's alone, but also all of our stakeholders.

FAIS Notice and Disclaimer:

Investment Solutions Limited is a licenced financial services provider in terms of Section 8 of the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended. This information is not advice as defined and contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended. Investment Solutions Limited shall not be liable for any actions taken by any person based on the correctness of this information.