



SOUTH AFRICAN RESERVE BANK

Press Release

8 June 2021

The South African Reserve Bank imposes administrative sanctions on an Authorised Dealer in foreign exchange with limited authority

The South African Reserve Bank (SARB) has imposed administrative sanctions on Master Currency (Pty) Limited, an Authorised Dealer in foreign exchange with limited authority (ADLA).

Authorised Dealers in foreign exchange (commercial banks) and ADLAs are persons authorised by the SARB to deal in foreign exchange transactions and are regulated accordingly. ADLAs include bureaux de change and are authorised to deal only in certain limited, designated foreign exchange transactions, including travel-related transactions.

The Financial Intelligence Centre Act 38 of 2001 (FIC Act) mandates the SARB to ensure that ADLAs have adequate controls in place to combat acts of money laundering and the financing of terrorism. Flowing from these responsibilities, the SARB inspects ADLAs to assess whether they have appropriate measures in place, as required by the FIC Act.

The administrative sanctions were imposed after the SARB conducted inspections at Master Currency (Pty) Limited, in terms of the FIC Act. The inspections found weaknesses in the control measures the ADLA, Master Currency (Pty) Limited, had in place to control anti-money laundering and combating the financing of terrorism.

It should be noted that the administrative sanctions were imposed because of certain weaknesses that were detected in the ADLA's control measures which inhibited the ADLA from proactively detecting financial crime, and not because it was found to have facilitated transactions involving money laundering or the financing of terrorism.

The administrative sanctions imposed are as follows:

- a financial penalty of R100 000 in terms of section 45C(3)(e) of the FIC Act, for failing to provide ongoing training to employees to comply with the provisions of such Act in terms of section 43 thereof; and
- a directive in terms of section 45C(3)(c) of the FIC Act, to provide the requisite refresher training at all branches, and to submit confirmation and evidence that such training has been conducted and will continue to be conducted on an annual basis.

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