

## MEDIA RELEASE

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9/5/1/3

### **FIC ISSUES SANCTION AGAINST MOTOR VEHICLE DEALERSHIP**

**1 February 2022:** The Financial Intelligence Centre (FIC) has imposed an administrative sanction against a motor vehicle dealership for non-compliance with the requirements of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001).

The company, Truck World (Pty) Ltd (Truck World), was sanctioned for its negligence in not fulfilling required registration and reporting obligations, in terms of the Act. The administrative sanction comprised:

- A reprimand for failing to timeously register.
- A financial penalty of R2 664 812 for failing to report 204 transactions exceeding the threshold of R24 999.99.
- A caution not to repeat the conduct that led to the non-compliance.
- A directive to remediate the outstanding unreported transactions.

Gauteng-based Truck World was initially sanctioned on 19 February 2021. However, the company instituted an appeal with the FIC Act Appeal Board, which was heard in September 2021. The Appeal Board dismissed the appeal on 20 December 2021, finding that the administrative sanction imposed by the FIC was appropriate in the circumstances of the case.

Importantly, the administrative sanction imposed against Truck World is not an indication that the institution facilitated transactions involving money laundering or the financing of terrorism.

During the 2020/21 financial year, the FIC imposed administrative sanctions upon 24 institutions, of which two lodged appeals against their sanctions. The value of the 22 sanctions imposed amounted to more than R28.5 million.

Typically, administrative sanctions may include:

- A caution not to repeat the conduct that led to the non-compliance
- A reprimand
- A directive to take remedial action
- The restriction or suspension of certain business activities
- A financial penalty of up to R10 million for a natural person and R50 million for a legal person.

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Issued by:

### The Financial Intelligence Centre

For more information, please contact [communications@fic.gov.za](mailto:communications@fic.gov.za) or visit [www.fic.gov.za](http://www.fic.gov.za).

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#### Note to editors:

**Note to editors:** As South Africa's national centre for the gathering and analysis of financial data, the Financial Intelligence Centre's (FIC's) role is to safeguard the integrity of the country's financial system and its institutions. In pursuit of this, the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), mandates the FIC to identify the proceeds of crime, and assist in combating money laundering, terrorist financing and proliferation financing, and to facilitate the effective supervision and enforcement of the FIC Act.

Under this legislation, the FIC makes information available to a wide range of law enforcement agencies and other government institutions to facilitate the administration and enforcement of the laws of the Republic. The FIC also provides information and guidance to financial and non-financial institutions on their compliance obligations. It also outlines the enforcement and penalty regime for those who do not comply.

The FIC ensures South Africa's legislation and standards for combating money laundering and terrorist financing are met and up-to-date across government and the private sector.

Item	2020/21
Institutions registered with FIC as at 31 March 2021	44 499
Regulatory reports received	5.2 million
Cash threshold reports received	4.8 million
Suspicious and unusual transaction reports received	394 709
Inspection reports issued by FIC and supervisory bodies	749
Total number financial intelligence reports disseminated	3 206
Responses to requests for financial intelligence	2 080
Financial intelligence reports referred	1 126
Value of suspected criminal proceeds frozen	R613.2 million
Value of criminal proceeds recovered where FIC financial intelligence was used	R3 398.71 million

For more about the FIC visit [www.fic.gov.za](http://www.fic.gov.za)