

MEDIA RELEASE

9/5/1/3

FIC ISSUES ADMINISTRATIVE SANCTIONS

10 March 2022: The Financial Intelligence Centre (FIC) has imposed administrative sanctions against several motor vehicle dealerships and a Kruger rand dealer for non-compliance with the requirements of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).

The dealerships were sanctioned for failing to comply with registration and/or reporting obligations in terms of the FIC Act. Information on the dealerships and the administrative sanctions issued appears below.

1. Arnold Chatz Cars Constantia Kloof (Pty) Ltd t/a Arnold Chatz Cars Constantia Kloof
 - A reprimand for failing to register timeously
 - A financial penalty of R896 459.76 for failing to report and/or timeously report 38 transactions exceeding the threshold of R24 999.99
 - A caution not to repeat the non-compliant conduct.

2. Rifle Range Car Sales (Pty) Ltd
 - A financial penalty of R661 481 for failing to report and/or timeously report 76 transactions exceeding the threshold of R24 999.99
 - A directive to remediate the outstanding unreported transactions
 - A caution not to repeat the non-compliant conduct.

3. Gold Reef Motors (Pty) Ltd t/a Halfway Toyota Howick
 - A financial penalty of R1 203 572 for failing to report and/or timeously report 60 transactions exceeding the threshold of R24 999.99
 - A directive to deactivate its additional reporting profile
 - A directive to remediate the outstanding unreported transactions
 - A caution not to repeat the non-compliant conduct.

4. Henque 1014 CC t/a Weirs Toyota
A reprimand for failing to register timeously
A financial penalty of R412 095 for failing to report 52 transactions exceeding the threshold of R24 999.99
A directive to remediate the outstanding unreported transactions
A caution not to repeat the non-compliant conduct.

5. KIA Motors South Africa (Pty) Ltd t/a KIA Roodepoort
A reprimand for failing to timeously register
A financial penalty of R357 383 for failing to report and/or timeously report 27 transactions exceeding the threshold of R24 999.99
A financial penalty of R17 745 for failing to timeously report one suspicious and unusual transaction
A directive to remediate the outstanding unreported transactions
A caution not to repeat the conduct that resulted in non-compliance.

6. Mahers Motors (Pty) Ltd t/a Paul Maher Ford
A reprimand for failing to timeously register
A financial penalty of R934 755 for failing to report and/or timeously report 46 transactions exceeding the threshold of R24 999.99
A directive to remediate the outstanding unreported transactions
A caution not to repeat the conduct that resulted in non-compliance.

7. Blue Water Investments CC t/a Jackson Motor City
A reprimand for failing to timeously register
A reprimand for failing to comply with Directive 02/2014
A financial penalty of R503 443 for failing to report and/or timeously report 38 transactions exceeding the threshold of R24 999.99
A caution not to repeat the conduct that resulted in non-compliance.

8. Randburg Coin CC
A financial penalty of R7 520 831 for failing to report 212 transactions exceeding the threshold of R24 999.99.
A caution not to repeat the conduct that resulted in non-compliance.

Administrative sanctions imposed by the FIC can include:

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

It is important to note that an administrative sanction imposed on non-compliant institutions does not imply that the institution has facilitated money laundering or terrorism funding transactions.

During the 2020/21 financial year, the FIC imposed administrative sanctions on 24 non-compliant motor vehicle dealers, two of which appealed their sanctions. The 22 sanctions imposed amounted to more than R28.5 million.

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Issued by:

The Financial Intelligence Centre

For more information, please contact communications@fic.gov.za or visit www.fic.gov.za.

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