

8 January 2020

NOTICE TO ALL LEGAL PRACTITIONERS
THE FINANCIAL INTELLIGENCE CENTRE ACT

The Financial Intelligence Centre Act

1. In terms of Schedule 2 to the Financial Intelligence Centre Act ("FICA") the former provincial Law Societies were designated as supervisory bodies. Supervisory bodies are, in terms of section 45 of FICA, responsible for supervising and enforcing compliance with FICA, or any order, determination or directive made in terms of FICA, by all accountable institutions regulated or supervised by them.
2. In terms of FICA, all practitioners who practice as defined in section 1 of the Attorneys Act are accountable institutions. The Financial Intelligence Centre ("the Centre") advised the Legal Practice Council, as the successor to the Law Societies, that the Minister of Finance had decided, prior to the LPC coming into being on 1 November 2018, to remove the Law Societies from Schedule 2 to FICA and that the Centre would take over that supervisory function.
3. The amendment to Schedule 2 has been delayed, but the Centre asked the Council to enter into a Memorandum of Understanding in terms of which the Council delegates its supervisory powers to the Centre until such time as the amendment takes place.
4. The Council agreed to enter into such an MOU, and this was signed by the LPC on 5 November 2019, on which date it took effect.
5. Attorneys should therefore note that the Centre is now the entity that supervises compliance by attorneys with FICA.
6. FICA does not yet deal with trust account advocates, but it will no doubt be amended to cover them as well as attorneys. Advocates with trust accounts are therefore urged to acquaint themselves with the relevant provisions of FICA, not only to prepare themselves for amendments to FICA but also to reduce the risk of their trust accounts being utilized for money laundering.

Yours truly

A handwritten signature in black ink, appearing to read 'K. Matolo', with a stylized, cursive script.

MS KATHLEEN MATOLO – DLEPU
CHAIRPERSON
LEGAL PRACTICE COUNCIL