Field Agent
AML/CFT and Exchange Control Training

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What is Financial Crime?

Financial crime is generally defined as any activity that involves fraudulent or dishonest behavior for the purposes of personal financial gain, although it may also include the illegal conversion of property ownership.

Money Laundering:

- Money laundering is the illegal process of concealing the origins of money obtained illegally
- Passing it through a complex sequence of banking transfers or commercial transactions.
- The overall scheme of this process returns the "clean" money to the launderer in an obscure and indirect way.

E.g., The proceeds of drug money or human trafficking is sent to Bolivia via multiple individual senders to conceal the origin of the proceeds.

Terrorist Financing:

- Terrorism financing is the provision of funds or providing financial support to individual terrorists or non-state actors.

Most countries have implemented measures to counter terrorism financing often as part of their money laundering laws.

E.g., Customer ABC earns a salary or sells his car (legitimate funds) and sends it to a person to help finance a terrorist attack.

Three stages of Anti Money Laundering

Placement:

- The movement of cash from its illegal source.
- On occasion the source can be easily disguised and misrepresented

E.g., Criminals place their illegal earned money into circulation through financial institutions, casinos, shops, money transfer operators and other businesses both local and international

Layering:

- The Purpose of this stage is to make it more difficult to detect and uncover a money laundering activity.
- It is meant to make the trailing of illegal proceeds difficult for the law enforcement agencies.

E.g., Money in a bank account is transferred using cheques or bank transfers. Customer ABC transfers funds into different accounts causing a layering effect

Integration:

- The movement of previously laundered money into the economy mainly through the banking system and thus such monies appear to be normal business earnings.

E.g., Acquiring wealth generated from the transactions of the illegal funds, interests on a fixed deposit/investments

What is Financial Crime?

Sanctions

- Types of sanctions include National or International sanctions.
- These may be issued against individuals, entities, groups or nations or even trading activities/particular sectors.
- Those bodies charged with enforcing sanctions compliance operate cross border and are particularly active now, with multiple fines for firms in recent years stretching into billions of dollars.

E.g., Individuals and entities listed on the UN and OFAC list are not allowed to be onboarded by any business

Fraud

- Wrongful or criminal deception intended to result in financial or personal gain

E.g., Fictitious profiles: Creating profiles of customers who are unaware or not the person performing transactions via the profile

Tax Evasion

- Tax evasion is an illegal attempt to defeat the imposition of taxes by individuals, corporations, trusts, and others.

E.g., Customer owns a business and requires the field agent assist them in sending all cash money made from the business back home.

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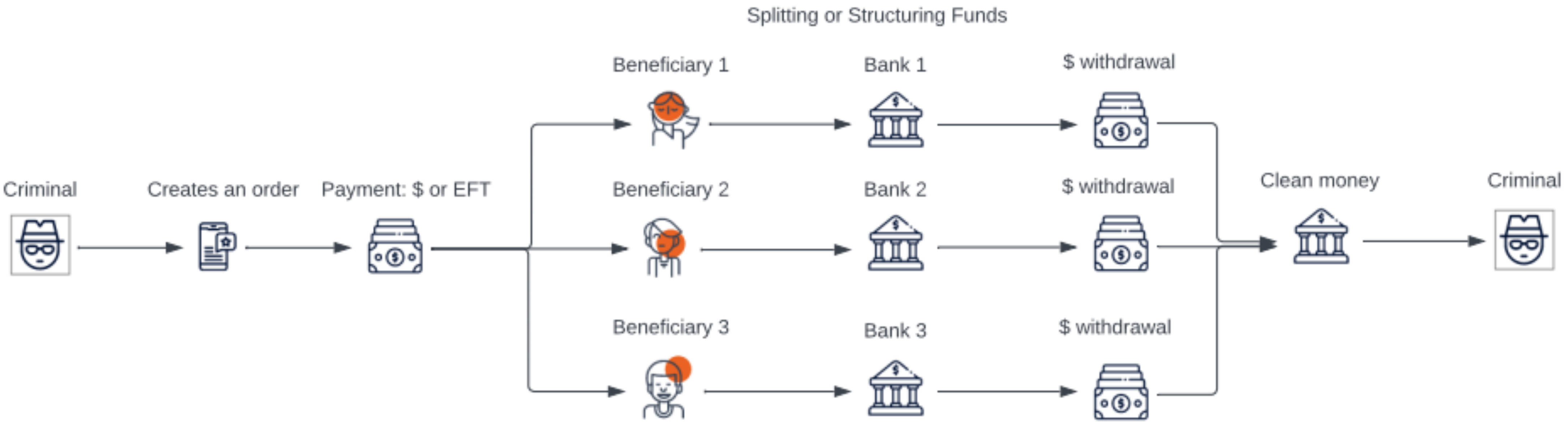
Money Laundering within the remittance industry



Professional Money Launder

A Professional money laundering organisation (PMLO), which consists of two or more individuals acting in independence and as a structured group that specialises in providing services or advice to launder money for criminals.

E.g., A group of field agents who assists criminals to launder their money across border for a fee or commission is seen as a professional money laundering organisation.

This activity is seen as a criminal offence and individuals involved can be prosecuted.

A person convicted of an offence is liable for imprisonment for a period not exceeding 15 years or to a fine not exceeding R100 million.

Three stages of Terrorism Financing

Funding

- Raising of funds
  - From legitimate funds
  - From illegitimate funds
- Sympathizers or unsuspecting people

E.g., It may involve funds raised from legitimate sources such as personal donations and profits from businesses and charitable organisations, as well as from criminal sources such as, drug trafficking, fraud, smuggling of weapons and other goods, kidnapping and extortion.

Delivery

- Transferred of funds/equipment/resources to a terrorist organisation.

E.g., Individual may use a financial institution (bank or money remittance operator) to transfer the legitimate or illegitimate funds

Terrorism

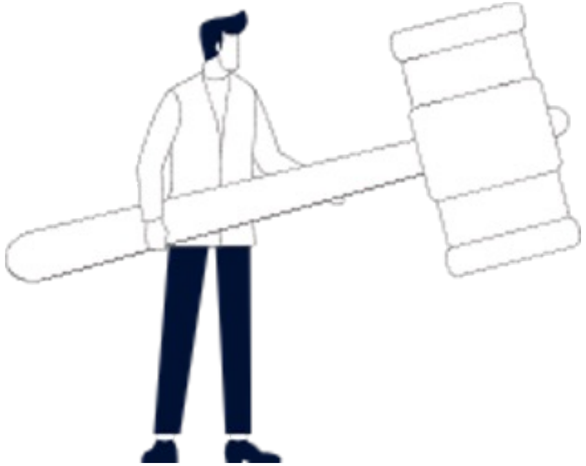
- Acts of Terrorism

E.g., This is when the actual incident takes place such as the bombing Boston Marathon in the United Kingdom

Suspicious behaviour to look out for

- Customer appears nervous and asking a lot of questions on how to use the service especially how payment works
- Customer is rude and abrupt, not wanting to answer your questions especially around source of funds
- Customer appears to not know the beneficiary
- Customer asks questions about how he/she can transfer large amounts of cash
- Customer wants you to use other senders' profiles to send money

Exchange Control



	Gold	Platinum	Platinum Plus
ID Type	**Daily - Up to R24 999** **Monthly - Up to R24 999**	**Daily - Up to R49 999** **Monthly - Up to R75 000**	**Bangladesh, Pakistan, and India** **Daily - Up to R49 999** **Monthly - Up to R150 000**
SA ID	N/A	SA ID	SA ID By country of birth/by marriage
Foreign Passport	Valid Foreign Passport	Valid Foreign passport Valid permit	Valid Foreign passport Valid permit
Asylum Document	Valid Asylum seeker document	Valid Asylum seeker Proof of Income: Bank statement or Salary slip or Signed employment contract	Valid Asylum seeker Proof of Income: Bank statement or Salary slip or Signed employment contract
Foreign ID	Valid Foreign ID	Valid Foreign ID Proof of Income: Bank statement or Salary slip or Signed employment contract	Valid Foreign ID Proof of Income: Bank statement or Salary slip or Signed employment contract

Exchange Control-Discretionary Allowance

Each client is only allowed to send a discretionary allowance limit of **R1 Million per calendar year**. This is irrespective of which remittance partner they use.

Please note that sending more than the allowed limit/contravening the Foreign Exchange Control regulations will result in significant consequences from the Reserve Bank such as Penalties & Fines, Investigation, Account Freezing and legal action.

Always make sure to advise clients at onboarding or through your various interactions you have with them.

How can a Field Agent help prevent money laundering and terrorist financing ?

- Make sure the customer you are onboarding is the customer in front of you
- Capture the correct information presented by the customer
- Accept only valid documentation from the customer
- Do not onboard anonymous customers
- Do not create fake customer profiles
- Do not create transaction on behalf of customers
- Do not collect, receive or have access to customer funds
- Identify suspicious behaviour and report to compliance za@riamoneytransfer.com
- You can also contact us anonymously on dialing #31#0766337431 (#31#cellphone nr)
- Even though source of funds is not required for lower limit customers, DO NOT BE AFRAID TO ASK if you feel uneasy about the registration
- Attend all AML/CFT and exchange control training

Regulation to regulate the Field Agent

Compliance Duty	Section
Customer information collected by field agents may not be retained or reused by field agents.	Section B (ii) of the ADLA Manual
Field agents will not have access to CIV information of customers after the client has been onboarded by the Sikhona	Section B (ii) of the ADLA Manual
No transactions may be concluded by the field agent on behalf of the customer.	Section B (ii) of the ADLA Manual
Field agents are not allowed to collect, receive or have access to customer funds	Section B (ii) of the ADLA Manual
Field agents must attend exchange control and AML/CFT training , including refresher training	Section B (ii) of the ADLA Manual
Sikhona remains responsible for their compliance obligations in terms of the FIC Act, the ADLA Manual and the Regulations in respect of the use of field agents including field agents employed by Flash and contracted to Sikhona.	Section B (ii) of the ADLA Manual

*Currency and Exchanges Manual for ADLAs.pdf (resbank.co.za)

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QUESTIONS ?

At Ria,
Compliance is
Everyone's
Responsibility