

ENQUIRIES:	Thabang Mashile	D. DIALLING NO.:	(012) 428 8089
OUR REF:	FSP1966	FAX:	
DATE:	15 January 2021	E-MAIL:	Thabang.mashile@fsc.co.za

Ms SC Venter
Maxi Forces Financial Services (Pty) Ltd
1293 South Street
Maxi Building
Zwartkop, Centurion
0157

By email: santjie@maxiforces.co.za; delport@swu.co.za

Dear Ms SC Venter

NOTICE OF ADMINISTRATIVE SANCTION

1. The Financial Sector Conduct Authority (FSCA) is satisfied that Maxi Forces Financial Services (Pty) Ltd (MAXI), an authorised financial services provider and an accountable institution as envisaged in terms of item 12 of schedule 1 of the FIC Act, has failed to comply with the Financial Intelligence Centre Act 38 of 2001 (FIC Act). Accordingly, the FSCA hereby issues this Administrative Sanction Notice (the Notice).

2. Nature of Non-compliance:

2.1. In terms of section 42(1) of the FIC Act read with Guidance Note 7 issued by the Financial Intelligence Centre (the FIC), an accountable institution must develop, document, maintain and implement a programme for anti-money laundering and counter terrorist financing risk management compliance (also referred to as a Risk Management and Compliance Programme or RMCP).

The RMCP must enable the accountable institution to identify, assess, monitor, mitigate and manage the risk that the provision by the accountable institution of products or services may involve or facilitate money laundering (ML) activities or the financing of terrorist (TF) and related activities. The RMCP must determine the processes by which enhanced due diligence is conducted for higher risk business relationships and when simplified customer due diligence might be permitted in the institution.

During the inspection conducted on 11 to 13 November 2019, it was noted that MAXI did not have its own RMCP in terms of section 42(1) of the FIC Act. MAXI was in the process of developing, documenting and implementing their RMCP.

- 2.2. In terms of section 42A of the FIC Act, the board of directors must ensure compliance by the accountable institution and its employees with the provisions of the FIC Act and its RMCP.

The directors of MAXI did not ensure compliance with the provisions of the FIC Act and RMCP by its employees. During the inspection, one of the directors resigned as a director and no other person of seniority took the responsibility of ensuring that MAXI complies with the FIC Act and the RMCP.

3. Reasons for imposing the administrative sanction

- 3.1. MAXI responded on 09 June 2020 to the above areas of non-compliance raised by FSCA in the notice of intention to sanction and the response was taken into account.
- 3.2. MAXI's non-compliance with the FIC Act established during the inspection, as detailed above, and as set out in the notice of intention to sanction is a serious violation of the provisions of the FIC Act.
- 3.3. All accountable institutions were given 18 months, which is ample time, to implement the amendments to the FIC Act.

- 3.4. The FSCA is satisfied that the non-compliance identified has sufficiently be remediated.
- 3.5. The FSCA believes that the sanction should be dissuasive enough to prevent a reoccurrence of the non-compliance.

4. Particulars of the administrative sanction:

4.1. In terms of section 45C(1), read with sections 45C(3), and 45C(6)(a) of the FIC Act, the FSCA hereby imposes the following administrative sanction on MAXI:

4.1.1. A financial penalty of R10 000.00 for non-compliance with section 42(1) of the FIC Act, read with Guidance Note 7 issued by the FIC.

4.1.2. A financial penalty of R10 000.00 for non-compliance with section 42A of the FIC Act.

MAXI is directed to pay a financial penalty of R20 000.00 on or before **15 February 2021**.

4.2. The financial penalty of R20 000.00 is payable via electronic fund transfer to:

Account Name :	NRF – FIC Act Sanctions
Account Holder :	National Treasury
Account Number:	80552749
Bank :	South African Reserve Bank
Code :	910145
Reference :	FIC Sanction – Maxi Forces Financial Services (Pty)Ltd

4.3. Proof of payment must be submitted to the FSCA at thabang.mashile@fsca.co.za and copy charl.geel@fsca.co.za.

5. Right of appeal:

5.1. In terms of section 45D of the FIC Act, read with Regulation 27C of the Regulations promulgated in terms of GN R1595 in GG 24176 of 20 December 2002 as amended, MAXI may lodge an appeal within 30 days,

from the date of receipt of the Notice. The notice of appeal and proof of payment of the mandatory appeal fee must be:-

5.1.1. hand delivered to:

The Secretary: The FIC Act Appeal Board
Byl's Bridge Office Park, Building 11
13 Candela Street
Highveld Extension
Centurion

5.1.2. sent via electronic mail to:

The HOD: Office of General Counsel
FSCA
Attention: Mr S Rossouw (Stefanus.Rossouw@fsca.co.za)

5.2. The Appeal Board secretary may be contacted at AppealBoardSecretariat@fic.gov.za and telephonically at (012) 641-6000 should MAXI require further information regarding the appeal process. Details of the appeal process can also be found on the FIC's website at www.fic.gov.za.

6. Failure to comply with the administrative sanction

6.1. In terms of section 45(C)(7)(b) of the FIC Act, should MAXI fail to pay the prescribed financial penalty in accordance with this notice and an appeal has not been lodged within the prescribed period, the FSCA may forthwith file with the clerk or registrar of a competent court a certified copy of this notice, which shall thereupon have the effect of a civil judgement lawfully given in that court in favour of the FSCA.

7. Publication of sanction:

7.1. The FSCA will make public the decision and the nature of the sanction imposed in terms of section 45C(11) of the FIC Act.

Yours faithfully



KEDIBONE DIKOKWE

FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY