

ENQUIRIES:	Mpho Radebe	D. DIALLING NO.:	(012) 422 2848
OUR REF:	FSP 15992	FAX:	-
DATE:	28 September 2020	E-MAIL:	<a href="mailto:mpho.radebe@fsca.co.za">mpho.radebe@fsca.co.za</a>

Mr JJ Venter  
Standerton Versekeringsmakelaars BK trading as Jes Venter Finansiële Dienste  
35 Beyers Naude Drive  
Standerton  
2430

Per E-mail: [jesfin@mweb.co.za](mailto:jesfin@mweb.co.za)

Dear Sir

## NOTICE OF ADMINISTRATIVE SANCTION

1. The Financial Sector Conduct Authority (FSCA) is satisfied that Standerton Versekeringsmakelaars BK (Jes Venter Finansiële Dienste), 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(2)(a) and (m) of the FIC Act read with Guidance Note 7 issued by the Financial Intelligence Centre (the FIC), an accountable institution's Risk Management and Compliance Programme (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.

2.1.1. At the time of the inspection, Jes Venter Finansiële Dienste's RMCP did not comply with the requirements set out in section 42(2)(a) and (m) of the FIC Act read together with Guidance Note 7 issued by the FIC, in that the RMCP did not provide for:

- The ML/TF risks identified and how the risks could be realised;
- The effective risk scales to classify categories of clients in terms of the ML/TF risks;
- The customer due diligence that will be applied to different risk categories of clients based on the risk classification.

2.2. In terms of section 20A to 21H of the FIC Act, an accountable institution should use the findings from its risk assessment to decide on the appropriate level and type of customer due diligence it will apply to a client; its RMCP must describe the customer due diligence measures which it applies and how these measures are intensified on the basis of ML/TF risks.

2.3. More specifically, In terms of section 21B(4) of the FIC Act, one of the additional steps to be taken by an accountable institution when entering into a single transaction or establishing a business relationship with a **trust**, is to establish the identifying name and the number of the trust and take reasonable steps to verify those particulars in accordance with its RMCP

2.3.1. Jes Venter Finansiële Dienste failed to comply with section 21B(4) of the FIC Act, in that at the time of the inspection, the customer due diligence measures employed were not in accordance with its RMCP. In terms of the RMCP the identity of the trust would be verified by obtaining a copy of the trust deed, letter of authority issued by the Master of the High Court and a resolution signed by all trustees. The following client files were sampled, and it was established that no trustee resolution was obtained:

- The JN Buthelezi Trust

- The PN Kgaphola Trust
- The PE Mlangeni Trust
- The FZ de Vos Trust
- The A Mokoena Trust
- The TS Mthimkulu Trust
- The EJ Swartz Trust
- The HJP Marais Trust

2.4. In terms of section 43 of the FIC Act, an accountable institution is required to provide ongoing training to its employees to enable them to comply with the provisions of the FIC Act and RMCP applicable to them.

2.4.1. Jes Venter Finansiële Dienste failed to comply with section 43 of the FIC Act, in that no training was provided to its employees to enable the institution to comply with the provisions of the FIC Act and its RMCP.

### **3. Reasons for imposing the administrative sanction**

3.1. Jes Venter Finansiële Dienste has cooperated with the FSCA during the inspection.

3.2. From 10 June 2020 Jes Venter Finansiële Dienste responded to the above areas of non-compliance raised in the notice of intention to sanction by submitting a revised RMCP on 16 July 2020 and various documentation pertaining to the 8 trust clients (as listed above) included in the client files sampled. A trustee resolution was provided in respect of The JN Buthelezi Trust, The PN Kgaphola Trust and The A Mokoena Trust. In respect of the other files Jes Venter Finansiële Dienste confirmed that the resolution is not there because Glacier, the product provider, did not require it.

3.3. On 3 July 2020 Jes Venter Finansiële Dienste confirmed that customer due diligence was conducted on only 40% of the client base 527 clients.

3.4. Further Jes Venter Finansiële Dienste provided an onboarding questionnaire completed for the 8 trust clients. All 8 trust clients were rated low in respect of

ML/TF risk. The Authority requested clarification regarding the basis for rating these clients low after considering the following risk factors:

- Interaction with client – *rated low because the interaction was with the trustee, Stiaan Bekker and the origin of the funds is known.*
- Client co-operation and behaviour – *rated low because of Stiaan Bekker as the responsible person for the trust*
- Transaction within the client's financial means – *amended the rating to medium risk because the client has no other source of income.* It should be noted that no amendment was made to this risk factor in the RMCP.
- Size of transaction – *amended the transaction ranges in the RMCP*
- Product selection – *amended the RMCP by adding 'discretionary products in terms of investments done for Veritas'*
- Client's geographical location – *amended the RMCP by removing any person who resides more than 100Kms from Jes Venter Finansiële Dienste's office*
- Client type (e.g. foreign national, SA citizen, beneficial ownership) – *amended the RMCP to including trusts*
- Client activities/occupation (source of income/wealth) – *amended the RMCP.* No provision for a trust client has been made, the only provision is in respect of natural person who earns a salary, cash business and non-cash business conducting transaction in South African rand or foreign currency.

Jes Venter Finansiële Dienste responded, as per the summary above in italics. The FSCA noted that that there was no change to the clients' risk rating on the onboarding questionnaire other than being amended from low risk to a medium risk, the only factor that changed was the transaction within the client's financial means.

In terms of the revised RMCP, a standard customer due diligence was to be conducted on these clients. In respect of each beneficiary of the trust, a utility bill or other account bearing the name of the beneficiary / an employee certification of the beneficiary's physical address / an affidavit regarding the beneficiary's physical address is to be obtained. Jes Venter Finansiële Dienste did not provide such confirmation of the physical address of the beneficiary.

- 3.5. The feedback received on 10 June 2020 as well as the revised RMCP received on 16 July 2020 and 21 August 2020 respectively demonstrated that the findings as set out in paragraph 2.1.1 and 2.3.1 above were partially remediated.
- 3.6. Notwithstanding all the above, the FSCA is satisfied that the revised RMCP has materially improved and deemed it appropriate to partially suspend the financial penalty outlined in the notice of intention to sanction.

#### **4. Particulars of the administrative sanction:**

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

4.1.1. A financial penalty of R10 000 for non-compliance with section 42(2)(a) and (m) of the FIC Act, read with Guidance Note 7 issued by the FIC.

The payment of the R10 000 is suspended for a period of 3 years from the date of this Administrative Sanction, on condition that Jes Venter Finansiële Dienste remains fully compliant with section 42(2)(a) and (m) of the FIC Act read together with Guidance Note 7 issued by the FIC.

Should Jes Finansiële Finansiële Dienste be found to be non-compliant with section 42(2)(a) of the FIC Act, read together with Guidance Note 7 issued by the FIC, within the 3 year suspension period the suspended penalty of R10 000 becomes immediately payable.

4.1.2. A financial penalty of R 40 000 for non-compliance with section 21B(4) of the FIC Act.

Jes Venter Finansiële Dienste is directed to pay the financial penalty of R40 000 on or before 28 October 2020 for failure to conduct customer due diligence in accordance with its RMCP.

4.1.3. A financial penalty of R10 000 for non-compliance with section 43 of the FIC Act.

Jes Venter Finansiële Dienste is directed to pay the financial penalty of R10 000 on or before 28 October 2020 for failure to train its

employees to enable the institution to comply with the provisions of the FIC Act and its RMCP.

4.2. The financial penalty of R50 000 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 – Standerton Versekeringsmakelaars BK

4.3. Proof of payment must be submitted to the FSCA at [mpho.radebe@fsca.co.za](mailto:mpho.radebe@fsca.co.za) and copy [charl.geel@fsca.co.za](mailto: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, ABC 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  
Byls 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. Mr G Dudeni, Secretary of the FIC Act Appeal Board, may be contacted at [Gcinikhaya.Dudeni@fic.gov.za](mailto:Gcinikhaya.Dudeni@fic.gov.za) and telephonically at (012) 641-6243 should

Jes Venter Finansiële Dienste 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](http://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 Jes Venter Finansiële Dienste 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**