

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

ANTI MONEY LAUNDERING AND COUNTER FINANCING of TERRORISM RISK MANAGEMENT AND COMPLIANCE PROGRAMME

INTRODUCTION AND MANAGEMENT COMMITMENT

Section 42 of the FIC Act places an obligation on **Bay Wealth Management (Pty) Ltd (FSP number 14451)** as an accountable institution, to develop, document, maintain and implement an AML & CFT Risk Management and Compliance Plan.

The criminal activities of money laundering and terrorist financing have become a global problem as a result of several changes in world markets. These changes have provided the source, opportunity and means for converting illegal proceeds into what appears to be legitimate funds. In order to combat these activities, the Financial Action Task Force ("FATF") was established in 1989 as a global, inter-governmental body whose purpose is the development and promotion of policies to combat money laundering and the financing of terrorism.

South Africa became a member state of FATF in 2003 and has demonstrated a strong commitment to ALM & CTF through the enactment of the Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004 ("POCDATARA"), the Prevention of Organised Crime Act 121 of 1998 ("POC Act") and the Financial Intelligence Centre Act 38 of 2001 ("FICA").

The purpose of FICA is to introduce an Anti-Money Laundering ("AML") and Counter Terrorist Financing ("CTF") regulatory framework and to establish the Financial Intelligence Centre ("FIC") who is tasked with supervising and enforcing compliance with the Act. FICA also imposes certain duties on FSPs that are more likely to be exploited for money laundering or terrorist financing purposes.

We recognise that our FSP has been classified as a type of institution that is more readily targeted by criminals for money laundering or terrorist financing purposes. We are therefore committed to fully comply with FICA's regulatory requirements in order to make it more difficult for criminals.

The RMCP comprises of a policy document, procedures, systems and controls that must be implemented within the FSP. The RMCP will be the foundation of The FSP's efforts to comply with its obligations under the FIC Act on a risk sensitive basis.

The FSP will ensure that the key individual(s) is/are ultimately responsible for ensuring that the institution maintains effective internal AML/CFT controls and ensuring a culture of compliance within the business.

Version	V4.2024.01	Last Review Date	25 January 2024
		Next Review Date	Quarter 1 - 2025

Bay Wealth Management (Pty) Ltd

Reg No: 2009/004616/07

232 Cape Road | Mill Park | Port Elizabeth | 6001

Tel: +27 (0) 41 374 0026

Email: info@baywealth.co.za

Directors: A. Mestre (Managing); T. Mestre

Bay Wealth Management (Pty) Ltd. is an authorised FSP in terms of the FAIS Act, 2002 (14451).



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

1. DEFINITIONS

The definitions provided below have been adapted to align with the FSP's specific requirements and may not necessarily have the exact same meaning as that of similar legal definition.

- 1.1 **Beneficial Owner**
In respect of a legal person, means a natural person who, independently or together with another person, directly or indirectly:
 - owns the legal person; or
 - exercises effective control over the legal person.
 - 1.2 **Business Relationship**
Means a relationship between a client and the FSP for the purpose of concluding transactions on a regular basis.
 - 1.3 **Cash**
Cash means coin and paper money of the Republic of South Africa or of another country that is designated as legal tender and that circulates as, and is customarily used and accepted as, a medium of exchange in the country of issue, and includes travellers' cheques.
 - 1.4 **Cash Threshold Report**
Means the report that must be submitted to the FIC where a transaction is concluded with a client, and an amount of cash in excess of the prescribed amount i.e., R24 999 is paid or received by the FSP in terms of that transaction. The cash threshold also includes a series of transactions or an aggregate of smaller amounts which when combined equal the amount of R24 999. If it appears to the FSP that the transactions involving those smaller amounts are linked, these transactions must be considered as fractions of one transaction.
 - 1.5 **Client**
In relation to the FSP, means a person who has entered into a single transaction or a business relationship with the FSP.
 - 1.6 **Client Due Diligence Procedure**
Means the reasonable steps taken by the FSP to establish and verify the identity of a client that is party to a Moderate-Risk ML/TF transaction, which steps are fewer and less onerous than an Enhanced Due Diligence but more stringent than a Quick Due Diligence.
 - 1.7 **Client Representative**
In relation to the FSP, means a natural person who has been authorised by a client to enter into a single transaction or a business relationship with the FSP on behalf of that client.
 - 1.8 **Effective Control**
In respect of a legal person, means the ability to materially influence or make key decisions in respect of, or on behalf of that legal person.
 - 1.9 **Legal Person**
Any person, other than a natural person, that enters into a single transaction or establishes a business relationship, with the FSP, and includes a person incorporated as a company, close corporation, foreign company or any other form of corporate arrangement or association, but excludes a trust, partnership or sole proprietor.
 - 1.10 **Money Laundering**
Means an activity which has, or is likely to have, the effect of concealing or disguising the nature, source, location, disposition or movement of the proceeds of unlawful activities or any interest which anyone has in such proceeds.
-



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

1.11 Noncompliance

Any act or omission that constitutes a failure to comply with any of FICA's provisions, regulations, and the FSP's AML & CTF RMCP, or any order or directive made in terms of FICA.

1.12 Property associated with Terrorist and Related Activities

Has the meaning assigned to it in Section 1 of the Prevention of Organised Crime Act 121 of 1998 ("POC Act").

Property in this context means:

- money, or any
- movable, immovable, corporeal or incorporeal thing, or any
- rights, privileges, claims and securities and any interest therein and all proceeds thereof, which were acquired, collected, used, possessed, owned or provided for the benefit of, or on behalf of, or at the direction of, or under the control of an entity (or another entity that has provided financial or economic support to such an entity) which commits or attempts to commit, or facilitates the commission of a specified offence as defined in POCDATARA.

An abbreviated list of the POCDATARA offences are:

- The intentional delivery, placing, discharging, detonating (or making a hoax associated with these activities), of an explosive or other lethal device in, into or against a place of public use, a state or government facility, a public transport facility, a public transportation system, or an infrastructure facility.
- The intentional seizure, high-jacking, taking control, destroying or endangering the safety of a fixed platform.
- The intentional seizure, detaining or taking of a hostage in order to compel any third party, including a state, intergovernmental FSP or a group of persons, to do or abstain from doing any act as an explicit or implicit condition for the release of the hostage.
- The intentional murder, kidnap violent attack or other offence related to causing harm to an internationally protected person.
- The intentional seizure or taking of control of an aircraft by force or threat.
- The intentional seizure or taking of control of a ship by force or threat.
- The harbouring, concealing, of a person or group of persons who intend to commit, or who has committed any of the offences listed above.
- The financing of a person or group of persons to commit, or to facilitate the commission of any of the offences listed above.
- The threatening, attempting to threaten, the conspiring with any other person or the inciting of another person to commit any of the offences listed above.

1.13 Single Transaction

A single transaction, means a transaction:

- other than a transaction concluded in the course of a business relationship, and
- where the value of the transaction is not less than the prescribed amount. i.e., R5000

1.14 Source of Funds

Means the origin of the funds that will be used by the client in concluding a single transaction or which a prospective client is expected to use in concluding transactions in the course of a business relationship.

1.15 Suspicious or Unusual Activity Report

Means the report that must be submitted to the FIC where there is reasonable knowledge in respect of the proceeds of unlawful activities or money laundering, and where the report relates to an activity which does not involve a transaction between two or more parties, or in respect of a transaction or a series of transactions about which enquires are made, but which has not been concluded, respectively.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

- 1.16 Suspicious or Unusual Transaction Report
Means the report that must be submitted to the FIC where there is reasonable knowledge in respect of the proceeds of unlawful activities or money laundering, and where the report relates to a transaction or a series of transactions between two or more parties.
- 1.17 Terrorist and Related Activities
Has the meaning assigned to it in Section 1 of the Protection of Constitutional Democracy Against Terrorist and Related Activities Act 33 of 2004 ("POCDATARA").
- 1.18 Terrorist Financing Activity Report
Means the report that must be submitted to the FIC where there is reasonable knowledge in respect of the financing of terrorism and related activities, and where the report relates to an activity which does not involve a transaction between two or more parties, or in respect of a transaction or a series of transactions about which enquires are made, but which has not been concluded, respectively.
- 1.19 Terrorist Financing Transaction Report
Means the report that must be submitted to the FIC where there is reasonable knowledge in respect of the financing of terrorism and related activities, and where the report relates to a transaction or a series of transactions between two or more parties.
- 1.20 Terrorist Property Report
Means the report that must be submitted to the FIC where the FSP has in its possession, or under its control property, associated with terrorist and related activities.
- 1.21 Trust
Means a trust as defined in Section 1 of the Trust Property Control Act 57 of 1988, but does not include a trust established:
– by virtue of a testamentary disposition,
– by virtue of a court order,
– in respect of persons under curatorship, or
– by the trustees of a retirement fund in respect of benefits payable to the beneficiaries of that retirement fund, and includes a similar arrangement established outside of South Africa.

2. PURPOSE and SCOPE OF THE FSP'S AML & CTF RMCP

The purpose of this plan is to enable the FSP to identify, assess, mitigate, manage and monitor the risk that rendering of financial services by the FSP may involve or facilitate money laundering activities or the financing of terrorist and related activities.

The AML & CTF RMCP will apply to all employees and governing/ownership body of the FSP.

The FSP only has one branch to which the AML & CTF RMCP will apply and be implemented.

Any gross negligence or wilful noncompliance with the provisions of FICA and/or the processes and procedures outlined within the FSP's AML & CTF RMCP, will be considered a serious form of misconduct which may result in a summary dismissal.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

3. FICA COMPLIANCE OBJECTIVES

The FSP's FICA Compliance Objectives are:

- To protect the FSP and the financial services industry, through the management of money laundering and terrorist financing risk.
- To apply a risk-based approach to client transactions and to understand the purpose of all business relationships entered into with clients.
- To educate employees how to identify business relationships and transactions that pose a higher risk to money laundering and terrorist financing.
- To implement Client Due Diligence procedures that will make it more difficult for criminals to hide the proceeds of unlawful activities.
- To submit to the FIC relevant reports concerning all transactions that are identified as being suspicious, unusual or above the prescribed cash threshold.
- To keep accurate records of all FICA related transactions and Client Due Diligence procedures.

4. FICA AML & CTF RISK COMPLIANCE REQUIREMENTS

The FSP has identified the following requirements:

	OBLIGATION	REQUIREMENT	REFERENCE	DOCUMENT
4.1	General	The FSP must develop, document, maintain, implement and govern compliance of an AML & CTF RMCP	FICA Sec 42 Sec 42A	AML & CTF RMCP
4.2.1	Licensing and Maintenance	The FSP must register itself with the FIC	FICA Sec 43B(1)	Org ID Org particulars Login particulars Confirmation from FIC
4.2.2	Licensing and Maintenance	The FSP must inform the FIC of any changes to its registration particulars	FICA Sec 43B(4)	Keep records of instructions to FIC
4.3.1	Client Due Diligence	The FSP must understand and obtain information where a new business relationship is established	FICA Sec 21A	Client Due Diligence Forms
4.3.2	Client Due Diligence	The FSP must establish and verify the identity of all prospective clients	FICA Sec 21	Client Due Diligence Forms



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.3.3	Client Due Diligence	The FSP must avoid clients with apparent false or fictitious names	FICA Sec 20A	Client Due Diligence Forms Suspicious or Unusual Transaction Form if Applicable
4.3.4	Client Due Diligence	The FSP must avoid and terminate any business relationships or single transactions where it is unable to conduct a client due diligence	FICA Sec 21E	Client Due Diligence Forms Suspicious or Unusual Transaction Form if Applicable
4.3.5	Client Due Diligence	The FSP must avoid transactions and business relationships with persons and entities identified by the united nations security council	FICA Sec 26B & 26C	Client Due Diligence Forms Suspicious or Unusual Transaction Form if Applicable
4.3.6	Client Due Diligence	The FSP must perform additional client due diligence procedures where a client is a domestic prominent influential person (DPIP)	FICA Sec 21G	Client Due Diligence Forms List of DPIP Management Approval of DPIP
4.3.7	Client Due Diligence	The FSP must perform additional client due diligence procedures where a client is a foreign prominent public official (FPPO)	FICA Sec 21F	Client Due Diligence Forms List of FPPO Management Approval of FPPO
4.3.8	Client Due Diligence	The FSP must perform additional client due diligence procedures where a client is a family member or a close associate of a DPIP or a FPPO	FICA Sec 21H	Client Due Diligence Forms List of DPIP & FPPO Management Approval
4.3.9	Client Due Diligence	The FSP must perform additional client due diligence procedures where a client is a legal person, trust or partnership	FICA Sec 21B	Client Due Diligence Forms
4.3.10	Client Due Diligence	The FSP must when in doubt, confirm the veracity of previously obtained client information	FICA Sec 21D	Client Due Diligence Forms Suspicious or Unusual Transaction Form if Applicable
4.3.11	Client Due Diligence	The FSP must perform ongoing client due diligence procedures and the monitoring of transactions of existing business relationships	FICA Sec 21C	Client Due Diligence Forms Client Review documentation/ registers. CCM policy document



Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.3.12	Client Due Diligence	The FSP must perform Enhanced Client Due Diligence procedures where a high-risk client, product or service is identified	FICA Sec 42(2)	Client Due Diligence Forms Suspicious or Unusual Transaction Form if Applicable
4.4.1	Reporting	The FSP must submit cash threshold reports within the prescribed time limit	FICA Sec 28	This is not applicable to the FSP as the FSP does not collect or handle any cash.
4.4.2	Reporting	The FSP must submit suspicious or unusual transaction reports (STR) and suspicious and unusual activity report (SAR) within the prescribed time limit	FICA Sec 29	Suspicious or unusual Transaction Report (STR) Suspicious or unusual Activity Report (SAR) as required by the FIC
4.4.3	Reporting	The FSP must submit terrorist property reports within the prescribed time limit	FICA Sec 28A	Terrorist Property Report as required by the FIC
4.4.4	Reporting	The FSP must submit terrorist financing transaction reports (TFTR) and terrorist financing activity report (TFAR) within the prescribed time limit	FICA Sec 29	Terrorist financing transaction reports (TFTR) Terrorist financing activity report (TFAR) As required by the FIC
4.4.5	Reporting	The FSP must submit International Funds Transfer Reports.	FICA Sec 31	This is not applicable to the FSP as it is not authorised to conduct the business of cross-border electronic fund transfers
4.4.6	Reporting	The FSP must submit reports to FIC as requested	FICA Sec 27	GoAML Message Board
4.5.1	Recordkeeping	The FSP must keep and maintain client due diligence records for the required period	FICA Sec 22 & 23	As required



Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.5.2	Recordkeeping	The FSP must keep and maintain transaction records for the required period	FICA Sec 22A & 23	As required
4.5.3	Recordkeeping	The FSP must ensure compliance where transaction records or client due diligence records are kept and maintained by a third party	FICA Sec 24	As required
4.6	Training	The FSP must provide Training to ensure compliance with FICA and the FSP's AML & CTF RMCP	FICA Sec 43	Training Register Competence Register
9.	Staff Screening	The FSP must screen employees and potential employees for competence and integrity and scrutinise them against the targeted financial sanctions list.	Directive 8	Employment process GN 5 Competence Register Honesty & Integrity Declarations Targeted financial sanctions list

4.1 AML & CTF RMCP

For the purposes of risk management and crime prevention, the FSP has developed and implemented this AML & CTF RMCP to detect and prevent instances of money laundering and terrorist financing from occurring or being associated with the FSP in any way.

The AML & CTF RMCP has been approved by the FSP's management and will be reviewed on an annual basis to ensure that the AML & CTF RMCP remains relevant to the FSP's operations and the achievement of the FSP's FICA compliance objectives.

4.1.1 Appointment of the FICA Compliance Officer

The FSP's management recognises its responsibility of ensuring that all employees comply with the provisions of FICA and the processes outlined in the AML & CTF RMCP.

The FSP has therefore established a compliance function as part of its risk management framework which is supervised by a FICA Compliance Officer.

The compliance function will at all times be exercised with such due diligence, care and degree of competency as may reasonably be expected from the FICA Compliance Officer.

The FSP's FICA Compliance Officer is responsible for ensuring compliance with FICA and the FSP's AML & CTF RMCP.

GUIDANCE NOTE:

* Refer to FICA Compliance Officer Appointment Letter

4.2 LICENCING AND MAINTENANCE

4.2.1 The FICA CO will ensure that the FSP is registered as an accountable institution with FIC and ensure that the FSP remains registered while operating as an FSP.

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.2.2 Monitoring changes to FSP's registration particulars

The FICA Compliance Officer will monitor any changes to the FSP's business particulars and/or contact details which must be communicated to the FIC.

Where any of the FSP's particulars are updated subsequent to the registration process, the FICA Compliance Officer will communicate these changes to the FIC within 30 business days after such change, but no later than 90 days after such change.

The FICA Compliance Officer will update the FSP's details via the FIC's website portal and will ensure that the updated information is validated within 5 business days of communicating any changes.

The FICA Compliance Officer will keep a record of his or her instructions to the FIC as well as any confirmation notifications received from the FIC.

GUIDANCE NOTE:

- * GoAML on www.fic.gov.za
- * Keep records of all registration documentation
- * Keep records of all changes to registration
- * Regularly login to check correspondence from FIC

4.3 CLIENT DUE DILIGENCE

The FSP has adopted a risk-based approach with regards to performing Client Due Diligence (CDD) procedures. The risk-based approach allows the FSP's employees to conduct proportionate levels of identification and verification activities depending on the ML/TF risks that have been identified for each individual transaction.

All employees responsible for dealing with clients and/or maintaining client and transaction records will at all times follow the FSP's implemented control measures and conduct the appropriate CDD procedures as required.

4.3.1 Understanding and Obtaining Information Concerning a New Business Relationship

When engaging with a prospective client to establish a business relationship, the FSP will source obtain information to reasonably allow the FSP to determine whether future transactions are consistent with the FSP's knowledge of the prospective client.

The information that must be obtained must be able to adequately describe:

- The nature of the business relationship
- The intended purpose of the business relationship, and
- The source of funds which the prospective client expects to use in concluding transactions during the course of the business relationship.

When interacting with clients, the employee must determine whether a prospective client intends to conclude a single transaction or enter into a new business relationship with the FSP by:

- establishing if the particular service or product requested by the client or client representative, is of such nature that it lends itself to the establishment of a new business relationship, and
- enquiring from the client or client representative, whether his/her intention is to conclude only a single transaction or to establish a new business relationship with the FSP.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

Where it is established that the client is entering into a new business relationship with the FSP, the employee will record the nature and intended purpose of the business relationship and source of funds on the Client Due Diligence Form.

Due Diligence will also comprise of client risk ratings and product and services risk ratings:

4.3.1.1 Client Risk Rating

Client Risk Rating criteria are those indicators that have been determined to be relevant to the Client ML/TF Risk Identification process provided.

GUIDANCE NOTE:

- * Refer to Guidance Note 1 Client Risk Identification
- * Refer to Client Due Diligence Forms
- * Refer to Source of Funds Declaration

Client Risk Rating criteria is indicated in the matrix below and will be completed on the client due diligence form.

RISK MATRIX	Low	Medium	High
Channel of Delivery	In Person Contact		
Business Relationship	Existing Relationship	Single Transaction	Transaction outside client's normal pattern
Geography	South Africa and low risk jurisdictions		High risk jurisdictions
Product Type	Retirement Annuity, Preservation fund, Living Annuity, Unit Trust, Endowment, Offshore Unit Trust, Offshore Endowment, Tax Free Savings account, Cash Management Account, Structured products/fixed deposits, share portfolios, forex & voluntary annuity		
Client Type	Natural Person	Legal Entity	Legal Entities within complex structures
Client Occupation	Salaried /not working/retired	Self Employed	Self Employed - cash business



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

Transaction	Less than R50000		Large / Complex
General Suspicious or Unusual client behaviour	None		Yes
On Sanctions List	No		Yes
DPIP	No		Yes
FPPO	No		Yes
Associate of Family of DPIP or FPPO	No		Yes

*** Risk Rating based on highest selection on matrix

Overall Risk Rating	Low	Medium	High
Customer Due Diligence Required	Quick CDD	Standard CDD	Enhanced CDD

Client Risk Ratings are indicated on both the Natural Person Client/Client Representative Due Diligence Forms and must be completed by the employee interacting with the client or client representative for each and every transaction.

4.3.1.2 Product and Services Risk Rating

Product and Services Risk Rating sets out the three risk ratings that may apply to the organisation's identified Product and Service ML/TF Risk.

GUIDANCE NOTE:

- * Refer to Guidance Note 4 Product and Services Risk Rating
- * Refer to Product and Services ML/TF Risk Rating Register

Product and Services Risk Ratings are indicated on both the Natural Person Client/Client Representative Due Diligence Form and need only be completed by the employee facilitating a transaction where none of the Client Risk Ratings are found to apply.

Where the employee has indicated a "yes" response to any of the Product and Services Risk Rating criteria, the employee will proceed to conduct the corresponding Client Due Diligence procedure provided for under the Client Information section i.e. either a Quick Client Due Diligence, a Standard Client Due Diligence or an Enhanced Client Due Diligence.

All information must be recorded within one business day of establishing a new business relationship with the client.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.3.2 Establishing and Verifying the Identity of Prospective Clients

When engaging with a prospective client to enter into a single transaction or to establish a new business relationship, the FSP will:

- Establish and verify the identity of the client,
- If another person is acting on behalf of the client, establish and verify the identity of that other person and that person's authority to act on behalf of the client i.e., the client representative's identity and authority to act on behalf of the client.

All employees responsible for interacting with clients or client representatives will complete the appropriate Client Due Diligence Form in order to establish, and where so required, verify the identity of a prospective or an existing client.

- Natural Person Client
- Client Representative
- Legal Person
- Partnership
- Trust
- Other
 - Administered Estate
 - Fund
 - Trade Union
 - Cooperative
 - University or a School
 - Religious Institution such as church, temple or mosque
 - Sports Club
 - Body Corporate
 - Homeowners Association
 - Municipality or other Organ of State

GUIDANCE NOTE:

- * Refer to Client Due Diligence Forms
- * Refer to Source of Funds Declaration

4.3.3 Avoiding Clients with apparent False or Fictitious Names

The FSP will not conclude a single transaction or establish a business relationship with an anonymous client, or a client with an apparent false or fictitious name.

If at any stage during the interactions with a client or a client representative, the employee suspects that a false or fictitious name is being provided, the employee will:

- refrain from communicating his or her suspicion to the client or client representative,
- attempt to complete the Client Due Diligence Form,
- terminate the transaction, and
- report his or her suspicion to the FICA Compliance Officer

The FICA Compliance Officer will investigate all such reports and consider submitting a Suspicious or Unusual Transaction Report to the FIC.

4.3.4 Avoiding and Terminating a Business Relationship or Single Transaction where unable to conduct a Client Due Diligence

Where the FSP is unable to:

- establish or verify the identity of a client, and/or the identity of a client representative, or
- obtain information regarding the nature of and/or the intended purpose of the business relationship, or



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

- obtain information regarding the source of funds the client expects to use in concluding transactions in the course of the business relationship concerned, or
- perform ongoing due diligence procedures.

The FSP will (as it applies):

- Not establish a business relationship or conclude a single transaction with that client.
- Not conclude a single transaction in the course of a business relationship, nor perform any act to give effect to a single transaction
- Terminate an existing business relationship with a client.

Where employees responsible for interacting with clients and/or maintaining client records are unable to conduct a Client Due Diligence procedure for any reason, the employee will cancel the transaction and inform the FICA Compliance Officer.

The FICA Compliance Officer will investigate the reason why the Client Due Diligence procedure cannot be performed and will take the necessary appropriate action.

4.3.5 Avoiding Transactions and Business Relationships with Persons and Entities identified by the United Nations Security Council

The FSP will avoid all transactions where it is suspected that the transaction will or may facilitate the acquisition, collection, use or provision of property or any other economic support, for the benefit of, or at the direction of, or under the control of a person or an entity indicated on the UN Security Council Sanction List.

Employees responsible for interacting with clients and/or maintaining client and transaction information will screen clients and client representatives against the UN Security Council Sanction list in the following situations:

- When concluding a single transaction or establishing a new business relationship, or
- When performing ongoing due diligence procedures on existing clients.

The enquiry will form part of the Client Due Diligence Forms.

The enquiry will be conducted by checking the client against the FIC TFS list as available on the FIC website and a printout (including date stamp) will be kept on file. The list link is contained in the GN 2.

If at any stage during the employee's interactions with a client or a client representative, the employee suspects that a client is listed on the UN Sanction list, the employee will report this suspicion to the FICA Compliance Officer.

The FICA Compliance Officer will investigate all such reports and consider submitting a Suspicious or Unusual Transaction Report, a Terrorist Financing Activity Report or a Terrorist Financing Transaction Report to the FIC.

GUIDANCE NOTE:

- * Refer to Guidance Note 2 UN Security Council Sanctions List

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

- 4.3.6 Additional Due Diligence Procedures where a client is a Domestic Prominent Influential Person
The FSP will determine whether a prospective client or the beneficial owner of that prospective client, is a domestic prominent influential person (DPIP). Where it is established that they are a DPIP, the FSP will:
- Regard the transaction as a ML/TF High-Risk transaction, and
 - Require the employee interacting with the client to obtain senior management approval before establishing the business relationship, and
 - Take reasonable measures to establish the source of wealth and source of funds of the client, and
 - Conduct enhanced ongoing monitoring of the business relationship.

GUIDANCE NOTE:

- * Refer to Guidance Note 3 DPIP and FPPO

- 4.3.7 Additional Due Diligence Procedures where a client is a Foreign Prominent Public Official
The FSP will determine whether a prospective client or the beneficial owner of that prospective client, is a foreign prominent public official (FPPO). Where it is established that they are a FPPO, the FSP will:
- Regard the transaction as a ML/TF High-Risk transaction, and
 - Require the employee interacting with the client to obtain senior management approval before establishing the business relationship, and
 - Take reasonable measures to establish the source of wealth and source of funds of the client, and
 - Conduct enhanced ongoing monitoring of the business relationship.

GUIDANCE NOTE:

- * Refer to Guidance Note 3 DPIP and FPPO

- 4.3.8 Additional Due Diligence Procedures where a client is a Family Member or Close Associate of a DPIP or FPPO
The FSP will determine whether a prospective client or the beneficial owner of that prospective client, is an immediate family member or a known close associate of a DPIP or a FPPO. Where it is established that they are a family member or a known close associate of a DPIP or a FPPO, the FSP will:
- Regard the transaction as a ML/TF High-Risk transaction, and
 - Require the employee interacting with the client to obtain senior management approval before establishing the business relationship, and
 - Take reasonable measures to establish the source of wealth and source of funds of the client, and
 - Conduct enhanced ongoing monitoring of the business relationship.

The following relationships between a natural person and a client will be regarded as an immediate family member relationship:

- A spouse, civil partner or life partner
- The previous spouse, civil partner or life partner
- Children and stepchildren and their spouse, civil partner or life partner
- Parents
- Siblings and stepsiblings and their spouse, civil partner or life partner



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.3.9 Additional Due Diligence Procedures where a client is a Legal Person, Trust or Partnership

GUIDANCE NOTE:

- * Refer to Client Due Diligence Forms

4.3.9.1 Legal Person

Where it is established that the prospective client is a legal person, whether incorporated or originated in South Africa or elsewhere, the FSP will establish:

- The nature of the client's business, and
- The ownership and control structure of the legal person, and
- The identity of each beneficial owner of the legal person

In order to determine the identity of each beneficial owner, the FSP will determine and verify the identity of each natural person who, independently or together with another person, has a controlling ownership interest in the legal person. i.e., identify and verify the identity of each natural person who independently or together with another person, directly or indirectly owns the legal person or exercises effective control over the legal person.

Where the FSP is uncertain whether or not a natural person is the beneficial owner of the legal person, or in any situation where no natural person is identified as having a controlling ownership interest in the legal person, the FSP will determine the identity of each natural person who exercises control of that legal person through any other means.

Where the FSP is still unable to identify a natural person, the FSP will determine the identity of each natural person who exercises control over the management of the legal person, including that person's capacity as executive officer, non-executive director, independent non-executive director, director or manager.

4.3.9.2 Partnership

Where it is established that the prospective client is a partnership between natural persons, whether incorporated or originated in South Africa or elsewhere, the FSP will establish and verify:

- The identifying name of the partnership, and
- The identity of every partner, including an anonymous partnership or any similar partnership, and
- The identity of each natural person who purports to be authorised to enter into a single transaction or to establish a business relationship with the FSP on behalf of the partnership.

4.3.9.3 Trust

Where it is established that the prospective client is a trust between natural persons, whether incorporated or originated in South Africa or elsewhere, the FSP will establish and verify:

- The identifying name and number of the trust, and
- Where applicable, the address of the Master of the High Court where the trust is registered, and
- The identity of the founder, and
- The identity of each trustee, and
- The identity of each natural person who purports to be authorised to enter into a single transaction or to establish a business relationship with the FSP on behalf of the trust, and
- The identity of each beneficiary referred to by name in the trust deed or other founding instrument in terms of which the trust is created.

Where the beneficiaries are not referred to by name in the trust deed or other founding instrument in terms of which the trust is created, the FSP will establish the particulars of how the beneficiaries of the trust are determined.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.3.10 When in Doubt, confirming the Accuracy of previously obtained Client Information

Where the FSP, following the entering into a single transaction or establishing a business relationship, doubts the accuracy or adequacy of previously obtained information, the FSP will repeat the steps required to establish and verify the client's or client representative's identity.

In order to confirm the accuracy of previously obtained client information, the FICA Compliance Officer will compare the information established and verified during the latest Client Due Diligence procedure with that of the information previously obtained.

Where there is a discrepancy, the FICA Compliance Officer will investigate the discrepancy and decide whether it is a suspicious transaction.

The FSP will conduct periodic client information reassessments in order to confirm whether the information that the FSP has on record is still accurate and up to date. The frequency of these reassessments is depended on the client's ML/TF Risk-Rating.

4.3.11 Ongoing Due Diligence and the Monitoring of Transactions of Existing Business Relationships

The FSP will conduct ongoing due diligence in respect of all existing business relationships which will include the monitoring of transactions undertaken throughout the course of the business relationship. The ongoing due diligence process will also ensure that client information that was obtained during the Client Due Diligence procedure remains accurate and up to date.

The FSP will determine if future transactions performed during the business relationship are consistent with the existing knowledge of the client, in the following way:

- Each new transaction with the client is reviewed within the client's existing financial plan, i.e. does it form part of the existing financial goal or need? This is documented in the record of advice.
- At least annually, when the client's portfolio is reviewed, all past transactions are discussed and the clients personal circumstances, financial needs and goals are reviewed in terms of future transactions so that all transactions are aligned with the client's overall financial planning. This may include a revision of the original client due diligence form.
- Source of funds is reviewed with each additional transaction but the client's overall source of funds is also reviewed annually within the annual review discussion.
- Accuracy and relevance of client information originally obtained will also be reviewed at the client's annual review.
- Patterns of transactions will be reviewed in line with the client's overall financial plan.
- Clients will be reviewed, at least annually, but the FICA Compliance Officer can determine if specific clients should be reviewed more regularly

GUIDANCE NOTE:

- * Refer to Annual Review List and FAIS/FICA list for when client has been reviewed and documentation reviewed at the annual review.

The FSP does not transact in complex or unusually large transactions and therefore, the examination of this within the RMCP is not applicable.

The FSP will not transact with a client on transactions which have no apparent business or lawful purpose.

The FICA Compliance Officer will monitor client activities during the business relationship which are not consistent with the FSP's knowledge of the client.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

Where the FICA Compliance Officer has identified unusual patterns of transactions, he or she will investigate whether or not there is a valid reason or purpose for the client to conclude these unusual transactions.

Where it is established that these transactions have no valid or lawful purpose, the FICA Compliance Officer will submit a Suspicious and Unusual Transaction Report to the FIC.

4.3.11.1 Corporate Cash Management

The FSP uses a Corporate Cash Management (CCM) Platform as a banking product offering for clients to deposit money via the mediation the formal banking system. The FSP administers these bank accounts on behalf of clients.

The processes to monitor the CCM account are contained in the CCM policy document (Annexure 1).

4.3.12 Enhanced Due Diligence Procedures where a ML/TF High-Risk Transaction is Identified

As part of the prospective client take-on process, the FSP will determine whether a single transaction, or a transaction to be concluded in keeping with a new or an existing business relationship, must be classified as a ML/TF High-Risk transaction.

ML/TF High-Risk transactions are transactions that have been identified by the FSP as more likely to be exploited for money laundering or the financing of terrorism purposes.

A ML/TF High-Risk transaction, is any transaction where:

- A product or service that has been previously identified by the FSP as a ML/TF High-Risk product or service, forms part of that transaction, or
- A client or client representative who is party to that transaction, has been identified by the FSP as a ML/TF High-Risk person

The FSP will perform Enhanced Client Due Diligence procedures on all prospective and existing clients that are party to a ML/TF High-Risk transaction.

Where the ML/TF Risks are assessed (per the Risk Matrix) as being lower, the FSP will perform less onerous Client Due Diligence procedures as outlined below:

Overall Risk Rating	Low	Medium	High
Customer Due Diligence Required	Quick CDD	Standard CDD	Enhanced CDD

The FICA Compliance Officer will initiate and facilitate the Product and Service ML/TF Risk Analysis process in order to determine which products and services provided by the FSP, should be classified as ML/TF High-Risk products and services. This will be done whenever a new service or product is introduced into the FSP and on an annual basis.

GUIDANCE NOTE:

- * Refer to Guidance Note 4 Product and Services Risk Rating
- * Refer to Product and Services ML/TF Risk Rating Register
- * Refer to Client Due Diligence Forms



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

The FICA Compliance Officer will, annually facilitate a review of the Client ML/TF Risk Identification criteria in order to determine the criteria that must be taken into consideration by employees when having to establish whether a prospective or existing client, is to be classified as a ML/TF High-Risk person.

4.4 Reporting

4.4.1 Cash Threshold Reports (CTR) and Cash Threshold Report Aggregation (CTRA)

This is not applicable to the FSP as the FSP does not receive cash.

4.4.2 Suspicious or Unusual Transaction Reports (STR) and Suspicious Activity Report (SAR)

The FSP must within the prescribed period after the knowledge was acquired or the suspicion arose, report to the FIC the grounds for the knowledge or suspicion.

Any person who knows or ought reasonably to have known or suspected that:

- the FSP has received, or is about to receive, or if a transaction was concluded, may have received, the proceeds of unlawful activities, or
- a transaction or series of transaction to which the FSP is a party:
 - facilitated or is likely to facilitate, or if the transaction was concluded, may have facilitated, the transfer of the proceeds of unlawful activities, or
 - has no apparent business or lawful purpose, or
 - is conducted for the purpose of avoiding giving rise to a reporting duty under FICA, or
 - may be relevant to the investigation of an evasion or attempted evasion of a duty to pay any tax, duty or levy imposed by legislations administered by the South African Revenue Services, or
 - will or may facilitate the acquisition, collection, use or provision of property or any other economic support, for the benefit of, or at the direction of, or under the control of a person or an entity identified pursuant to a resolution of the Security Council of the United Nations.
- The client is displaying suspicious or unusual behaviour which gives rise to a suspicious activity.
- The client displays unusual behaviour during the Client Due Diligence procedure which gives rise that the client might be engaging in a suspicious activity.
- A suspicious situation may involve several factors that may on their own seem insignificant, but, taken together, may raise suspicion concerning that situation.
- A SAR must be submitted in respect of the proceeds of unlawful activities or money laundering activity in respect of a transaction or a series of transactions about which enquiries are made but which has not been concluded.

Where an employee suspects that the FSP has been used or is about to be used, for money laundering or terrorist financing purposes, he or she will notify the FICA Compliance Officer of this transaction in writing within one business day of such a transaction.

The employee may not disclose his or her suspicion, or any information regarding the contents of any such notification to any other person, including the person in respect of whom the report is or must be made.

The FICA Compliance Officer will submit a Suspicious or Unusual Transaction Report (STR) or a Suspicious or Unusual Activity Report (SAR), depending on the situation, to the FIC as soon as possible but not later than fifteen days after the employee became aware of a fact concerning a transaction on the basis of which knowledge or a suspicion concerning the transaction must be reported.

The FICA Compliance Officer will keep a record of all reports submitted to the FIC.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

The FICA Compliance Officer will also keep a record of all transactions and activities which gave rise to the submittal of a suspicious and unusual transaction report and suspicious activity report, for at least five years from the date on which the report was submitted to the FIC.

GUIDANCE NOTE:

- * Refer to GN 1 Client MI/Tf Risk Identification Criteria for guidelines on suspicious and unusual behaviours and transactions.

4.4.3 Terrorist Property Reports

Where the FSP has in its possession or under its control:

- property associated with terrorist and related activities, or
- property owned or controlled by or on behalf of, or at the direction of a specific person or entity identified:
 - by a notice issued by the President under Section 25 of POCDATARA, or
 - pursuant to a resolution of the Security Council of the United Nations, the FSP will within the prescribed period report that fact to the FIC.

Where an employee has knowledge that the FSP has in its possession or under its control property associated with terrorist or related activities, he or she will notify the FICA Compliance Officer within one business day after he or she has established this fact.

The FSP will not conduct any further financial services with any person or entity whose name appears on the sanction list and will not deal with any of the relevant property in the FSP's possession or under its control. The FSP will only be permitted to deal with property to the extent the Minister of Finance has permitted certain financial services or dealing with the property as to allow such a person or entity to certain basic living expenses.

The FICA Compliance Officer will submit a Terrorist Property Report to the FIC as soon as possible but not later than five days after the employee established that the FSP has property associated with terrorist and related activities in its possession or under its control.

The FICA Compliance Officer will keep a record of all reports submitted to the FIC.

4.4.4 Terrorist Financing Transaction Report (TFTR) and Terrorist Financing Activity Report

The FSP must within the prescribed period after the knowledge was acquired or the suspicion arose, report to the FIC the grounds for the knowledge or suspicion.

Any person who knows or ought reasonably to have known or suspected that:

- the FSP has received, or is about to receive, or if a transaction was concluded, may have received, the proceeds of unlawful activities or property which is connected to an offence relating to the financing of terrorist and related activities, or
- a transaction or series of transaction to which the FSP is a party:
 - facilitated or is likely to facilitate, or if the transaction was concluded, may have facilitated, the transfer of the proceeds to terrorist financing or property which is connected to an offence relating to the financing of terrorist and related activities, or
 - has no apparent business or lawful purpose, or
 - relates to an offence relating to the financing of terrorist and related activities, or
 - will or may facilitate the acquisition, collection, use or provision of property or any other economic support, for the benefit of, or at the direction of, or under the control of a person or an entity identified pursuant to a resolution of the Security Council of the United Nations.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

- the FSP has been used or is about to be used, or if the transaction was concluded, may have been used, in any way to facilitate the commission of an offence relating to the financing of terrorist and related activities, must within the prescribed period after the knowledge was acquired or the suspicion arose, report to the FIC the grounds for the knowledge or suspicion.
- The client is displaying suspicious or unusual behaviour which gives rise to a terrorist financing activity.
- The client displays unusual behaviour during the Client Due Diligence procedure which gives rise that the client might be engaging in a terrorist financing activity.
- A suspicious situation may involve several factors that may on their own seem insignificant, but taken together, may raise suspicion concerning that situation.
- A TFAR must be submitted in respect of the proceeds of unlawful activities or terrorist financing activity in respect of a transaction or a series of transactions about which enquiries are made but which has not been concluded.

Where an employee suspects that the FSP has been used or is about to be used, for money laundering or terrorist financing purposes, he or she will notify the FICA Compliance Officer of this transaction in writing within one business day of such a transaction.

The employee may not disclose his or her suspicion, or any information regarding the contents of any such notification to any other person, including the person in respect of whom the report is or must be made.

The FICA Compliance Officer will submit a Terrorist Financing Transaction Report (TFTR) or a Terrorist Financing Activity Report (TFAR), depending on the situation, to the FIC as soon as possible but not later than fifteen days after the employee became aware of a fact concerning a transaction on the basis of which knowledge or a suspicion concerning the transaction must be reported.

The FICA Compliance Officer will keep a record of all reports submitted to the FIC.

The FICA Compliance Officer will also keep a record of all transactions and activities which gave rise to the submittal of a terrorist financing transaction report or terrorist financing activity report, for at least five years from the date on which the report was submitted to the FIC.

GUIDANCE NOTE:

- * Refer to GN 1 Client MI/Tf Risk Identification Criteria for guidelines on suspicious and unusual behaviours and transactions.

4.4.5 International Funds Transfer Reports (IFTR)

This is not applicable to the FSP as it is not authorised to conduct the business of cross-border electronic fund transfers

4.4.6 FIC Request Reporting)

If an authorised representative of the Centre requests information from the FSP the FSP will respond and provide FIC with the necessary information in the timeframe set out in the request.

The registered person on GoAML will regularly check the GoAML message board for requests for information.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

4.5 Record Keeping

4.5.1 Client Due Diligence Records

The FSP will keep an accurate record of:

- all information pertaining to a client, or a prospective client, pursuant to the Customer Due Diligence requirements.
- copies of, or references to, information provided to or obtained by the FSP to verify a person's identity, and
- in the case of a business relationship, reflect the information obtained by the FSP concerning:
 - the nature of the business relationship
 - the intended purpose of the business relationship, and
 - the source of funds which the prospective client is expected to use in concluding transaction in the course of the business relationship

The due diligence records may be kept in electronic form. Where the FSP maintains due diligence records in electronic form, the FICA Compliance Officer will ensure that these records are capable of being reproduced in a legible format and that they are backed-up on a periodic basis.

All Customer Due Diligence records will be kept for at least five years from the date on which the business relationship is terminated.

4.5.2 Transaction Records

The FSP will keep a record of every transaction (whether the transaction is a single transaction or concluded in the course of a business relationship), which the FSP has with all its clients.

The FSP will ensure that the transaction records:

- contain sufficient information, to enable the FSP to readily reconstruct the transaction, and
- that all transaction records reflect at least:
 - the amount involved and the currency in which it was denominated.
 - the date on which the transaction was concluded.
 - the parties to the transaction
 - the nature of the transaction
 - any business correspondence, and
 - where the FSP provides account facilities to its clients, the identifying particulars of all accounts and the account files at the FSP that is related to the transaction.

The transaction records may be kept in electronic form. Where the FSP maintains transaction records in electronic form, the FICA Compliance Officer will ensure that these records are capable of being reproduced in a legible format and that they are backed-up on a periodic basis.

All transaction records must be kept for at least five years from the date on which the transaction was concluded.

4.5.3 Third-Party Record Keeping

Where the FSP has outsourced the recordkeeping requirements to a third party, the FSP will ensure that:

- the FSP has free and easy access to the records,
- the records are readily available to the FIC or any other relevant supervisory body, and
- it provides the FIC with the prescribed particulars concerning the third party.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

The FICA Compliance Officer will without delay provide the FIC with the third party's:

- full name, if the third party is a natural person or registered name, if the third party is a close corporation or a company.
- The full name and contact particulars of the individual who exercises control over access to the records
- The address where the records are kept.
- The address where the third-party exercises control over the records
- The full names and contact particulars of the individual who liaises with the third party on behalf of the FSP.

4.6 FICA Training

The FSP will provide ongoing training to its employees to enable them to comply with the provisions of FICA and the AML & CTF Risk Management and Compliance Programme. A record of this training will be kept in the Competence Register for Representatives and in the Training Register for Staff.

GUIDANCE NOTE:

- * Refer to FIC Awareness Training Register

5. RISK AND CONTROLS

5.1 Compliance Risk

The FSP has identified, assessed and evaluated the following compliance risks:

POSSIBLE RISK	LIKELIHOOD	IMPACT	RISK RATING	CONTROLS	PENALTY / SANCTION
Customer Due Diligence (CDD)	Possible	High	High	Customer Due Diligence Documentation FICA Training FICA CO Monitoring	Up to R50 million for a legal person e.g., Accountable Institutions Up to R10 million for a natural person e.g. Advisers/Employees
Failure to keep records	Limited	Medium	Tolerable	FICA Training FICA CO Monitoring	
Failure to develop, document, maintain and implement an RMCP	Limited	Low	Low	Control Measure Reviews	
Failure to provide training	Limited	Medium	Tolerable	FICA Training	
Governance of AML/CTF	Limited	Low	Low	Control Measure Reviews	
Failure to register with the FIC	Limited	Medium	Tolerable	Control Measure Reviews	



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

Failure to report: Cash Threshold Report Terrorist Property Report	Possible	High	High	FICA Training Employee Reporting Procedures	Up to R50 million for a legal person e.g., Accountable Institutions Up to R10 million for a natural person e.g., Advisers/Employees Up to R100 million or up to 15 years' imprisonment
Failure to report: Suspicious Transaction Report	Possible	High	High	FICA Training Employee Reporting Procedures	Up to R100 million or up to 15 years' imprisonment
Tipping a client off regarding an investigation or STR submission	Limited	High	High	FICA Training Employee Reporting Procedures	Up to R100 million or up to 15 years' imprisonment

5.2 Reviews

The FSP will review the AML & CTF RMCP as follows:

WHAT	WHEN	WHO
Review of the AML & CTF RMCP	Annual	KI & FICA CO
Appointment of the FICA Compliance Officer and deputy FICA Compliance Officer	Once off (or as required)	Key Individual
Confirmation of FIC Registration	Annual	KI & FICA CO
Monitoring changes to FSP's registration particulars	Annual	KI & FICA CO
Product and Service ML/TF Risk Analysis	Annual (or as products added)	KI & FICA CO
Client ML/TF Risk Identification Criteria	Annual	KI & FICA CO
Updating of UN Security Council Sanction List	Annual	FICA CO
Submittal and Record Keeping of Cash Threshold Reports	As required	FICA CO
Submittal and Record Keeping of Suspicious or Unusual Transaction Reports	As required	FICA CO
Submittal and Record Keeping of Terrorist Property Reports	As required	FICA CO



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

Employees undergo annual FICA Awareness Training	Annual	KI & FICA CO
Review of Client Due Diligence Forms	Annual	KI & FICA CO
Due Diligence and Monitoring of Existing Business Relationships	Annual	KI & FICA CO
Monitoring Compliance with Client Due Diligence procedure	Annual	KI & FICA CO
Monitoring Compliance with Additional Information on a New Business Relationship	At client take-on If required thereafter	KI & FICA CO
Client Spot Checks: UN Security Council List	At client take-on If required thereafter	KI & FICA CO
Client Spot Checks: Fictitious verification documents	At client take-on If required thereafter	KI & FICA CO
Client Spot Checks: DPIP or FPPO	At client take-on If required thereafter	KI & FICA CO
Client Spot Checks: Family or Associates of DPIP OR FPPO	At client take-on If required thereafter	KI & FICA CO
Scrutinise employees against Targeted Financial Sanctions List	Once-off at employment Annually thereafter	KI & FICA CO

6. DISCIPLINARY ACTION

Where a FICA related complaint or an investigation related to an infringement of FICA or the FSP's AML & CTF RMCP has been finalised, the FSP may recommend any appropriate administrative, legal and/or disciplinary action to be taken against any employee reasonably suspected of being implicated in noncompliance.

In the case of ignorance or minor negligence, the FSP will undertake to provide further FICA Awareness training to the employee.

Any gross negligence or the wilful noncompliance, will be considered a serious form of misconduct for which the FSP may summarily dismiss the employee. Disciplinary procedures will commence where there is sufficient evidence to support an employee's gross negligence.

Immediate actions that may be taken subsequent to an investigation may include:

- A recommendation to commence with disciplinary action.
- A referral to appropriate law enforcement agencies for criminal investigation.
- Recovery of funds and assets in order to limit any prejudice or damages caused.

7. COMPLIANCE MONITORING

The FICA Compliance Officer will use well-established methods for the reviewing, sampling and testing of internal controls. The purpose of compliance monitoring is to reasonably ensure that the FSP complies with FICA and the AML & CTF RMCP.



www.baywealth.co.za

Bay Wealth Management

CERTIFIED FINANCIAL PLANNER® PRACTITIONERS

8. PROCESS FOR IMPLEMENTATION

The process to implement the AML & CFT Risk Management and Compliance Plan:

- 8.1. RMCP contents will be determined by the requirements of the legislative framework, the money-laundering risk to the FSP and the practical workings within the FSP.
- 8.2. The RMCP will be signed off and adopted by senior management of the FSP.
- 8.3. Staff will be trained in AML legislation and the RMCP of the FSP.
- 8.4. The RMCP will be reviewed as per 5.2
- 8.5. If there are any changes required to the RMCP, the RMCP will be revised, resigned and training will take place on the changes.

9. SCREENING OF EMPLOYEES & POTENTIAL EMPLOYEES

Directive 8, read together with PCC 55, requires that the screening of employees and potential employees for competence and integrity. The process for screening of employees and potential employees is detailed in GN 5 and using the Employee Due Diligence document.

- Potential employees will be screened during the recruitment process
- Existing employees will be screened within 1 month of policy implementation
- Low risk employees will be screened once off and thereafter, only if ML/TF/PF risk increases
- If applicable, high risk employees will be screened at least annually
- TFS Screening will follow the same process as for client screening. Copy to be kept on employees file.

10. AML & CTF RMCP ADOPTION

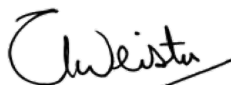
This document forms part of the FSP's business policies, processes and procedures.

The FSP's management and employees are required to familiarise themselves with this document and undertake to comply with the stated processes and procedures.

By signing this document, I/we, approve and adopt the processes and procedures into the FSP, as outlined in the document.

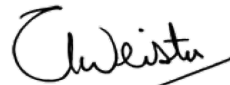
As Key Individual of the aforementioned FSP I, **Adrian-John Meistre**, hereby confirm the adoption of the RMCP.

As FICA Compliance Officer of the aforementioned FSP I, **Adrian-John Meistre**, hereby confirm the adoption of the policy.



25 January 2024

KEY INDIVIDUAL SIGNATURE & DATE



25 January 2024

FICA COMPLIANCE OFFICER & DATE



www.baywealth.co.za