



OPTIMUM<sup>®</sup>  
FINANCIAL SERVICES GROUP

OPTIMUM PROFESSIONAL FINANCIAL PLANNING (PTY) LTD  
ANTI-MONEY LAUNDERING, RISK MANAGEMENT  
AND COMPLIANCE PROGRAM

## COMPLIANCE PROGRAM

### CONTROL MEASURES

Establish a Regulatory Risk & Compliance Management Framework for Optimum. Implement control measures (actions, activities, processes and/or procedures) that will provide reasonable assurance that Optimum's compliance obligations are met and that non-compliances are prevented, detected and corrected. Evaluate en test Control measures periodically to ensure their continuing effectiveness.

ACTION / ACTIVITY / PROCESS / PROCEDURE	CONTROL OWNER
Annual review of the AML & CTF RMCP	KI/Section 43B Compliance Officer
Appointment of the FICA Compliance Officer	KI/Section 43B Compliance Officer
Appointment of the Deputy FICA Compliance Officer	KI/Section 43B Compliance Officer
Confirmation of FIC Registration	KI/Section 43B Compliance Officer
Monitoring changes to organisation's registration particulars	KI/Section 43B Compliance Officer
Periodic Product and Service ML/TF Risk Analysis	KI/Section 43B Compliance Officer
Review of the Client ML/TF Risk Identification Criteria	KI/Section 43B Compliance Officer
Periodic updating of UN Security Council Sanction List	KI/Section 43B Compliance Officer
Submittal and Record Keeping of Cash Threshold Reports	KI/Section 43B Compliance Officer
Submittal and Record Keeping of Suspicious or Unusual Transaction Reports	KI/Section 43B Compliance Officer
Submittal and Record Keeping of Terrorist Property Reports	KI/Section 43B Compliance Officer
Retention and Back-ups of FICA Transaction Records	KI/Section 43B Compliance Officer
Retention and Back-ups of FICA Client Due Diligence Records	KI/Section 43B Compliance Officer
Ensuring that employees undergo annual FICA Awareness Training	KI/Section 43B Compliance Officer
Periodic review of Senior Management Approval Procedure	KI/Section 43B Compliance Officer
Periodic review of Client Due Diligence Activity Sheet	KI/Section 43B Compliance Officer
Periodic review of Client Due Diligence Forms	KI/Section 43B Compliance Officer
Ongoing Due Diligence and Monitoring of Existing Business Relationships	KI/Section 43B Compliance Officer
Client random spot checks: UN Security Council List	KI/Section 43B Compliance Officer
Client random spot checks: False or Fictitious verification documents	KI/Section 43B Compliance Officer
Client random spot checks: DPIIP or FPPO	KI/Section 43B Compliance Officer
Client random spot checks: Family or Associate of DPIIP or FPPO	KI/Section 43B Compliance Officer
Monitoring Compliance with Client Due Diligence procedure	KI/Section 43B Compliance Officer
Monitoring Compliance with Additional Information on a New Business Relationship	KI/Section 43B Compliance Officer
Annual review of the Compliance Monitoring Schedule	KI/Section 43B Compliance Officer

Last Review Date	17 November 2022
Frequency Of Review	Annually
Next Review Date	August 2022
Responsible Business Unit	Compliance

TABLE OF CONTENTS

<b>1. INTRODUCTION</b>	<b>5</b>
<b>2. DEFINITIONS</b>	<b>6</b>
2.1. Client	
2.2. Client Representative	
2.3. Single Transaction	
2.4. Business Relationship	
2.5. Quick Client Due Diligence Procedure	
2.6. Standard Client Due Diligence Procedure	
2.7. Enhanced Client Due Diligence Procedure	
2.8. Legal Person	
2.9. Trust	
2.10. Beneficial Owner	
2.11. Effective Control	
2.12. Source of Funds	
2.13. Money Laundering	
2.14. Terrorist and Related Activities	
2.15. Proliferation Financing	
2.16. Property associated with Terrorist and Related Activities	
2.17. Cash	
2.18. Cash Threshold Report	
2.19. Suspicious or Unusual Activity Report	
2.20. Suspicious or Unusual Transaction Report	
2.21. Terrorist Financing Activity Report	
2.22. Terrorist Financing Transaction Report	
2.23. Terrorist Property Report	
2.24. Noncompliance	
<b>3. PURPOSE OF AN AML &amp; CTF RMCP</b>	<b>10</b>
<b>4. AML &amp; CTF RMCP APPLICATION</b>	<b>12</b>
<b>5. FICA COMPLIANCE OBJECTIVES</b>	<b>13</b>
<b>6. FICA COMPLIANCE OBLIGATIONS</b>	<b>14</b>
6.1. FICA GRC Standards	
6.1.1. Maintain AML & CTF RMCP	
6.1.2. Govern Compliance with the AML & CTF RMCP	
6.2. FICA Licensing and Maintenance	
6.2.1. FIC Registration	
6.2.2. Changes to Registration Particulars	
6.3. FICA Client Due Diligence Procedures	
6.3.1. Enhanced Due Diligence Procedures where a ML/TF High-Risk Transaction is identified	
6.3.2. Understanding and Obtaining Information concerning a new Business Relationship	
6.3.3. Establishing and Verifying the Identity of Prospective Clients	
6.3.4. Avoiding Clients with apparent False or Fictitious Names	
6.3.5. Avoiding and Terminating a Business Relationship or Single Transaction where unable to conduct a Client Due Diligence	
6.3.6. Avoiding Transactions and Business Relationships with Persons and Entities identified by the United Nations Security Council	

## COMPLIANCE PROGRAM

6.3.7.	Additional Due Diligence Procedures where a client is a Domestic Prominent Influential Person	
6.3.8.	Additional Due Diligence Procedures where a client is a Foreign Prominent Public Official	
6.3.9.	Additional Due Diligence Procedures where a client is a Family Member or a Close Associate of a DPIP or a FPPO	
6.3.10.	Additional Due Diligence Procedures where a client is a Legal Person, Trust or Partnership	
6.3.11.	When in Doubt, confirming the Veracity of previously obtained Client Information	
6.3.12.	Ongoing Due Diligence and the Monitoring of Transactions of Existing Business Relationships	
6.4.	FICA Reporting Duty	
6.4.1.	Submitting Cash Threshold Reports within the Prescribed Time Limit	
6.4.2.	Submitting Suspicious or Unusual Transaction Reports within the Prescribed Time Limit	
6.4.3.	Submitting Terrorist Property Reports within the Prescribed Time Limit	
6.5.	FICA Recordkeeping	
6.5.1.	Maintaining Transaction Records for the Required Period	
6.5.2.	Maintaining Client Due Diligence Records for the Required Period	
6.5.3.	Ensuring Compliance where Transaction or Due Diligence Records are maintained by a Third Party	
6.6.	FICA Awareness Training	
7.	COMPLIANCE RISK AND IMPLEMENTED CONTROLS	31
8.	DISCIPLINARY ACTION	32
9.	COMPLIANCE MONITORING	32
<b>ANNEXURE A:</b>	FICA COMPLIANCE OFFICER APPOINTMENT LETTER	33
<b>ANNEXURE B:</b>	FIC REGISTRATION INSTRUCTIONS	35
<b>ANNEXURE C:</b>	PRODUCT AND SERVICE ML/TF RISK ANALYSIS	36
<b>ANNEXURE D:</b>	CLIENT ML/TF RISK IDENTIFICATION CRITERIA AND SUSPICIOUS BEHAVIOUR	38
<b>ANNEXURE E:</b>	UN SECURITY COUNCIL SANCTION/TARGETED FINANCIAL SANCTION LIST	43
<b>ANNEXURE F:</b>	DPIPs AND FPPOs	45
<b>ANNEXURE G:</b>	SENIOR MANAGEMENT APPROVAL PROCEDURE	46
<b>ANNEXURE H:</b>	SOURCE OF FUNDS DECLARATION	48
<b>ANNEXURE I:</b>	CLIENT TRANSACTION FLOWCHART	49
<b>ANNEXURE J:</b>	CLIENT DUE DILIGENCE ACTIVITY SHEET	50
<b>ANNEXURE K:</b>	BUSINESS RELATIONSHIP DUE DILIGENCE INFO	57
<b>ANNEXURE L:</b>	CLIENT DUE DILIGENCE FORMS	53
<b>ANNEXURE M:</b>	FICA AWARENESS TRAINING REGISTER	62
<b>ANNEXURE N:</b>	COMPLIANCE MONITORING SCHEDULE	63

### 1. INTRODUCTION

The criminal activities of money laundering and terrorist financing have become a global problem as a result of several changes in world markets. The growth in international trade, the expansion of the global financial system and the global surge in organised crime have all converged to provide the source, opportunity and means for converting illegal proceeds into what appears to be legitimate funds.

Money laundering and the financing of terrorism have a devastating effect on the soundness of financial institutions and undermine the political stability of democratic nations. In order to combat these activities, the global community resolved to establish the Financial Action Task Force ("FATF") in 1989.

FATF is an 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 the body's membership criteria 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 for South Africa 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 organisations that are more likely to be exploited for money laundering or terrorist financing purposes.

Optimum recognises that it has been classified as a type of institution that is more readily targeted by criminals for money laundering or terrorist financing purposes. The governing body has therefore committed itself to comply fully with FICA's regulatory requirements in order to make it more difficult for criminals to implicate Optimum in these activities.

In light of the above, the Governing Body of the Optimum hereby confirms its commitment to oversee the implementation and execution of the Risk Management Compliance Policy in order to ensure that the objectives of the policy are achieved.

### 2. DEFINITIONS

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

#### 2.1 CLIENT

In relation to Optimum, means a person who has entered into a single transaction or a business relationship with Optimum.

#### 2.2 CLIENT REPRESENTATIVE

In relation to Optimum, means a natural person who has been authorised by a client to enter into a single transaction or a business relationship with Optimum on behalf of that client.

#### 2.3 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

#### 2.4 BUSINESS RELATIONSHIP

Means a relationship between a client and Optimum for the purpose of concluding transactions on a regular basis.

#### 2.5 QUICK CLIENT DUE DILIGENCE PROCEDURE

Means the reasonable steps taken by Optimum to establish and verify the identity of a client that is party to a Low-Risk ML/TF transaction, which steps are fewer and less onerous than a Standard Due Diligence and that of an Enhanced Due Diligence.

#### 2.6 STANDARD CLIENT DUE DILIGENCE PROCEDURE

Means the reasonable steps taken by Optimum 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.

#### 2.7 ENHANCED CLIENT DUE DILIGENCE PROCEDURE

Means the reasonable steps taken by Optimum to establish and verify the identity of a client that is party to a High-Risk ML/TF transaction, which steps are more stringent than a Quick Due Diligence and a Standard Due Diligence.

#### 2.8 LEGAL PERSON

Any person, other than a natural person, that enters into a single transaction or establishes a business relationship, with Optimum, 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.

#### 2.9 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:

## COMPLIANCE PROGRAM

- 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.

### 2.10 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.

### 2.11 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.

### 2.12 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.

### 2.13 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.

### 2.14 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").

### 2.15 PROLIFERATION FINANCING

Proliferation Financing is confined to instances where funding is made available to or for the benefit of a person or entity whose name appears on a Targeted Financial Sanctions (TFS) list, due to the proliferation of Weapons of Mass Destruction.

Optimum will not establish a new business relationship or conduct a single transaction with designated persons or entities which appears on the TFS List, including due to proliferation of Weapons of Mass Destruction. A designated person includes:

- The client;
- The person acting on behalf of the client;
- The client acting on behalf of another person;
- A beneficial owner of the client; or
- A party to a client's transaction, including a party who benefits in any way from a client's transaction.

## COMPLIANCE PROGRAM

In the event where an existing client of Optimum is identified to appear on the TFS List for proliferation of Weapons of Mass Destruction, the client's funds will be frozen and a Terrorist Property Report will be submitted to the FIC within 5 days after fact verification in accordance with Section 28A of the FIC Act.

Optimum will also maintain the consideration and submission (where required) of Suspicious and unusual transaction reports to mitigate the risk of transaction being applied for the proliferation financing of weapons of mass destruction.

Clients who offer certain products and services that face a heightened risk of being abused for Proliferation Financing. For example, import and export businesses (e.g. freight forwarders, airlines, road couriers, warehouses, vessels, shipping companies, maritime companies, clearing agents, import and export insurance companies, credit and insurance providers), ports of entry, chemical manufacturing companies, precious metal dealers, as well as arms and ammunition manufacturers will be subject to due diligence with Optimum and if found that the client does not appear on the TFS List, but pose a high risk, an enhanced due diligence procedure will be followed.

Optimum is not required to obtain approval (e.g. permits or authorisation) with regards to controlled goods or activities from its clients to offer financial services and the controlled goods risk are therefore very low, but all clients are verified against the TFS and UNSC Lists to mitigate the risk of onboarding a person/entity involved in terrorist activities, such as the proliferation financing of weapons of mass destruction.

Controlled goods and activities include goods that have "dual-purpose capabilities" relating to technology, expertise, service, material, equipment and facilities which can contribute to the proliferation of weapons of mass destruction but can also be used for other purposes including conventional military, commercial or educational use (e.g. include technologies like drones).

### 2.16 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 organisation 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.



## COMPLIANCE PROGRAM

- 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.

### 2.17 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.

### 2.18 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. R49 999 is paid or received by Optimum 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 R49 999. If it appears to Optimum that the transactions involving those smaller amounts are linked, these transactions must be considered as fractions of one transaction. The period in which a cash threshold report should be submitted to the FSCA is 3 days.

### 2.19 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.

### 2.20 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.

### 2.21 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.

### 2.22 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

## COMPLIANCE PROGRAM

### 2.23 TERRORIST PROPERTY REPORT

Means the report that must be submitted to the FIC where Optimum has in its possession, or under its control property, associated with terrorist and related activities.

### 2.24 NONCOMPLIANCE

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

### 3. PURPOSE OF AN AML & CTF RMCP

The purpose of this AML & CTF Risk Management and Compliance Programme is to:

- Enable Optimum to identify, assess, mitigate, manage and monitor the risk that the provision by Optimum of its products or services may involve or facilitate money laundering activities or the financing of terrorist and related activities.
- Provide for the manner in which Optimum determines if a person is:
  - A prospective client in the process of establishing a business relationship or entering into a single transaction with Optimum, or
  - A client who has established a business relationship or entered into a single transaction, is a client of Optimum.
- Provide for the manner in which Optimum complies with the compliance obligations of not establishing a business relationship or concluding a single transaction with an anonymous client or a client with an apparent false or fictitious name.
- Provide for the manner in which, and the processes by which, Optimum:
  - Establishes and verifies the identity of a client, and
  - Establishes a client representative's authority to establish a business relationship or to conclude a single transaction on behalf of a client.
- Provide for the manner in which, and the processes by which, Optimum determines whether future transactions that will be performed in the course of the business relationship, are consistent with Optimum's knowledge of a prospective client.
- Provide for the manner in which, and the processes by which, Optimum conducts additional due diligence measures in respect of legal persons, trusts and partnerships.
- Provide for the manner in which, and the processes by which, ongoing due diligence and account monitoring in respect of business relationships are conducted by Optimum.
- Provide for the manner in which the examining of:
  - Complex or unusually large transactions, and
  - Unusual patterns of transactions which have no apparent business or lawful purpose takes place.
- Provide for the manner in which, and the processes by which, Optimum will confirm information relating to a client when Optimum has doubts about the veracity of previously obtained information.
- Provide for the manner in which, and the processes by which Optimum will perform the client due diligence requirements in accordance with the following compliance obligations:
  - The identification of clients and other relevant persons,
  - Understanding and obtaining information on business relationships,
  - Additional due diligence measures relating to legal persons, trusts and partnerships,
  - Ongoing due diligence when, during the course of a business relationship, Optimum suspects or knows that a transaction or activity is suspicious or unusual.

## COMPLIANCE PROGRAM

- Provide for the manner in which Optimum will terminate an existing business relationship where Optimum is unable to:
  - Establish and verify the identity of a client or other relevant person,
  - Obtain information describing the nature of the business relationship, the intended purpose of the business relationship concerned and the source of funds which a prospective client expects to use in concluding transactions in the course of the business relationship concerned,
  - Conduct ongoing due diligence.
- Provide for the manner in which, and the processes by which, Optimum will determine whether a prospective client is a foreign prominent public official or a domestic prominent influential person.
- Provide for the manner in which, and the processes by which, enhanced due diligence is conducted for higher-risk business relationships and when simplified client due diligence might be permitted in Optimum.
- Provide for the manner, place in which and the period for which client due diligence and transaction records are kept.
- Enable Optimum to determine when a transaction or activity is reportable to the FIC.
- Provide for the processes for reporting information to the FIC.
- Provide for the manner in which:
  - The AML & CTF RMCP is implemented in branches, subsidiaries or other operations of Optimum in foreign countries so as to enable Optimum to comply with its compliance obligations under FICA
  - Optimum will determine if the host country of a foreign branch or subsidiary permits the implementation of measures required under FICA
  - Optimum will inform the FIC and supervisory body concerned, if the host country does not permit the implementation of measures required under FICA
- Provide for the processes for Optimum to implement its AML & CTF RMCP.
- Indicate if any of the processes are not applicable to Optimum, and if so, the reasons why it is not applicable.

### 4. AML & CTF RMCP APPLICATION

This AML & CTF RMCP applies to:

- Optimum's governing body,
- Where applicable, all branches, business units and divisions of Optimum,
- All employees

Optimum's governing body requires all employees to fully comply with the processes and procedures outlined herein.

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

### 5. FICA COMPLIANCE OBJECTIVES

Optimum's FICA Compliance Objectives are:

- To protect the integrity of Optimum through the continued 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 robust 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.
- To prevent any reputational fallout or brand damage due to noncompliance with FICA and/or Optimum's AML & CTF RMCP.
- To prevent any civil or criminal fines or penalties due to noncompliance with FICA and/or Optimum's AML & CTF RMCP.

## 6. FICA COMPLIANCE OBLIGATIONS

Optimum has identified the following twenty-three FICA related compliance obligations:

COMPLIANCE OBLIGATION	DOMAIN
Optimum must Develop, Document, Maintain and Implement an AML & CTF RMCP	FICA GRC Standards
Optimum must Govern Compliance with its AML & CTF RMCP	FICA GRC Standards
Optimum must Register itself with the FIC	FICA Licensing and Maintenance
Optimum must inform the FIC of any changes to its Registration Particulars	FICA Licensing and Maintenance
Optimum must perform Enhanced Client Due Diligence Procedures where a High-Risk Client, Product or Service is Identified	FICA CDD Procedure
Optimum must Understand and Obtain Information where a new Business Relationship is established	FICA CDD Procedure
Optimum must Establish and Verify the Identity of all prospective Clients	FICA CDD Procedure
Optimum must Avoid Clients with apparent False or Fictitious Names	FICA CDD Procedure
Optimum must Avoid and Terminate any Business Relationships or Single Transactions where it is unable to conduct a Client Due Diligence	FICA CDD Procedure
Optimum must Avoid Transactions and Business Relationships with Persons and Entities identified by the United Nations Security Council	FICA CDD Procedure
Optimum must perform Additional Client Due Diligence Procedures where a client is a Domestic Prominent Influential Person	FICA CDD Procedure
Optimum must perform Additional Client Due Diligence Procedures where a client is a Foreign Prominent Public Official	FICA CDD Procedure
Optimum 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 CDD Procedure
Optimum must perform Additional Client Due Diligence Procedures where a client is a Legal Person, Trust or Partnership	FICA CDD Procedure
Optimum must when in Doubt, confirm the Veracity of previously obtained Client Information	FICA CDD Procedure
Optimum must perform Ongoing Client Due Diligence Procedures and the Monitoring of Transactions of existing Business Relationships	FICA CDD Procedure
Optimum must submit Cash Threshold Reports within the prescribed time limit	FICA Reporting Duty
Optimum must submit Suspicious or Unusual Transaction Reports within the prescribed time limit	FICA Reporting Duty
Optimum must submit Terrorist Property Reports within the prescribed time limit	FICA Reporting Duty
Optimum must keep and maintain Transaction Records for the required period	FICA Recordkeeping
Optimum must keep and maintain Client Due Diligence Records for the required period	FICA Recordkeeping
Optimum must ensure Compliance where Transaction Records or Client Due Diligence Records are kept and maintained by a Third Party	FICA Recordkeeping
Optimum must provide Training to ensure compliance with FICA and Optimum's AML & CTF RMCP	FICA Awareness Training

## COMPLIANCE PROGRAM

### 6.1 FICA GRC STANDARDS

#### 6.1.1 Maintain AML & CTF RMCP

For the purposes of risk management and crime prevention, Optimum 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 Optimum in any way.

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

The FICA Compliance Officer will conduct the annual review as indicated in Optimum's Compliance Monitoring Schedule under Annexure N.

#### 6.1.2 Govern Compliance with the AML & CTF RMCP

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

Optimum has therefore established a compliance function as part of its risk management framework which is supervised by a FICA Compliance Officer and where necessary, a Deputy 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.

In performing his or her duties, the FICA Compliance Officer will provide written reports on the course of, and the progress achieved with, compliance monitoring duties and make recommendations to Optimum's governing body with regards to any AML & CTF compliance requirements.

Optimum's FICA Compliance Officer is responsible for ensuring compliance with FICA and Optimum's AML & CTF RMCP. Consideration will be given on an annual basis to the re-appointment or replacement of the FICA Compliance Officer and the re-appointment or replacement of any Deputy FICA Compliance Officers.

An example of an "FICA Compliance Officer Appointment Letter" can be found under Annexure A.

### 6.2 FICA LICENSING AND MAINTENANCE

#### 6.2.1 FIC Registration

The FICA Compliance Officer will ensure that Optimum is registered as an "accountable institution" and/or "reporting institution", whichever the case may be, with the FIC within 90 days from the date of commencing its business. The FICA Compliance Officer will retain the following records pertaining to the registration process:

- Optimum's "Org ID"
- Optimum's particulars provided during the registration process
- The log-in particulars required to access the FIC's reporting portal ("goAML")
- The "Confirmation of Entity Registration" notification received from the FIC

The FICA Compliance Officer will ensure that Optimum remains registered whilst operating as one of the businesses listed under Schedule 1 and/or Schedule 3 of FICA.



## COMPLIANCE PROGRAM

FIC Registration instructions can be found under Annexure B.

### 6.2.2 Change of Registration Particulars

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

Where any of Optimum's particulars are updated subsequent to the registration process, the FICA Compliance Officer will communicate these changes to the FIC within 15 business days after such change, but no later than 90 days after such change.

The FICA Compliance Officer will update Optimum'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.

### 6.3 FICA CLIENT DUE DILIGENCE PROCEDURE

Optimum has adopted a risk-based approach with regards to performing Client Due Diligence procedures. The risk-based approach allows Optimum'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 interacting with clients and/or maintaining client and transaction records will at all times observe Optimum's implemented control measures and conduct the appropriate Client Due Diligence procedures as outlined in the Client Due Diligence Activity Sheet.

The Client Due Diligence Activity Sheet can be found under Annexure J.

The FICA Compliance Officer will monitor employee's continued compliance with the Client Due Diligence procedures as outlined below.

#### 6.3.1 Enhanced due diligence procedures where a ML/TF high-risk transaction is identified.

As part of its client on boarding process, Optimum will determine whether a single transaction, or a transaction to be concluded pursuant to a new or an existing business relationship, must be classified as a ML/TF High-Risk transaction.

ML/TF High-Risk transactions are those transactions that have been identified by Optimum 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 services that has been previously identified by Optimum 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 Optimum as a ML/TF High-Risk person.

Optimum 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 as being lower, Optimum will perform less onerous Client Due Diligence procedures as outlined below

## COMPLIANCE PROGRAM

IDENTIFIED ML/TF RISK	CLIENT DUE DILIGENCE PROCEDURE
No ML/TF Risk	Quick CDD procedure
Low ML / TF Risk	Quick CDD Procedure
Moderate ML / TF Risk	Standard CDD Procedure
High ML / TF Risk	Enhanced CDD Procedure

The FICA Compliance Officer will initiate and facilitate the Product and Service ML/TF Risk Analysis process as outlined in Annexure C in order to determine which products and services provided by Optimum, should be classified as ML/TF High-Risk products and services.

The FICA Compliance Officer will initiate and facilitate a review of the Client ML/TF Risk Identification criteria as outlined in Annexure D 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. The FICA Compliance Officer will initiate the Product and Service ML/TF Risk Analysis process:

- Whenever a new service or product is introduced by Optimum as an additional offering
- On an Annual basis

The FICA Compliance Officer will review the Client ML/TF Risk Identification criteria:

- Every six months

### 6.3.2 Understanding and obtaining information concerning a new business relationship

When engaging with a prospective client to establish a business relationship, Optimum will obtain information to reasonably enable Optimum to determine whether future transactions that will be performed in the course of the business relationship concerned, are consistent with Optimum's knowledge of the prospective client

The information that must be source by employees interacting with clients or client representatives must be of such quality 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.

All employees responsible for interacting with clients will determine whether a prospective client intends to conclude a single transaction or enter into a new business relationship with Optimum by:

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

This process is visually represented in the client Transaction Flowchart provided for in Annexure I.

Where it is established that the client is entering into a new business relationship with Optimum, the employee will record the nature and intended purpose of the business relationship in the fields provided on the relevant application form. The source of funds which the client expects to use in the concluding transactions must also be recorded on the Business Relationship Due Diligence form.

All employees responsible for interacting with clients or client representatives will ensure that the relevant due diligence information provided pursuant to a new business relationship, is transferred and recorded on the Business Relationship Due Diligence form and saved on AtWork.

All information must be recorded within one business day of establishing a new business relationship with the client. The register can be kept electronically on a central database and must be backed-up periodically for FICA record keeping purposes.

An example of a Business Relationship Due Diligence form can be found under Annexure K

### 6.3.3 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, Optimum will, in the course of concluding that single transaction or establishing the business relationship:

- 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.

The relevant excel Client Due Diligence Forms can be found under Annexure L:

- Natural Person Client

This Client Due Diligence Form must be completed where the client is a natural person acting in his or her own capacity.

- Client Representative

This Natural Person client due diligence sheet must be completed where a natural person is acting on behalf of a client such as another natural person, a legal person, a partnership, a trust or another entity type.

- Legal Person

The Entity Client Due Diligence excel sheet must be completed where the client is a legal person irrespective of whether or not the legal person incorporated in South Africa. For example, a Foreign Company or a Close Corporation would fall under the definition of a "legal person".

- Partnership

The Entity Client Due Diligence excel sheet must be completed where the client is a partnership.

- Trust

## COMPLIANCE PROGRAM

The Entity Client Due Diligence excel sheet must be completed where the client is a trust.

- Other Entity Type

The Entity Client Due Diligence excel sheet must be completed where the client is not a natural person, a legal person, a partnership or a trust. Examples of "other entity types" include:

- An Administered Estate
- A Fund
- A Trade Union
- A Cooperative
- A University or a School
- A Religious Institution such as church, temple or mosque
- A Sports Club
- A Body Corporate
- A Home Owners Association
- A Municipality or other Organ of State

Employees will be required to complete the relevant sections indicated on the Client Due Diligence Forms.

Due Diligence Forms are divided into the following sections:

- Tier 1 Risk Rating

Tier 1 Risk Rating criteria are those indicators that have been determined to be relevant to the Client ML/TF Risk Identification process provided for under Annexure D.

The Tier 1 Risk Rating criteria carries more weight with regards to assessing a transaction's ML/TF risk when compared to that of Optimum's Product and Service related ML/TF risk. Accordingly, any Tier 1 Risk findings will take precedence over that of the Tier 2 Risk findings.

The Tier 1 Risk Ratings are indicated on both the Natural Person Client and the Client Representative Due Diligence Forms, and must be completed by the employee interacting with the client or client representative for each and every transaction.

The employee must proceed to complete the relevant column depending on whether the transaction is a "single transaction", forms part of an "existing business relationship" or signals the establishment of a "new business relationship". Refer to the Client Transaction Flowchart under Annexure I.

Where the employee has indicated a positive response ("yes") to any of the Tier 1 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. Where more than one Tier 1 Risk Rating is found to apply in a particular instance, the employee will proceed to conduct the most stringent Client Due Diligence procedure.

It is only where the employee has indicated a negative response ("no") to all the Tier 1 Risk Rating

criteria, that the employee will be required to complete the Tier 2 Risk Rating section.

- Tier 2 Risk Rating

Tier 2 Risk Rating sets out the three risk ratings that may apply to Optimums identified Product and Service ML/TF Risk. Refer to the Product and Service ML/TF Risk Analysis under Annexure C.

The Tier 2 Risk Ratings are indicated on both the Natural Person Client and the Client Representative Due Diligence Form, and need only be completed by the employee facilitating a transaction where none of the Tier 1 Risk Ratings are found to apply.

The employee must proceed to complete the relevant row depending on the identified ML/TF Risk Rating of the requested product and/or service, of the relevant column depending on whether the transaction is only a "single transaction", forms part of an "existing business relationship" or singles the establishment of a "new business relationship". Refer to the Client Transaction Flowchart under Annexure I.

Where the employee has indicated a positive response ("yes") to any of the Tier 2 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.

- Client Information

The employee must capture the client's, and where applicable, the client representative's information, as provided for in the various information fields indicated for the relevant Client Due Diligence procedure.

Where it is established that a "Standard Client Due Diligence" must be conducted, it will include the client information indicated for a Quick Client Due Diligence. Where it is established that an Enhanced Client Due Diligence must be conducted, it will include the client information indicated for a Quick and a Standard Client Due Diligence.

For example, where the client is a company entering into a new business relationship with Optimum for the first time, the employee will first capture the information provided for in the Client Representative Due Diligence Form under the "New Relationship" column. i.e. the information of the person who is acting on behalf of the company must first be captured. Where it is then established that an Enhanced Client Due Diligence must be performed, the employee will proceed to capture the information indicated under the Quick, Standard and Enhanced client information fields for both the client representative as well as the legal person.

- Client Beneficial Owners

Where the client is a Legal Person, a Trust or a Partnership entering into a single transaction or establishing a new business relationship with Optimum, the employee will capture the information fields indicated under the "Client Beneficial Owners" section. The employee need not complete these fields where the client is an existing client of Optimum and the information has already been captured on a previous occasion.

- Transaction Information

When establishing a new business relationship with a client, the employee will capture the information fields indicated under the "Transaction Information" section. The employee need not complete these fields where the client is concluding a single transaction or where the client is an

existing client of Optimum and the information has already been captured on a previous occasion.

- Verification Methodology

The employee will verify the information captured in the "Client Information" section only where so required in terms of the indicated Client Due Diligence procedure i.e. either a Standard or an Enhanced Client Due Diligence procedure.

As a general rule, the following verification methodology will be followed:

In certain instances, the indicated verification method may require the client to sign a Source of Funds Declaration. An example of Source of Funds Declaration can be found under Annexure H.

All documentation or other forms of confirmation provided in order to verify the information captured on the client information fields will be saved as part of the transaction records to be kept for that particular client.

- Signature Section

The employee conducting the Client Due Diligence on behalf of Optimum must sign and date the Client Due Diligence Form.

### 6.3.4 Avoiding Clients with apparent False or Fictitious Names

Optimum 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 employee's 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.

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

Where Optimum 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
- 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

Optimum will (as it applies):

## COMPLIANCE PROGRAM

- Not establish a business relationship or conclude a single transaction with that client
- Conclude a single transaction in the course of a business relationship, or 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 and transaction 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 Due Diligence procedure cannot be performed and will take the necessary appropriate action.

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

Optimum 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 identified pursuant to a resolution of the Security Council of the United Nations.

Optimum will take reasonable measures to establish whether a prospective client, or an existing client or client representative is 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 Tier 1 ML/TF Client Risk Rating criteria as provided for on the Client Due Diligence Forms.

The procedure to access the UN Security Council Sanction list is indicated under Annexure E.

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.

### 6.3.7 Additional Due Diligence Procedures where a client is a Domestic Prominent Influential Person

Optimum will determine whether a prospective client with whom it engages to establish a new business relationship, or the beneficial owner of that prospective client, is a domestic prominent influential person.

Where it is established that the prospective client, or the beneficial owner of the prospective client, is a domestic prominent influential person, Optimum will:

- Regard the transaction as a ML/TF High-Risk transaction, and

## COMPLIANCE PROGRAM

- 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 enquiry will form part of the Tier 1 ML/TF Client Risk Rating criteria as provided for in the Client Due Diligence Forms.

A list of acting positions classified as Domestic Prominent Influential Persons can be found under Annexure F.

The Senior Management Approval Procedure can be found under Annexure G.

### 6.3.8 Additional Due Diligence Procedures where a client is a Foreign Prominent Public Official

Optimum will determine whether a prospective client with whom it engages to establish a business relationship, or the beneficial owner of that prospective client, is a foreign prominent public official.

Where it is established that the prospective client, or the beneficial owner of the prospective client, is a foreign prominent public official, Optimum will:

- Regard the transaction as a ML/TF High-Risk transaction, and
- Require the employee interacting with the client to obtain senior management approval for 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 enquiry will form part of the Tier 1 ML/TF Client Risk Rating criteria as provided for in the Client Due Diligence Forms.

A list of acting positions that must be classified as Foreign Prominent Public Officials can be found under Annexure F.

The Senior Management Approval Procedure can be found under Annexure G.

### 6.3.9 Additional Due Diligence Procedures where a client is a Family Member or a Close Associate of a DPIIP or a FPPO

Optimum will determine whether a prospective client with whom it engages to establish a business relationship, or the beneficial owner of that prospective client, is an immediate family member or a known close associate of a domestic prominent influential person or a foreign prominent public official.

Where it is established that the prospective client, or the beneficial owner of the prospective client, is an immediate family member or a known close associate of a domestic prominent influential person or a foreign prominent public official, Optimum 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



## COMPLIANCE PROGRAM

- 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 enquiry will form part of the Tier 1 ML/TF Client Risk Rating criteria as provided for in the Client Due Diligence Forms.

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

The Senior Management Approval Procedure can be found under Annexure G.

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

Optimum will determine whether a prospective client with whom it engages to establish a business relationship is a legal person, trust or a partnership between natural persons.

Where it is established that the prospective client is a legal person, whether incorporated or originated in South Africa or elsewhere, Optimum 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, Optimum 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 Optimum 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, Optimum will determine the identity of each natural person who exercises control of that legal person through any other means.

Where Optimum is still unable to identify a natural person, Optimum 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.

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

- The identifying name of the partnership, and

## COMPLIANCE PROGRAM

- The identity of every partner, including every member of a partnership *en commandite*, 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 Optimum on behalf of the partnership.

Where it is established that the prospective client is a trust between natural persons, whether incorporated or originated in South Africa or elsewhere, Optimum 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 Optimum 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, Optimum will establish the particulars of how the beneficiaries of the trust are determined.

The additional information fields that must be completed is indicated on the relevant Client Due Diligence Forms and can be found under Annexure L.

### 6.3.11 When in Doubt, confirming the Veracity of previously obtained Client Information

Where Optimum, subsequent to entering into a single transaction or establishing a business relationship, doubts the veracity or adequacy of previously obtained information regarding:

- clients or client representatives that are natural persons,
- legal persons,
- partnerships, or
- trusts, Optimum will repeat the steps required to establish and verify the client's or client representative's identity, to the extent that is necessary to confirm the information in question.

In order to confirm the veracity 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 recorded in the Business Relationship Due Diligence Register.

Where there is a discrepancy, the FICA Compliance Officer will update the information captured on the Business Relationship Due Diligence Register accordingly.

Optimum will conduct periodic client information reassessments in order to confirm whether the information that Optimum 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 as provided for in the Business Relationship Due Diligence Register.

An example of a Business Relationship Due Diligence Register can be found under Annexure K.

## COMPLIANCE PROGRAM

### 6.3.12 Ongoing Due Diligence and the Monitoring of Transactions of Existing Business Relationships

Optimum will conduct ongoing due diligence in respect of all existing business relationships.

The ongoing due diligence will be done when Optimum become aware of any changes which can impact risk rating and at least at following intervals/frequency depending on risk rating:

- High Risk = Quarterly
- Medium Risk = Bi-Annually
- Low Risk = Annually

The ongoing due diligence process will include the monitoring of transactions undertaken throughout the course of the business relationship, including, where necessary:

- the source of funds, to ensure that the transactions are consistent with Optimum's knowledge of the client and the client's business and risk profile, and
- the background and purpose of all complex, unusually large transactions, and all unusual patterns of transactions, which have no apparent business or lawful purpose.

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

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.

## 6.4 FICA REPORTING DUTY

### 6.4.1 Submitting Cash Threshold Reports within the Prescribed Time Limit

Optimum will, within the prescribed period, report to the FIC the prescribed particulars concerning a transaction concluded with a client if in terms of the transaction, an amount of cash in excess of the prescribed amount:

- is paid by Optimum to a client or a client representative, or
- is received by Optimum from a client, or from a client representative.

Where an employee facilitates a cash transaction in excess of the prescribed amount, or a series of transactions where the aggregate of smaller amounts combines to equal the prescribed amount, he or she will notify the FICA Compliance Officer of this transaction in writing within one business day of such a transaction.

The FICA Compliance Officer will submit a Cash Threshold Report to the FIC as soon as possible but not later than two days after the employee became aware of a cash transaction or series of cash transactions that has exceeded the prescribed limit.

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

### 6.4.2 Submitting Suspicious or Unusual Transaction Reports within the Prescribed Time Limit

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

- Optimum 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 Optimum 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 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
  - 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
  - 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.
- Optimum has been used or is about to be used, or if the transaction was concluded, may have been used, in any way for money laundering purposes or 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.

Where an employee suspects that Optimum 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 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 suspicious and unusual transaction report, for at least five years from the date on which the report was submitted to the FIC.

### 6.4.3 Submitting Terrorist Property Reports within the Prescribed Time Limit

## COMPLIANCE PROGRAM

Where Optimum 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, Optimum will within the prescribed period report that fact to the FIC.

Where an employee has knowledge that Optimum 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 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 Optimum 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.

### 6.5 FICA RECORDKEEPING

#### 6.5.1 Maintaining Transaction Records for the Required Period

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

Optimum will ensure that the transaction records:

- contain sufficient information, to enable Optimum 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 Optimum provides account facilities to its clients, the identifying particulars of all accounts and the account files at Optimum that are related to the transaction.

The transaction records may be kept in electronic form. Where Optimum 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.

The FICA Compliance Officer will keep all transaction records for at least five years from the date on which the transaction was concluded.

#### 6.5.2 Maintaining Client Due Diligence Records for the Required Period

Optimum will keep an accurate record of:

- all information pertaining to a client, or a prospective client, pursuant to the Customer Due

## COMPLIANCE PROGRAM

### Diligence requirements

- copies of, or references to, information provided to or obtained by Optimum to verify a person's identity, and
- in the case of a business relationship, reflect the information obtained by Optimum 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 Optimum 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.

The FICA Compliance Officer will keep all Customer Due Diligence records, for at least five years from the date on which the business relationship is terminated.

#### 6.5.3 Ensuring Compliance where Transaction or Due Diligence Records are maintained by a Third Party

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

- Optimum 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.

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 Optimum.

#### 6.6 FICA AWARENESS TRAINING

Optimum 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.

An example of a FICA Awareness Training Register can be found under Annexure M.

## 7. COMPLIANCE RISK AND IMPLEMENTED CONTROLS

Optimum has identified nine compliance risks considering its compliance objectives and obligations.

The compliance risks have been assessed and evaluated based on the likelihood of the risk occurring, as well as the potential impact should the risk event occur.

	COMPLIANCE RISK	POSSIBLE NONCOMPLIANCE SANCTIONS	CHANCE	IMPACT	RISK	IMPLEMENTED CONTROLS
ONE	Civil or criminal fines or penalties where there is a failure in the FICA Reporting Duty procedures	Guilty of an Offence: Period not exceeding 15 years imprisonment or to a fine not exceeding R100 Million and / or Administrative Sanction: Financial Penalty not exceeding R10 Million in respect of natural persons and R50 Millions in respect of any other legal person	Possible	Catastrophic	Very High	<ul style="list-style-type: none"> <li>- FICA Awareness Training</li> <li>- Employee Reporting Procedure</li> </ul>
TWO	Loss of sales and customer confidence where there is a failure in the FICA Reporting Duty procedures	Administrative Sanction: The restriction or suspension of certain specified business activities				<ul style="list-style-type: none"> <li>- FICA Awareness Training</li> <li>- Employee Reporting Procedure</li> </ul>
THREE	Civil or criminal fines or penalties where proper FICA Customer Due Diligence measures are not conducted	Administrative Sanction: Financial Penalty not exceeding R10 Million in respect of natural persons and R50 Million in respect of any other legal person	Possible	Major	High	<ul style="list-style-type: none"> <li>- FICA Awareness Training</li> <li>- Customer Due Diligence Forms</li> </ul>
FOUR	Civil or criminal fines or penalties where FICA Recordkeeping requirements are not met	Administrative Sanction: Financial Penalty not exceeding R10 Million in respect of natural persons and R50 Millions in respect of any other legal person				<ul style="list-style-type: none"> <li>- FICA Awareness Training</li> </ul>
FIVE	Reputational fallout or brand damage where there is a failure in the FICA Reporting Duty procedures	Administrative Sanction: A Reprimand		Moderate		<ul style="list-style-type: none"> <li>- FICA Awareness Training</li> <li>- Employee Reporting Procedure</li> </ul>
SIX	Civil or criminal fines or penalties where proper FICA GRC Standards are not implemented, reviewed and maintained	Administrative Sanction: Financial Penalty not exceeding R10 Million in respect of natural persons and R50 Millions in respect of any other legal person		Major	Tolerable	<ul style="list-style-type: none"> <li>- Annual Review of AML &amp; CTF RMCP</li> </ul>
SEVEN	Loss of sales and customer confidence where proper FICA GRC Standards are not implemented, reviewed and maintained	Administrative Sanction: The restriction or suspension of certain specified business activities	Unlikely			<ul style="list-style-type: none"> <li>- Annual Review of AML &amp; CTF RMCP</li> </ul>
EIGHT	Reputational fallout or brand damage where proper FICA GRC Standards are not implemented, reviewed and maintained	Administrative Sanction: A Reprimand		Moderate		<ul style="list-style-type: none"> <li>- Annual Review of AML &amp; CTF RMCP</li> </ul>
NINE	Reputational fallout or brand damage where FICA Awareness Training of employees is not regularly conducted	Administrative Sanction: A Reprimand		Minor	Low	<ul style="list-style-type: none"> <li>- FICA Awareness Training</li> </ul>

### 8. DISCIPLINARY ACTION

Where a FICA related complaint or an investigation related to an infringement of FICA or Optimum's AML & CTF RMCP has been finalised, Optimum 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, Optimum 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 Optimum may summarily dismiss the employee. Disciplinary procedures will commence where there is sufficient evidence to support an employee's gross negligence. (Refer to our Internal Disciplinary Code under our Employment Manual.)

Examples of immediate actions that may be taken subsequent to an investigation 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.

### 9. 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 Optimum complies with FICA and the AML & CTF RMCP. An example of a Compliance Monitoring Schedule can be found under Annexure N.



## FICA COMPLIANCE OFFICER APPOINTMENT LETTER

In terms of Section 42A of the Financial Intelligence Centre Act 38 of 2001 ("FICA"), every Accountable Institution must ensure compliance by the accountable institution and its employees with the provisions of FICA and Optimum's AML & CTF RMCP.

Accordingly, Optimum must consider appointing a person with the responsibility of ensuring compliance by Optimum and its employees with the obligations imposed by the provisions of FICA and Optimum's AML & CTF RMCP.

The FICA Compliance Officer is not required to satisfy any minimum Fit and Proper requirements. However, it is recommended that the individual has a thorough understanding of:

- FICA's provisions and regulations
- any Guidance Notes issued by the FIC
- Optimum's services, products, reporting structures and business processes
- Optimum's AML & CTF RMCP

The FICA Compliance Officer must have sufficient authority and seniority within Optimum to perform his or her duties.

The FICA Compliance Officer must have sufficient independence to have access to Optimum's operational business units in order to effect corrective actions where so required.

The format and contents of this document are made available as an example. It is the responsibility of the user to customise this document to the user's specific needs, circumstances and any other regulatory requirements.

This document must be reviewed and aligned with Optimum's Risk Management & Compliance Framework on a periodic basis.

### FICA COMPLIANCE OFFICER APPOINTMENT LETTER

The following person is herewith appointed as Optimum's FICA Compliance Officer with immediate effect.

In making this appointment on behalf of Optimum, I understand that the FICA Compliance Officer will require the support of Optimum's governing body in performing his or her responsibilities as provided for hereunder.

This appointment may at any time be withdrawn or amended in writing.

Name & Surname **Robin Antonie Smith**

Identity number **8108045089086**

Date **17 November 2022**

You are entrusted with the following responsibilities:

- Keeping up-to-date with the requirements of FICA and Regulations and Guidance Notes issued by the FIC
- Establish and managing Optimum's compliance function pursuant to the requirements of FICA
- Assisting Optimum's governing body with its annual review of the AML & CTF RMCP
- Ensuring that Optimum is registered with the FIC and keeping a record of Optimum's "goAML" log in particulars

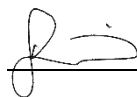
## ANNEXURE A

- Monitoring of changes to Optimum's contact particulars and communicating such changes to the FIC
- Initiating and facilitating the Product and Service ML/TF Risk Analysis process
- Initiating and facilitating reviews of the Client ML/TF Risk Identification Criteria
- Periodic updating of UN Security Council Sanction List
- Monitoring compliance with the submittal and continued record keeping of all Cash Threshold Reports
- Monitoring compliance with the submittal and continued record keeping of all Suspicious or Unusual Transaction Reports
- Monitoring compliance with the submittal and continued record keeping of all Terrorist Property Reports
- Monitoring compliance with the retention and back-ups of all FICA Transaction Records and Client Due Diligence Records
- Ensuring that employees undergo annual FICA Awareness Training
- Periodic review of Senior Management Approval Procedure
- Periodic review of Client Due Diligence Activity Sheet
- Periodic review of Client Due Diligence Forms
- Ongoing Due Diligence and Monitoring of Existing Business Relationships
- Client random spot checks: UN Security Council List
- Client random spot checks: False or Fictitious verification documents
- Client random spot checks: DPIIP or FPPO
- Client random spot checks: Family or Associate of DPIIP or FPPO
- Monitoring Compliance with Client Due Diligence procedure
- Monitoring Compliance with Additional Information on a New Business Relationship
- Annual review of the Compliance Monitoring Schedule

In accepting this appointment, I understand that I must fulfil my responsibilities as Optimum's FICA Compliance Officer

I hereby accept the appointment as FICA Compliance Officer

Signature

  
\_\_\_\_\_

Date

17 November 2022

## FIC REGISTRATION INSTRUCTIONS

- In terms of Section 43B of the Financial Intelligence Centre Act 38 of 2001 ("FICA"), every Accountable Institution and Reporting Institution must within the prescribed period and in the prescribed manner, register with the FIC.
- All registrations must be completed and submitted to the FIC electronically using the "GoAML" Registration System. In exceptional circumstances, Optimum may make use of a manual paper-based mechanism to register.
- There is no cost to register Optimum.
- Further instructions are available on the FIC's website [www.fic.gov.za](http://www.fic.gov.za)
- The format and contents of this document are made available as an example. It is the responsibility of the user to customise this document to the user's specific needs, circumstances and any other regulatory requirements.
- This document must be reviewed and aligned with Optimum's Risk Management & Compliance Framework on a periodic basis.

### FIC REGISTRATION INSTRUCTIONS

Where an organisation is registering Optimum as an Accountable Institution or Reporting Institution for the first time

- Open your web browser and navigate to [www.fic.gov.za](http://www.fic.gov.za)
- Click on "Register or Report"
- Add Optimum's FICA Compliance Officer as a User by selecting "Register as Organisation"
- Complete all necessary fields in the "organisation" and "user" section of the electronic form
- Select the appropriate organisation business type from the dropdown menu (e.g. Attorney)
- The user may choose his or her own "username" and "password" (the password must be between 5-10 characters, contain at least one capital letter, a number and a special character)
- The contact details provided for Optimum and users must be that of Optimum's business details
- The "Occupation" text field refers to the official job title of the user, e.g. FICA Compliance Officer, Director, Secretary
- The user must upload a scanned copy of his or her identity document as well as an authorisation form under the "Attachments" section. The Authorisation letter must contain the user's: First name, last name, ID number and role.
- Enter the "Captcha" code and click on submit
- The user will receive a "SHREG" reference number
- If the registration is successful the user will receive a "Confirmation of Entity Registration" notification

## PRODUCT AND SERVICE ML/TF RISK ANALYSIS

In terms of Section 42 of the Financial Intelligence Centre Act 38 of 2001 ("FICA"), every Accountable Institution must be able to identify, assess, monitor, mitigate and manage the risk that the provision by the accountable institution of products and services may involve or facilitate money laundering activities or the financing of terrorist and related activities.

The Product and Service ML/TF Risk Analysis process:

- Risk identification and analysis is an inclusive process which must be done as widely as possible within Optimum.
- Identify a group of employees that are representative of Optimum and who together as a group, are familiar with the complete range of products and/or services provided by Optimum. Smaller organisations can include everyone.
- It is preferable that the identified group of employees undergo FICA Awareness training prior to the Product and Service ML/TF Risk Analysis process.
- The training must enable the group to have a general understanding of the various stages of money laundering and how the financing of terrorism works.
- Download a copy of the "Guidance Note on the Implementation of various aspects of FICA" from the FIC's website and proceed to review the risk indicators typically associated with ML/TF High-Risk products and services. Optimum's product and service vulnerabilities may include certain features of its products and services, certain delivery channels, geographic areas and other contextual considerations.
- Proceed to list all products and/or services offered by Optimum.
- Analyse the ML/TF risk for each of the listed products and/or services by firstly determining to what extent the various factors indicative of ML/TF risk apply to those individual products and/or services when compared to one another.
- Use the Products and Service ML/TF Risk Matrix to plot the listed products and/or services into either a "No Risk", "Low Risk", "Moderate Risk" or a "High Risk" rating.
- Optimum must be able to demonstrate the ML/TF Risk identification and analysis process by documenting the group's findings. Use the Products and Service ML/TF Risk Register to document all findings.

This document must be reviewed and aligned with Optimum's Risk Management & Compliance Framework on a periodic basis.

## PRODUCT AND SERVICE ML/TF RISK MATRIX

The extent to which the particular Product or Service can be exploited for ML/TF purposes when compared to the Organisation's other Products or Services	Comparatively Very High	No ML/TF Risk	Moderate ML/TF Risk	High ML/TF Risk	High ML/TF Risk
	Comparatively Moderate	No ML/TF Risk	Low ML/TF Risk	Moderate ML/TF Risk	High ML/TF Risk
	Comparatively Low	No ML/TF Risk	Low ML/TF Risk	Low ML/TF Risk	Moderate ML/TF Risk
		None	Unlikely	Likely	Very Likely
The likelihood that the particular Product or Service can be exploited for ML/TF purposes					

ML/TF RISK LEVEL	CLIENT DUE DILIGENCE PROCEDURE	FICA DOCUMENTS REQUIRED
No ML/TF Risk	Quick CDD procedure	Copy of Id
Low ML/TF Risk	Quick CDD Procedure	Copy of Id/Confirmation of Address
Moderate ML/TF Risk	Standard CDD procedure	Copy of Id/Proof of Address & Bank Account/Source of funds
High ML/TF Risk	Enhanced CDD procedure	Certified copy of Id/Proof of Address/Proof of Bank Account/Proof of Source of Funds, telephone confirmation, tax number

PRODUCT / SERVICE	LIKELIHOOD ASSESSMENT	IMPACT ASSESSMENT	PRODUCT / SERVICE ML/TF RISK RATING
Long-Term Insurance subcategory A	None	N/A	No ML/TF Risk
Short Term Insurance Personal Lines	None	N/A	No ML/TF Risk
Long-Term Insurance subcategory B1	None	N/A	No ML/TF Risk
Long-Term Insurance subcategory B2	None	N/A	No ML/TF Risk
Long Term Insurance subcategory B2-A	None	N/A	No ML/TF Risk
Long-Term Insurance subcategory B1-A	None	N/A	No ML/TF Risk
Short-Term Insurance Personal Lines A1	None	N/A	No ML/TF Risk
Participatory interest in a hedge fund	Unlikely	Comparatively Low	Low ML/TR Risk
Long-Term Insurance subcategory C	None	N/A	No ML/TF Risk
Retail Pension Benefits	None	N/A	No ML/TF Risk
Short-Term Insurance Commercial Lines	None	N/A	No ML/TF Risk
Pension Funds Benefits	None	N/A	No ML/TF Risk
Shares	Likely	Comparatively Moderate	Moderate ML/TF Risk
Money Market Instruments	Unlikely	Comparatively Low	Low ML/TR Risk
Debentures and securitised debt	Unlikely	Comparatively Low	Low ML/TR Risk
Warrants, certificates, & other instruments	Unlikely	Comparatively Low	Low ML/TR Risk
Bonds	Unlikely	Comparatively Low	Low ML/TR Risk
Derivative instruments	Unlikely	Comparatively Low	Low ML/TR Risk
Participatory interests in collective investment scheme	Unlikely	Comparatively Low	Low ML/TR Risk
Health Services Benefits	None	N/A	No ML/TR Risk

## Risk Matrix For Individual

Did client act suspiciously?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is transaction unusual? (Large/Complex/Strange Patterns?)	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is transaction consistent with Optimum's knowledge of client?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is client on United Nations Security Council List?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is client Domestic Prominent Influential Person (DPIP) or Foreign Prominent Public Official (FPPO)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is client associate of immediate family member of DPIP/FPPO?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Investor's Country of Residence	Low <input type="checkbox"/>	Medium <input type="checkbox"/>	High <input type="checkbox"/>	Restricted <input type="checkbox"/>
Investor's Bank Account Domicile	Low <input type="checkbox"/>	Medium <input type="checkbox"/>	High <input type="checkbox"/>	Restricted <input type="checkbox"/>

(Individual): Occupation

- ☐ Agriculture, forestry, fishery
- ☐ Armed forces
- ☐ Clerical, services and sales
- ☐ Education or Medical
- ☐ Executive
- ☐ Government employee
- ☐ Manager
- ☐ Minister or senior government position
- ☐ Professional
- ☐ IT, technician or artisan
- ☐ Self Employed
- ☐ Unemployed
- ☐ Other (specify) \_\_\_\_\_

Source of Funds

- ☐ Investment proceeds
- ☐ Retirement Funds
- ☐ Donations
- ☐ Sale of property
- ☐ Inheritance
- ☐ Capital/Savings
- ☐ Business Income / Profits
- ☐ Salary / bonus
- ☐ Other (specify) \_\_\_\_\_

Source of Income/Wealth

Other ☐

3rd party Verified Banking details (debit order / income payments / redemptions)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Investment Amount _____	Specify band _____	

## Risk Matrix for Entity

Did client act suspiciously?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is transaction unusual? (Large/Complex/Strange Patterns?)	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is transaction consistent with Optimum's knowledge of client?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is client on United Nations Security Council List?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is client Domestic Prominent Influential Person (DPIP) or Foreign Prominent Public Official (FPPO)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Is client associate of immediate family member of DPIP/FPPO?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
Investor's Country of Residence	Low <input type="checkbox"/>	Medium <input type="checkbox"/>	High <input type="checkbox"/>	Restricted <input type="checkbox"/>
Investor's Bank Account Domicile	Low <input type="checkbox"/>	Medium <input type="checkbox"/>	High <input type="checkbox"/>	Restricted <input type="checkbox"/>

Type of Entity (Legal entities only)

- ☐ Unlisted Company
- ☐ Government entity
- ☐ Collective Investments Schemes
- ☐ Close Corporation
- ☐ Partnerships
- ☐ Medical Schemes
- ☐ Listed Company
- ☐ Retirement/Pension/Provident funds
- ☐ Trusts
- ☐ Foreign company
- ☐ Unincorporated Entities or Other Legal Persons
- ☐ Nominee Company/LISPS (approved)
- ☐ Non-Profit Organisations (NPO)
- ☐ Other (specify) \_\_\_\_\_

Source of Funds

- ☐ Investment proceeds
- ☐ Retirement Funds
- ☐ Donations
- ☐ Sale of property
- ☐ Inheritance
- ☐ Capital/Savings
- ☐ Business Income / Profits
- ☐ Salary / bonus
- ☐ Other (specify) \_\_\_\_\_

3rd party Verified Banking details (debit order/income payments/redemptions) Yes ☐ No ☐

Investment Amount \_\_\_\_\_ Specify band \_\_\_\_\_

# CLIENT ML/TF RISK IDENTIFICATION CRITERIA AND SUSPICIOUS BEHAVIOUR

In terms of Section 42 of the Financial Intelligence Centre Act 38 of 2001 ("FICA"), every Accountable Institution must be able to identify, assess, monitor, mitigate and manage the risk that the provision by the accountable institution of products and services may involve or facilitate money laundering activities or the financing of terrorist and related activities.

The Client ML/TF Risk Identification criteria:

- The ML/TF risk associated with both prospective and existing clients may be determined on general criteria such as:
  - Whether the particular transaction being entered into is unusually large or complex
  - Whether the client is nervous or acting suspiciously
  - Whether the client is indicated on the United Nations Security Council sanction list
  - Whether the client is a Domestic Prominent Influential Person ("DPIP")
  - Whether the client is a Foreign Prominent Public Official ("FPPO")
  - Whether the client is a known close associate or an immediate family member of a DPIP or FPPO
  - Whether the client is a natural person or a legal person, trust or a partnership
  - Whether the transaction is less than R5000
  - Whether the transaction is consistent with Optimum's knowledge of the client
  - Whether there are any unusual patterns of transactions associated with the client
- Download a copy of the "Guidance Note on the Implementation of various aspects of FICA" from the FIC's website and proceed to review the risk indicators typically associated with ML/TF High-Risk client. These indicators may be included in the Risk Identification criteria.
- Employees responsible for interacting with clients and/or maintaining client and transaction records must familiarise themselves with the indicators that may point towards suspicious client behaviour.



### GENERAL SUSPICIOUS OR UNUSUAL CLIENT BEHAVIOUR

- The client is selective or reluctant to meet in person
- The client is accompanied or is being watched
- The client recently established a series of relationships with various accountable institutions
- The client has accounts with various accountable institutions for no apparent reason
- The client admits to his or her involvement in criminal activities
- The client is quick to volunteer that funds originate from a legitimate source
- The client has access to significant amounts of physical cash
- The client does not want any correspondence sent to his or her home address
- The client's home or business telephone number has been disconnected or no such number exists
- The client attempts to develop a close rapport with Optimum's employees
- The client offers money, gratuities or other financial interests to Optimum's employees over and above the normal fees

### UNUSUAL TRANSACTIONS

- The client provides unnecessary reasons or justifications for purchasing the service and/or product
- The transaction does not appear to be in keeping with normal industry practices
- The client requires the transaction to be concluded quickly
- The client starts conducting frequent cash transactions in large amounts when this has not been the norm in the past
- The transaction seems to be inconsistent with the client's apparent financial standing
- The client's stated occupation is not in keeping with the required transaction
- The client provides insufficient, vague or suspicious information concerning the transaction
- The client engages in unnecessarily complex transactions
- The client wishes to make use of separate legal entities such as trusts and special purpose vehicles to facilitate transactions
- The client's account reflects unexpectedly large cash deposits accompanied by immediate withdrawals
- The client wishes to deposit funds with a request for the immediate transfer of the funds elsewhere
- The client regularly purchases securities at prices significantly above or below market prices
- The client regularly purchases securities and sells them for little profit or even at a loss
- The client offers to make payment of commission or fees that appear excessive in relation to those normally payable
- The client has no concern about high commissions, fees, penalties incurred as a result of a particular method of transacting
- The client and/or other related parties have no apparent ties to South Africa

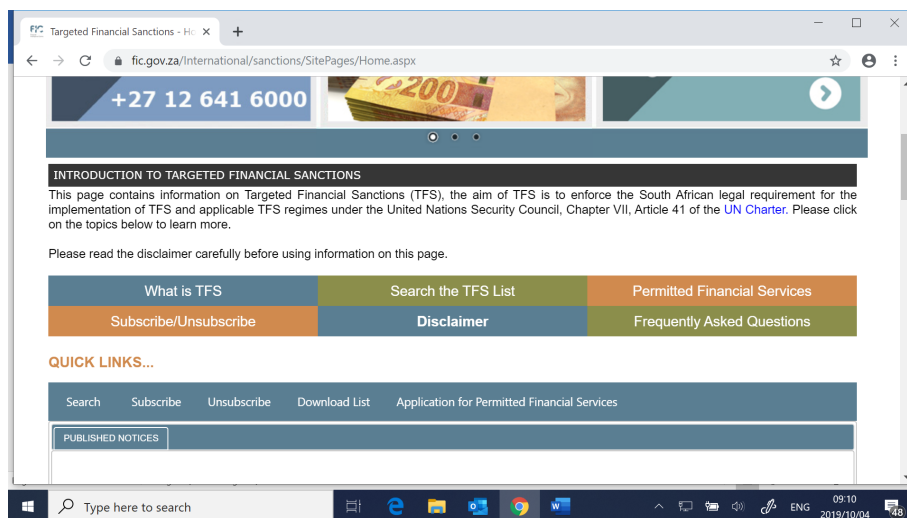
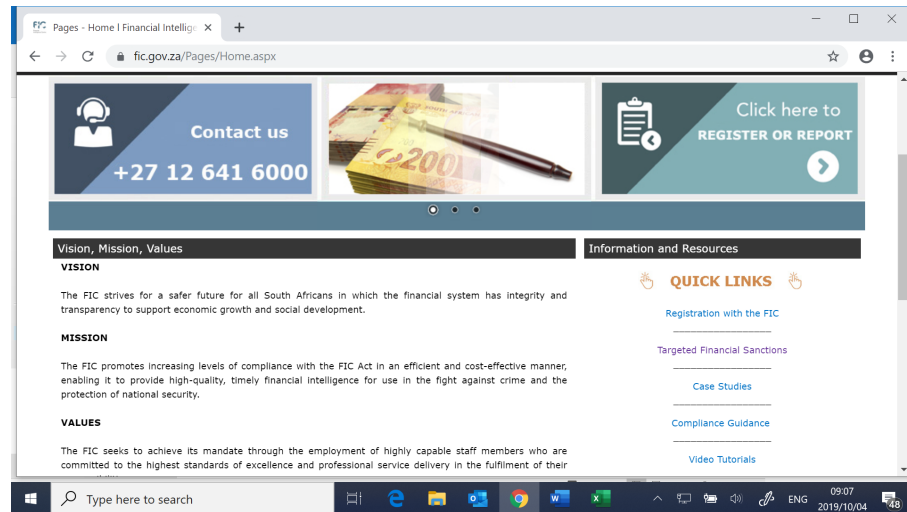
- The client requests unnecessary and unexplained international transfers
- The transaction involves a country where illicit drug production or exporting may be prevalent
- The client wishes to include entities that are situated in foreign jurisdictions into the transaction
- The client frequently exchanges small cash notes for large ones
- The client presents cash notes that are packaged or wrapped in an unusual way
- The client frequently makes cash transactions that are slightly below the prescribed cash threshold report amount

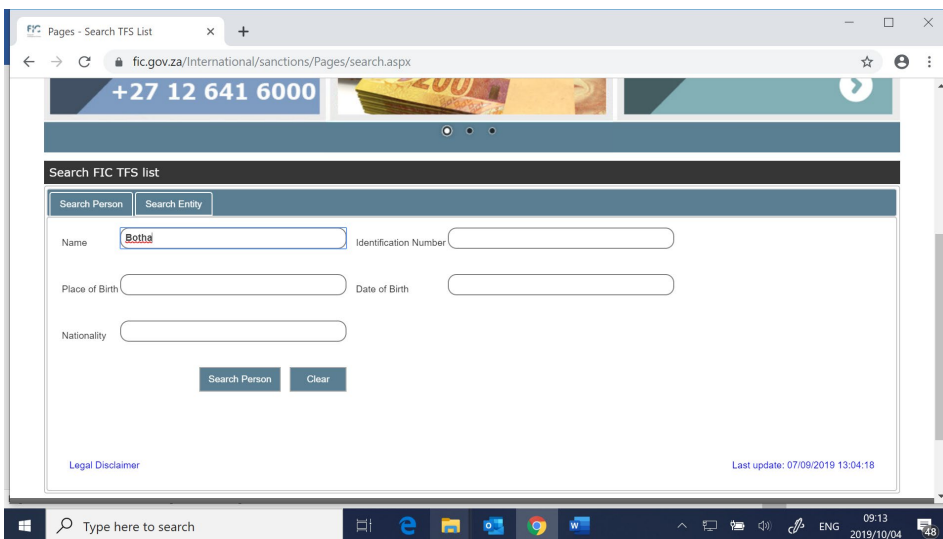
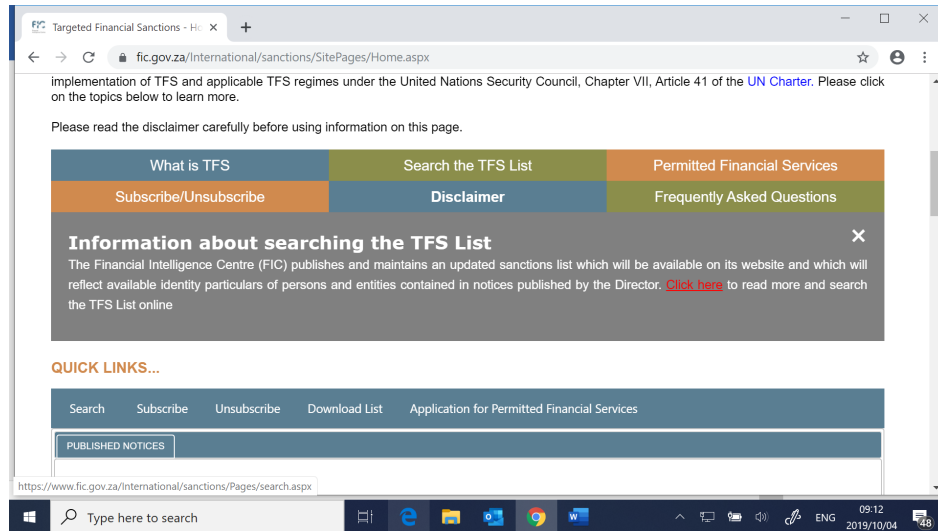
### UNUSUAL CLIENT BEHAVIOUR DURING THE CLIENT DUE DILIGENCE PROCEDURE

- The client requests changes to the transaction after learning that a Due Diligence procedure will be conducted
- The client refuses to produce personal identification documents
- The client attempts to convince an employee not to conduct the Customer Due Diligence procedures
- The client wishes his or her identify to be verified in a manner outside the norm
- The client provides doubtful or vague identification information
- The client makes us of a seemingly false identity
- The client produces seemingly false or counterfeit identification documents
- All identification documents presented appear to be brand new or have recent issue dates
- All identification presented is foreign or cannot be verified for some reason

# UNITED NATIONS SECURITY COUNCIL SANCTIONS - TARGETED FINANCIAL SANCTION LIST

- The UN Security Council Sanction/Targeted Financial Sanctions LIST provides the names of Natural Persons, Entities and Groups which Optimum must avoid entering into transaction with.
- All clients needs to be checked. This can be done with on-line search on [www.fic.gov.za](http://www.fic.gov.za) > Targeted Financial Sanctions > Search the TFS list > click > Enter clients surname and click search. (Refer to screen-dumps below for ease of reference)





- Make screen dump of search result and save on AtWorkK under FICA as below:

Client	Attachments for Client						
Client		Date	Name	Compliance Type	Added By	Link	Detail
Personal							
Contact							
Bank							
Other							
Custom Fields (Beta)							
Family							
Notes							
Attachments							
Queries							
Appointments							
Communications							
Workflow							
Merge Documents							
Planning							
Risk & Ret (Standard)							
Risk & Ret (Advanced)							
Investment							
Retirement Cash flow							
Recommend							
Record of Advice							
BNA							
Portfolio							
	Only the top 50 records are being displayed. Please click <a href="#">here</a> to display all.						

# DOMESTIC PROMINENT INFLUENTIAL PERSONS & FOREIGN PROMINENT PUBLIC OFFICIALS

(DPIP and FPPO)

The DPIP and FPPO list highlights the various acting positions that will signify that a client is a Domestic Prominent Influential Person or a Foreign Prominent Public Official.

This document must be reviewed and aligned with Optimum's Risk Management & Compliance Framework on a periodic basis.

## DOMESTIC PROMINENT INFLUENTIAL PERSONS

A domestic prominent influential person ("DPIP") is an individual who holds, including in an acting position for a period exceeding six months, or has held at any time in the preceding 12 months in South Africa a prominent public function including the following:

- The President or Deputy President
- A Government Minister or Deputy Minister
- The Premier of a Province
- A Member of the Executive Council of a Province
- The Head, Accounting Officer or Chief Financial Officer of a National or Provincial Department or Government Component
- The Chairperson of a Controlling Body, the Chief Executive Officer, or a natural person who is the Accounting Authority, the Chief Financial Officer or the Chief Investment Officer of a Public Entity listed in Schedule 2 or 3 to the Public Finance Management Act
- An Executive Mayor of a Municipality
- The Municipal Manager of a Municipality
- The Chief Financial Officer of a Municipality
- The Chairperson of the Controlling Body, Chief Executive Officer, Chief Financial Officer or Chief Investment Officer of a Municipal Entity as defined in Section 1 of the Local Government: Municipal Systems Act
- A Constitutional Court Judge or any other Judge
- A Leader of a Political Party
- A Member of a Royal Family or Senior Traditional Leader
- An Ambassador or High Commissioner or other Senior Representative of a Foreign Government based in South Africa
- An Officer of the South African National Defence Force above the rank of Major-General.

The following positions of a Company that provides goods or services to an Organ of State and the annual transaction value of the goods or services both exceeds an amount determined by the Minister by notice in the Gazette:

- Chairperson of the Board of Directors
- Chairperson of the Audit Committee
- Executive Officer
- Chief Financial Officer

The following positions of an International Organisation based in South Africa:

- The Head of Organisation
- Executive Officer directly accountable to the Head of Organisation

### FOREIGN PROMINENT PUBLIC OFFICIALS

A foreign prominent public official ("FPPO") is an individual who holds, or has held at any time in the preceding 12 months, in any foreign country a prominent public function including that of a:

- Head of State or Head of a Country or Government
- Government Minister or equivalent Senior Political or Leader of a Political Party
- Member of a Foreign Royal Family
- Senior Judicial Official
- Senior Executive of a State-owned Corporation
- High-ranking Member of the Military

# SENIOR MANAGEMENT APPROVAL PROCEDURE

Where it is established that a prospective client or the beneficial owner of the prospective client, is a Domestic Prominent Influential Person, a Foreign Prominent Public Official or a known associate or immediate family member of such a person, the employee must obtain senior management approval before establishing the business relationship.

The FICA Compliance Officer may consider reviewing the Senior Management Approval Procedure every six months

The format and contents of this document are made available as an example. It is the responsibility of the user to customise this document to the user's specific needs, circumstances and any other regulatory requirements.

Line of Approval – 1<sup>st</sup> Contact Robin Smith, 2<sup>nd</sup> Alternative – Louwrens Smith and 3<sup>rd</sup> Alternative – Karle Botha

## IDENTIFIED AS A DOMESTIC PROMINENT INFLUENTIAL PERSON (DPIP)

ORDER OF APPROVAL	NAME & CAPACITY	TELEPHONE NUMBER & EMAIL ADDRESS
1 <sup>st</sup> Contact		
2 <sup>nd</sup> Alternative		
3 <sup>rd</sup> Alternative		

## IDENTIFIED AS A FOREIGN PROMINENT PUBLIC OFFICIAL (FPPO)

ORDER OF APPROVAL	NAME & CAPACITY	TELEPHONE NUMBER & EMAIL ADDRESS
1 <sup>st</sup> Contact		
2 <sup>nd</sup> Alternative		
3 <sup>rd</sup> Alternative		

## IDENTIFIED AS AN ASSOCIATE OF A DPIP OR A FPPO

ORDER OF APPROVAL	NAME & CAPACITY	TELEPHONE NUMBER & EMAIL ADDRESS
1 <sup>st</sup> Contact		
2 <sup>nd</sup> Alternative		
3 <sup>rd</sup> Alternative		

## IDENTIFIED AS AN IMMEDIATE FAMILY MEMBER OF A DPIP OR A FPPO

ORDER OF APPROVAL	NAME & CAPACITY	TELEPHONE NUMBER & EMAIL ADDRESS
1 <sup>st</sup> Contact		
2 <sup>nd</sup> Alternative		
3 <sup>rd</sup> Alternative		

## SOURCE OF FUNDS DECLARATION

In certain instances, the verification method indicated on the Client Due Diligence Form may require the client to sign a Source of Funds Declaration.

This document must be reviewed and aligned with Optimum's Risk Management & Compliance Framework on a periodic basis.

As part of our responsibilities as an Accountable Institution in terms of the Financial Intelligence Centre Act 38 of 2001, we are required to establish the source (origin) of the funds that our clients will use, or is expected to use in concluding transactions with us.

PLEASE COMPLETE THE FIELDS BELOW AND SIGN THE DOCUMENT

Name & Surname: \_\_\_\_\_

I AM ACTING ON BEHALF OF:

Myself	<input type="checkbox"/>	Please Specify client's name if applicable:
Another Natural Person	<input type="checkbox"/>	_____
A Legal Person	<input type="checkbox"/>	_____
A Partnership	<input type="checkbox"/>	_____
A Trust	<input type="checkbox"/>	_____
Other Entity Type	<input type="checkbox"/>	_____

SOURCE OF FUNDS (Please specify if other)

Natural Person	Salary <input type="checkbox"/>	Business Income <input type="checkbox"/>	Dividend <input type="checkbox"/>	Interest <input type="checkbox"/>	Gift <input type="checkbox"/>	Savings <input type="checkbox"/>
	Other <input type="checkbox"/>					

Legal Person	_____
Partnership	_____
Trust	_____
Other Entity Type	_____

I do hereby declare that the source of the funds that I / we expect to use in concluding transactions with Optimum originates from the sources indicated above. We further confirm that these funds are derived from legitimate sources.

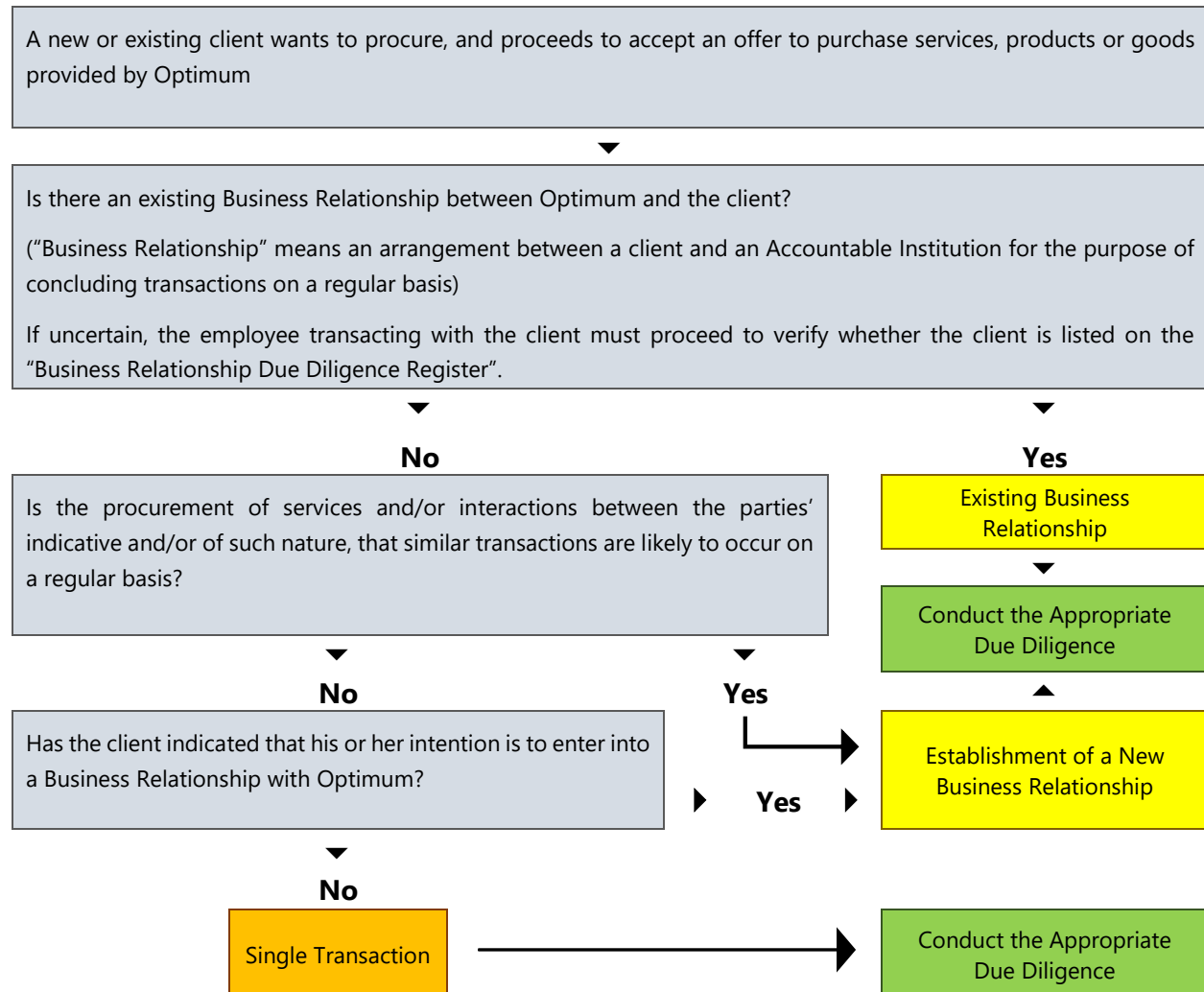
Signature \_\_\_\_\_

Date \_\_\_\_\_



# CLIENT TRANSACTION FLOWCHART

The Client Transaction Flowchart provides a visual representation of the process that must be followed by employees interacting with clients and client representatives to determine whether a prospective client is concluding a single transaction, or in the process of establishing a new business relationship with Optimum.



# CLIENT DUE DILIGENCE ACTIVITY SHEET

The Client Due Diligence Activity Sheet sets out the activities that must be performed by employees conducting Client Due Diligence procedures and performing ongoing due diligence of existing business relationships.

The FICA Compliance Officer may consider reviewing the Client Due Diligence Activity Sheet on a periodic basis. Changes made to the due diligence activities may also necessitate changes to Optimum's Client Due Diligence Forms.

ALL INITIAL TRANSACTIONS ENTERED INTO WITH A CLIENT	SINGLE TRANSACTION	ESTABLISHMENT OF NEW RELATIONSHIP
Verify whether the client is an Existing Client	Verify against AtWork	
Establish whether the proposed transaction is Unusually Large or Complex Use proper judgment to determine whether the Client is acting Suspiciously Screen client and if applicable, the client representative against UNSC Sanction List Establish whether the client is a DPIP or a FPPO Establish whether the client is a Known Associate of a DPIP or a FPPO Establish whether the client is an Immediate Family Member of a DPIP or a FPPO Establish whether the client is a Listed Company Establish whether the value of the transaction is R5000 or more	Complete Excel CDD questionnaire - (Tier 1 Risk)	
Establish the ML/TF Risk Rating of the requested Service and/or Product	Use Product Excel to establish (Tier 2 Risk)	
Describe the Nature of the Business Relationship Describe the Intended Purpose of the Business Relationship Describe the Source of Funds that the Prospective Client expects to use	Capture Information on CDD Form	
Establish and Verify the Client Information where so required	Verify and indicate findings on CDD Form	
ALL SUBSEQUENT TRANSACTIONS ENTERED INTO WITH THE SAME CLIENT	EXISTING BUSINESS RELATIONSHIP	
Establish whether the proposed transaction is Unusually Large or Complex Use proper judgment to determine whether the Client is acting Suspiciously	If large or client acted suspiciously – obtain enhanced CDD	
ONGOING DUE DILIGENCE TO BE PERFORMED ON EXISTING CLIENT BASE	EXISTING BUSINESS RELATIONSHIP	
Establish whether client's transactions are consistent with knowledge of client Re-establish whether the client is listed on the UNSC Sanction List Re-establish whether the client is a DPIP or a FPPO Re-establish whether the client is a Known Associate of a DPIP or a FPPO Re-establish whether the client is an Immediate Family Member of a DPIP or a FPPO Re-establish the Client Information provided by the Client or Client Representative	Indicate Finding on Business Relationship Due Diligence form and save on AtWork	

## BUSINESS RELATIONSHIP DUE DILIGENCE

The Business Relationship Due Diligence allows responsible persons to record the information required to perform ongoing due diligence procedures and the monitoring of transactions of existing business relationships.

The relevant CDD forms will be completed and Information will be kept electronically on atWork our CRM system and must be backed-up periodically for FICA record keeping purposes. It will be recorded in our Control Registers if a client is a new client and Standard Due Diligence Requirements will then be obtained.

### Information required about business relationship

CLIENT DETAILS	
Client Name	Example (Emerald Fields CC)
Client Representative Name (if applicable)	Example (Mrs. Kim Slater)
Client Type	Example (Close Corporation)
Date Business Relationship Established	Example (4 July 2018)
Nature of Business Relationship	Example (Procurement of Financial Services)
Purpose of Business relationship	Example (Investment in CIS)
Source of Funds	Example (CC profits)

PERIODIC REASSESSMENTS	
Is the client listed on the UNSC Sanction List?	Example (Re-establish every 2 years)
Is the client a DPIP or a FPPO?	Example (Re-establish every 2 years)
Is the client a known associate of a DPIP or a FPPO?	Example (Re-establish every 2 years)
Is the client an immediate family member of a DPIP or a FPPO?	Example (Re-establish every 2 years)
Re-establish client information	Example (Re-establish every 3 years)

TRANSACTION DETAILS	
Date of Transaction	Example (21 August 2018)
Was transaction unusually large or complex?	Example (No)
Did client or client representative act suspiciously?	Example (No)
Was transaction consistent with knowledge of client?	Example (Yes)
Date of Transaction	Example (5 December 2018)
Was transaction unusually large or complex?	Example (No)
Did client or client representative act suspiciously?	Example (No)
Was transaction consistent with knowledge of client?	Example (Yes)
Was transaction consistent with knowledge of client?	Example (Yes)
Date of Transaction	Example (20 January 2019)
Was transaction unusually large or complex?	Example (No)
Did client or client representative act suspiciously?	Example (No)
Was transaction consistent with knowledge of client?	Example (Yes)

CLIENT DETAILS	
Client Name	Example (John Fields)
Client Representative Name (if applicable)	Example (N/A)
Client Type	Example (Natural Person)

Date Business Relationship Established	Example (16 October 2018)
Nature of Business Relationship	Example (Procurement of Financial Services)
Purpose of Business relationship	Example (Retirement Annuity)
Source of Funds	Example (Salary)

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#### PERIODIC REASSESSMENTS

Is the client listed on the UNSC Sanction List?	Example (Re-establish every 2 years)
Is the client a DPIP or a FPPO?	Example (Re-establish every 2 years)
Is the client a known associate of a DPIP or a FPPO?	Example (Re-establish every 2 years)
Is the client an immediate family member of a DPIP or a FPPO?	Example (Re-establish every 2 years)
Re-establish client information	Example (Re-establish every 3 years)

---

#### TRANSACTION DETAILS

Date of Transaction	Example (23 November 2018)
Was transaction unusually large or complex?	Example (No)
Did client or client representative act suspiciously?	Example (No)
Was transaction consistent with knowledge of client?	Example (Yes)

# CLIENT DUE DILIGENCE FORM

The Client Due Diligence Forms sets out the information concerning a prospective or an existing client or client representative, that must be capture and verified where so required.

Employees interacting with clients may consider using the appropriate Client Due Diligence Form depending on the situation. There are six types of Client Due Diligence Forms:

- Natural Person Client
- Client Representative
- Legal Person
- Partnership
- Trust
- Other Entity Type

<b>Client/Entity Name</b> _____	<b>Identity number</b> _____		
		<b>Individual</b>	<b>Individual Score</b>
<b>RISK FIELD</b>	<b>RISK CRITERIA</b>		
Did client act suspiciously?	Yes=15    No=0		
Is transaction unusual? (Large/Complex/Strange Patterns?)	Yes=15    No=0		
Is transaction consistent with Optimum's knowledge of client?	Yes=15    No=0		
Is client on United Nations Security Council List?	Yes=100    No=0		
Is client Domestic Prominent Influential Person (DPIP) or Foreign Prominent Public Official (FPPO)?	Yes=15    No=0		
Is client associate of immediate family member of DPIP/FPPO?	Yes=15    No=0		
Investor's Country of Residence	Low=0    Medium=5    High=10    Restricted=15		
Investor's Bank Account Domicile	Low=0    Medium=5    High=10    Restricted=15		
	<input type="checkbox"/> Agriculture, forestry, fishery <b>(0)</b>		
	<input type="checkbox"/> Armed forces <b>(5)</b>		
	<input type="checkbox"/> Clerical, services and sales <b>(0)</b>		
	<input type="checkbox"/> Education or Medical <b>(0)</b>		
	<input type="checkbox"/> Executive <b>(5)</b>		
	<input type="checkbox"/> Government employee <b>(5)</b>		
(Individual): Occupation	<input type="checkbox"/> Manager <b>(5)</b>		
	<input type="checkbox"/> Minister or senior government position <b>(5)</b>		
	<input type="checkbox"/> Professional <b>(0)</b>		
	<input type="checkbox"/> IT, technician or artisan <b>(0)</b>		
	<input type="checkbox"/> Self Employed <b>(5)</b>		
	<input type="checkbox"/> Unemployed <b>(5)</b>		
	<input type="checkbox"/> Other (specify) <b>(5)</b>		

## ANNEXURE L

	<input type="checkbox"/> Investment proceeds <b>(0)</b>	_____
	<input type="checkbox"/> Retirement Funds <b>(0)</b>	_____
	<input type="checkbox"/> Donations <b>(10)</b>	_____
	<input type="checkbox"/> Sale of property <b>(0)</b>	_____
Source of Funds	<input type="checkbox"/> Inheritance <b>(5)</b>	_____
	<input type="checkbox"/> Capital/Savings <b>(0)</b>	_____
	<input type="checkbox"/> Business Income / Profits <b>(0)</b>	_____
	<input type="checkbox"/> Salary / bonus <b>(0)</b>	_____
	<input type="checkbox"/> Other (specify) <b>(15)</b>	_____
Source of Income/Wealth	Select Option <b>(Salary = 0)</b>	_____
3rd party Verified Banking details (debit order / income payments / redemptions) <b>(Yes = 15)</b>		_____
Investment Amount	Specify band	R10-R50Mil <b>(10)</b> _____
<b>TOTAL</b>		=====

Date \_\_\_\_\_ Signature \_\_\_\_\_

DD Documents Required	Type of DD	Risk Type
Copy of ID/Confirmation of Address	Quick Due Diligence	Low Risk
Copy of ID/Proof of Address & Bank Account/Source of funds	Standard Due Diligence	Medium Risk
Certified copy of ID /Proof of Address/Proof of Bank Account/Proof of Source of Funds, telephone confirmation, tax number	Enhanced Due Diligence	High Risk
<b>Restricted Transaction</b>	<b>Transaction not allowed</b>	<b>Extremely High</b>

## ANNEXURE L

Client/Entity Name: \_\_\_\_\_

Entity Registration number: \_\_\_\_\_

RISK FIELD	RISK CRITERIA	Entity	Entity Score
Did client act suspiciously?	Yes=15 No=0		
Is transaction unusual? (Large/Complex/Strange Patterns?)	Yes=15 No=0		
Is transaction consistent with Optimum's knowledge of client?	Yes=15 No=0		
Is client on United Nations Security Council List?	Yes=100 No=0		
Is client Domestic Prominent Influential Person (DPIP) or Foreign Prominent Public Official (FPPO)?	Yes=15 No=0		
Is client associate of immediate family member of DPIP/FPPO?	Yes=15 No=0		
Investor's Country of Residence	Low=0 Medium=5 High=10 Restricted=15		
Investor's Bank Account Domicile	Low=0 Medium=5 High=10 Restricted=15		
Type of Entity (Legal entities only)	<input type="checkbox"/> Unlisted Company (0)		
	<input type="checkbox"/> Government entity (10)		
	<input type="checkbox"/> Collective Investments Schemes (0)		
	<input type="checkbox"/> Close Corporation (5)		
	<input type="checkbox"/> Partnerships (0)		
	<input type="checkbox"/> Medical Schemes (0)		
	<input type="checkbox"/> Listed Company (0)		
	<input type="checkbox"/> Retirement/Pension/Provident funds (0)		
	<input type="checkbox"/> Trusts (5)		
	<input type="checkbox"/> Foreign company (10)		
	<input type="checkbox"/> Unincorporated Entities or Other Legal Persons (10)		
	<input type="checkbox"/> Nominee Company/LISPS (approved) (0)		
	<input type="checkbox"/> Non-Profit Organisations (NPO) (5)		
	<input type="checkbox"/> Other (specify) (10)		
	<input type="checkbox"/> Investment proceeds (0)		
	<input type="checkbox"/> Retirement Funds (0)		
	<input type="checkbox"/> Donations (10)		
	Source of Funds	<input type="checkbox"/> Sale of property (0)	
<input type="checkbox"/> Inheritance (5)			
<input type="checkbox"/> Capital/Savings (0)			
<input type="checkbox"/> Business Income / Profits (0)			
<input type="checkbox"/> Salary / bonus (0)			
<input type="checkbox"/> Other (specify) (15)			
3rd party Verified Banking details (debit order/income payments/redemptions) Yes=15			

## ANNEXURE L

Investment Amount

Specify band

R1-R10Mil (5)

**TOTAL**

Date \_\_\_\_\_ Signature \_\_\_\_\_

DD Documents Required	Type of DD	Risk Type
Copy of ID/Confirmation of Address	Quick Due Diligence	Low Risk
Copy of ID/Proof of Address & Bank Account/Source of funds	Standard Due Diligence	Medium Risk
Certified copy of ID /Proof of Address/Proof of Bank Account/Proof of Source of Funds, telephone confirmation, tax number	Enhanced Due Diligence	High Risk
<b>Restricted Transaction</b>	<b>Transaction not allowed</b>	<b>Extremely High</b>

### TIER 2 PRODUCT/RISK RATING

PRODUCT / SERVICE	LIKELIHOOD ASSESSMENT	IMPACT ASSESSMENT	PRODUCT / SERVICE ML/TF RISK RATING
Long-Term Insurance subcategory A	None	N/A	No ML/TF Risk
Short Term Insurance Personal Lines	None	N/A	No ML/TF Risk
Long-Term Insurance subcategory B1	None	N/A	No ML/TF Risk
Long-Term Insurance subcategory B2	None	N/A	No ML/TF Risk
Long Term Insurance subcategory B2-A	None	N/A	No ML/TF Risk
Long-Term Insurance subcategory B1-A	None	N/A	No ML/TF Risk
Short-Term Insurance Personal Lines A1	None	N/A	No ML/TF Risk
Participatory interest in a hedge fund	Unlikely	Comparatively Low	Low ML/TR Risk
Long-Term Insurance subcategory C	None	N/A	No ML/TF Risk
Retail Pension Benefits	None	N/A	No ML/TF Risk
Short-Term Insurance Commercial Lines	None	N/A	No ML/TF Risk
Pension Funds Benefits	None	N/A	No ML/TF Risk
Shares	Likely	Comparatively Moderate	Moderate ML/TF Risk
Money Market Instruments	Unlikely	Comparatively Low	Low ML/TR Risk
Debentures and securitised debt	Unlikely	Comparatively Low	Low ML/TR Risk
Warrants, certificates, & other instruments	Unlikely	Comparatively Low	Low ML/TR Risk
Bonds	Unlikely	Comparatively Low	Low ML/TR Risk
Derivative instruments	Unlikely	Comparatively Low	Low ML/TR Risk
Participatory interests in collective investment scheme	Unlikely	Comparatively Low	Low ML/TR Risk
Health Services Benefits	None	N/A	No ML/TR Risk

VERIFICATION METHODOLOGY - INDIVIDUAL

STANDARD  
CDD

ENHANCED  
CDD



## ANNEXURE L

Full Names by way of any document that can reasonably achieve verification	●	●
ID / Passport Number by way of any document that can reasonably achieve verification	●	●
Residential Address by way of any document that can reasonably achieve verification		●
Telephone Number by way of calling the client		●
Client required to sign Source of Funds Declaration		●

### VERIFICATION METHODOLOGY - COMPANY

#### STANDARD CDD

#### ENHANCED CDD

Registered Name by way of Founding Statement or Certificate of Incorporation	●	●
Registered Number by way of Founding Statement or Certificate of Incorporation	●	●
Telephone Number of Client by way of calling client		●
Registered Address by way of Founding Statement or Certificate of Incorporation	●	●
Full Names by way of any document that can reasonably achieve verification	●	●
ID / Passport Number by way of any document that can reasonably achieve verification	●	●
Residential Address by way of any document that can reasonably achieve verification	●	●

### VERIFICATION METHODOLOGY - PARTNERSHIP

#### STANDARD CDD

#### ENHANCED CDD

Partnership Identifying name by way of Partnership Agreement	●	●
Telephone Number of Client by way of calling client		●
Full Names by way of any document that can reasonably achieve verification	●	●
ID / Passport Number by way of any document that can reasonably achieve verification	●	●
Residential Address by way of any document that can reasonably achieve verification		●

### VERIFICATION METHODOLOGY - TRUST

#### STANDARD CDD

#### ENHANCED CDD

Trust Name by way of Trust Deed or other Founding Document	●	●
Trust Number by way of Trust Deed or other Founding Document	●	●
Full Names by way of any document that can reasonably achieve verification	●	●
ID / Passport Number by way of any document that can reasonably achieve verification	●	●
Residential Address by way of any Document that can reasonably achieve verification		●

### VERIFICATION METHODOLOGY – OTHER

#### STANDARD CDD

#### ENHANCED CDD

Legal Name by way of Constitution or Founding Document	●	●
Telephone Number of Client by way of calling client		●
Full Names by way of any document that can reasonably achieve verification	●	●
ID / Passport Number by way of any document that can reasonably achieve verification	●	●
Residential Address by way of any document that can reasonably achieve verification		●

NB: Save Risk Rating and Sanction List under FICA on Atwork:

<a href="#">atwork.co.za/alpha/client/attachmentlist.asp</a>							
Workflow		2020/01/31 11:59:18 AM	2020	Letter of Authority	Jaclyn Naicker		LOA
Merge Documents							
Planning							
Risk & Ret (Standard)		2020/02/28 08:27:38 AM	5131388620 Business	Quotation	Audrey De Vos		<b>Query:</b> New   List   Last
Risk & Ret (Advanced)		2020/02/28 08:27:07 AM	5131388620 Business	Application Form	Audrey De Vos		<b>Attach:</b> New   List   Last
Investment		2020/02/28 08:23:12 AM	5131388917 Life	Quotation	Audrey De Vos		<b>Appoint:</b> New   List   Last
Retirement Cash flow		2020/02/28 08:19:09 AM	5131388917 Life	Application Form	Audrey De Vos		Please call me
Recommend							If you can't get through to our support desk during lockdown, as an alternative email pleasecallme@work.za.com
Record of Advice							
BNA							
atTEST (Beta)							
Portfolio							
Astute		2020/10/23 08:40:18 AM	2020 Due Diligence	Risk Rating	Audrey De Vos		
Risk/Invest Schedule		2020/10/23 08:38:33 AM	2020 Sanction List	Verification	Audrey De Vos		
Asset & Liabilities		2020/07/13 10:38:12 AM	202007	Proof of Account	Audrey De Vos		
Income & Expenses		2020/03/05 01:20:16 PM	202003	Proof of Account	Audrey De Vos		
Additional Info		2020/02/28 08:44:43 AM	ID	Proof of Identification	Audrey De Vos		
Compliance							
<b>FICA</b>							
<b>General</b>							
		2020/04/22 12:13:14 PM	DR Verslag	Administration	Audrey De Vos		
<b>Momentum Wealth</b>							
		2020/07/13 10:37:42 AM	PP8449090 VORM	Administration	Audrey De Vos		
		2020/07/13 10:34:42 AM	PP028449090 RA	Application Form	Audrey De Vos		
		2020/03/24 09:28:14 AM	TBA Life	Quotation	Audrey De Vos		

# FICA AWARENESS TRAINING REGISTER

The FICA Awareness Training Register allows responsible persons to keep track of the training received by Optimum's employees.

The register can be kept electronically on a central database and must be backed-up periodically for FICA record keeping purposes.

The format and contents of this document are made available as an example. It is the responsibility of the user to customise this document to the user's specific needs, circumstances and any other regulatory requirements.

This document must be reviewed and aligned with Optimum's Risk Management & Compliance Framework on a periodic basis.

[illegible]

# COMPLIANCE MONITORING SCHEDULE

The FICA Compliance Officer may consider using the Compliance Monitoring Schedule to plan his or her compliance monitoring activities on an annual basis.

2018 COMPLIANCE MONITORING SCHEDULE

Activity to be Monitored	Random	Annual	Jan	Feb	Mar	Apr	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Annual review of the AML & CTF RMCP		●											
Appointment of the FICA Compliance Officer		●											
Appointment of the Deputy FICA Compliance Officer		●											
Confirmation of FIC Registration		●											
Monitoring changes to organisation's registration particulars			●			●			●			●	
Periodic Product and Service ML/TF Risk Analysis	●	●											
Review of the Client ML/TF Risk Identification Criteria				●						●			
Periodic updating of UN Security Council Sanction List			●						●				
Submittal and Record Keeping of Cash Threshold Reports	●												
Submittal and Record Keeping of Suspicious or Unusual Transaction Reports	●												
Submittal and Record Keeping of Terrorist Property Reports	●												
Retention and Back-ups of FICA Transaction Records	●			●			●			●			●
Retention and Back-ups of FICA Client Due Diligence Records	●			●			●			●			●
Ensuring that employees undergo annual FICA Awareness Training		●											
Periodic review of Senior Management Approval Procedure					●						●		
Periodic review of Client Due Diligence Activity Sheet			●			●			●			●	
Periodic review of Client Due Diligence Forms			●			●			●			●	
Ongoing Due Diligence and Monitoring of Existing Business Relationships	●	●	●	●	●	●	●	●	●	●	●	●	●
Client random spot checks: UN Security Council List	●												
Client random spot checks: False or Fictitious verification documents	●												
Client random spot checks: DPIP or FPPO	●												
Client random spot checks: Family or Associate of DPIP or FPPO	●												
Monitoring Compliance with Client Due Diligence procedure	●												
Monitoring Compliance with Additional Information on a New Business Relationship	●												
Annual review of Compliance Monitoring Programme		●											