

# DBSA RISK MANAGEMENT AND COMPLIANCE PROGRAMME (“RMCP”) POLICY STATEMENT

<b>DOCUMENT DETAILS</b>	
<b>Document Title</b>	Risk Management and Compliance Programme Policy Statement
<b>Policy Owner</b>	Chief Executive Officer
<b>Policy Classification</b>	Internal Use
<b>Policy Category</b>	Level 1 Policy Statement
<b>Version Number</b>	V0.03
<b>Last Revision Date</b>	01 April 2025
<b>Approved Date</b>	26 June 2025
<b>Implementation Date</b>	02 April 2019
<b>Next Review Date</b>	01 July 2027

<b>KEY REVIEW AMENDMENTS</b>
<b>KEY AMENDMENTS (IF POLICY IS REVIEWED)</b>
- Reference to the Level 2 DBSA Risk Management and Compliance Programme Policy, as set out under “Purpose” below.

<b>APPROVAL SIGNATURE RECORD</b>
This Policy was <b>APPROVED</b> by the <b>DBSA’s BOARD</b> on <b>26 June 2025</b>

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## 1. PURPOSE

The purpose of this policy statement is to set out a framework within which money laundering control is managed within the DBSA. The Financial Intelligence Centre Act 38 of 2001 (“FICA”) has been promulgated in order to combat money laundering activities. “Money laundering” or “money laundering activity” means an activity that 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.

The FIC Amendment Act, as well as the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act 22 of 2022, incorporates a risk-based approach to compliance elements. This approach requires accountable institutions (the DBSA is an accountable institution in terms of FICA) to understand their exposure to money laundering, terrorist financing and proliferation financing risks. By understanding and managing these risks, the DBSA not only protects and maintains the integrity of our business, but also contributes to the integrity of the South African financial system. Section 42 of FICA requires accountable institutions to develop, document, maintain and implement a Risk Management Compliance Programme to deal with, *inter alia*, customer due diligence, reporting of unusual and suspicious transactions, record keeping and training. Failure to implement the aforementioned by an accountable institution is a criminal offence.

This Level 1 DBSA Risk Management Compliance Programme Policy Statement is to be read with the Level 2 DBSA Risk Management Compliance Programme Policy.

## 2. OBJECTIVES

The overarching objective is to ensure that the DBSA complies with and discharges its regulatory obligations with respect to the requirements of anti-money laundering legislation. Objectives include, *inter alia*:

- To prevent use of the DBSA’s products, services and infrastructure for money laundering activities or in the promotion and furtherance of unlawful activities.
- To mitigate corporate reputation risk by preventing association with persons engaged in money laundering, corrupt related and any other unlawful activities.
- To ensure that the DBSA complies with money laundering legislation and the related regulations in the course of its business.
- To ensure that the DBSA upholds and adheres to the highest standards of ethics and professionalism in dealing with its clients and stakeholders.

### **3. POLICY STATEMENTS**

In the context of the DBSA's anti-money laundering framework, the DBSA's primary responsibility and commitment is and must remain to its clients/stakeholders and to its statutory mandate. Notwithstanding this, the DBSA acknowledges that FICA is a necessary mechanism for combating money laundering, terrorist and proliferation financing activities that might be entered into by its clients. Accordingly, the DBSA shall at all times seek to adhere to the requirements of FICA and any other anti-money laundering legislation.

The DBSA Board of Directors are accountable for the management of anti-money laundering, in accordance with section 42A (1) of the FICA. The DBSA has a compliance function to assist the Board in discharging this obligation.

The DBSA supports the objectives of the South African government and global efforts to combat money laundering. As a result, the DBSA may decline or terminate any business relationships or transactions where there appears to be a risk of its services or infrastructure being used for the purposes of money laundering or any illegal activity. Actions or activities that contravene or conflict with local regulations or with the DBSA's RMCP as developed by the DBSA can have serious implications, including fines and/or imprisonment imposed by the relevant authorities and/or disciplinary action imposed by the DBSA.

### **4. RMCP PRINCIPLES**

The DBSA shall develop and implement a RMCP in compliance with the FICA, with the following minimum requirements:

#### **(a) CUSTOMER DUE DILIGENCE MEASURES**

Customer Due Diligence ("CDD") refers to the knowledge that an accountable institution has about its client and the institution's understanding of the business that the client is conducting with it. CDD measures, enable an accountable institution to better manage its relationship with clients and to better identify possible attempts by clients to exploit the institution's products and services for illicit purposes.

CDD is defined as the measures taken by the DBSA to obtain and where required, in terms of the DBSA's RMCP, verify data regarding the client (including enhanced due diligence), to manage the money laundering, terrorist financing, proliferation financing and sanctions risk exposure of the client.

The nature of the measures taken by the DBSA include, *inter alia*, the manner in which the DBSA:

- Satisfies itself to the existence of a client;
- Defines, obtains and where necessary verifies specific data elements of its clients;
- Understands the nature and intended purpose of the business relationship with a client and such client's source of funds;
- Determines Politically Exposed Persons and Prominent Influential Persons;
- Determines associated parties;
- Applies enhanced measures to mitigate increased money-laundering, terrorist financing, proliferation financing and sanctions risks;
- May apply simplified measures when money-laundering, terrorist financing, proliferation financing and sanctions risks are assessed as low.

### **(b) RECORD KEEPING**

The DBSA will compile and maintain client identification and transaction records and a record shall be kept of information pertaining to the establishment of a business relationship or conclusion of a single transaction as required by law. All records must be stored securely and be capable of being retrieved without undue delay. These records shall include supporting documentation and transaction records. Such records are compiled and maintained in accordance with the DBSA Records Management Policy.

### **(c) REPORTING AND CO-OPERATION WITH AUTHORITIES**

The DBSA will report all confirmed suspicious transactions to the FIC or appropriate authorities, where required by legislation/regulations and co-operate with the FIC or appropriate authorities to the extent permitted by applicable laws and regulations.

The DBSA will maintain processes to ensure that, in accordance with regulatory requirements, all employees report information or other matters which come to their attention in the course of business activities, and which give reasonable grounds for knowledge or suspicion of money laundering activity or giving rise to a legal duty to report.

The DBSA's reporting responsibilities also include reporting required in respect of terrorist and related activities. Each DBSA employee is obliged to report any instance where the employee knows or ought reasonably to have known or suspected that the money (property) received from (or about to be received from) a client which the DBSA now has possession of or is under its control, which is owned or controlled by or on behalf of, or at the direction of:

- A person or an entity identified pursuant to a resolution adopted by the Security Council of the United Nations contemplated in a notice referred to in section 26A (1) of the FICA.

#### **(d) ANTI-CORRUPTION LEGISLATION**

The South African anti-corruption legislation creates various offences relating to corruption. Notably, it is an offence for a person to induce another person to act in a corrupt manner for his/her own benefit or for the benefit of another. Employees of the DBSA who know or ought reasonably to have known or suspected that someone acting on behalf of the DBSA is involved in corrupt activities involving an amount equal to or greater than R100 000 must report this to the Internal Audit – Forensics, who is required to report to a police official. Internal Audit - Forensics are responsible for ensuring that the report to the police is made within 15 business days.

#### **(e) TRAINING**

The DBSA will provide training to all relevant employees in accordance with its RMCP. The principal aim of such training is to generate and maintain an appropriate level of awareness, understanding and vigilance to enable the DBSA to comply with its legal obligations in terms of legislation and to enable employees to recognize and report unusual and suspicious transactions.

### **5. REPORTING TO THE DBSA AUDIT AND RISK COMMITTEE & BOARD**

The DBSA management will ensure implementation of this policy and will report any deviation from the policy to the Audit and Risk Committee of the Board. All reportable matters reported to the FIC shall be notified to the Board.

### **6. REVIEW OF POLICY**

This policy shall be reviewed every 2 years or earlier, as required.