



Republic of Namibia

Financial Intelligence Centre

P.O.BOX 2882, Windhoek

Tel: + 264 61 2835100, Fax +264 61 2835259

Web address: www.fic.na

E-mail address: helpdesk@fic.na

DIRECTIVE NO 04 OF 2016

**DIRECTIVE ON REPORTING OF STRUCTURED CASH
TRANSACTIONS**

November 2016

1. INTRODUCTION

- 1.1 The Financial Intelligence Centre (FIC) as part of its continuous effort to assist the Government of the Republic of Namibia in combatting Money Laundering (ML), Terrorism Financing (TF) and Proliferation Financing (PF), hereby issues a Directive in terms of Section 9(2)(c) of the Financial Intelligence Act, 2012 (Act No. 13 of 2012) as amended (hereinafter referred to as the FIA).
- 1.2 Accountable and Reporting Institutions (AIs & RIs) are obliged to report structured cash transactions in terms of FIA regulation 23, in a manner and fashion described in this Directive.

2. PURPOSE

The purpose of this Directive is to clarify structured cash transaction reporting obligation as contemplated under FIA regulation 23, and direct AIs & RIs to report structured cash transactions accordingly.

3. APPLICATION

This directive applies to all AIs & RIs effective from the date of issue.

4. DEFINITION AND ACRONYMS

“aggregate value of cash transactions” is the total value of a series of linked or connected cash transactions;

“structured cash transactions” are a series of linked or connected cash transactions that could have been conducted as a single cash transaction but split under the threshold;

“AIs” refers to Accountable Institutions;

“CTRs” refers to Cash Transaction Reports;

“**FIA**” refers to the Financial Intelligence Act, 2012 (Act No. 13 of 2012);

“**RI**s” refers to Reporting Institutions;

“**STR**” refers to a Suspicious Transaction Report.

5. OBSERVATION AND CLARIFICATION

- 5.1 The FIC observed that AIs & RIs are making efforts to report a series of linked or connected cash transactions with aggregate values above the N\$ 99 999.99 cash threshold under the CTR report type. This is owing to the fact that it is so apparent to the AIs & RIs that these cash transactions are linked or connected as a result of structuring or splitting of the value, which could have been conducted as a single cash transaction, subject to reporting under CTR report type.
- 5.2 AIs & RIs are also making efforts to report a series of linked or connected cash transactions with aggregate values below the N\$ 99 999.99 cash threshold under the CTR report type based on the suspicion that the aggregate value could have been the value of a single cash transaction but purposely structured/split into multiple transactions under the threshold.
- 5.3 Technically, the above reports are invalidated by the *goAML WEB portal* (i.e. the reporting platform) for the contextual reason that the business rules in this regard can only recognize a CTR involving a single cash transaction with the value exceeding the N\$ 99 999.99 cash reporting threshold, and not CTRs involving a series of linked or connected (structured) cash transactions.
- 5.4 It should be noted that, in the context of CTR, the focus is on a single cash transaction with the value exceeding N\$ 99 999.99 reporting threshold, and must be reported under the CTR report type. Structured cash transactions do not fit this categorization, therefore, they should be reported under a different report type as directed herein below.

6. Directive

The FIC thus directs all AIs & RIs;

6.1 to continue reporting single cash transactions with values above the N\$99 999.99 cash reporting threshold as Cash Transactions under the CTR report type;

6.2 to report a series of suspicious linked or connected (structured) cash transactions with aggregate value either above or below the N\$99 999.99 cash reporting threshold as STRs under the STR report type;

7. NON-COMPLIANCE WITH THIS DIRECTIVE

7.1 Non-compliance with this Directive amounts to non-compliance with the provisions of section 32 of FIA, read with ancillary regulation 23.

7.2 An AI or RI who contravenes or fails to comply with this Directive commits an offence and is liable to a fine not exceeding N\$100 million or, where the commission of the offence is attributable to a representative of the accountable or reporting institution, to such fine or imprisonment for a period not exceeding 30 years, or to both such fine and such imprisonment.

This Directive provides a comprehensive interpretation of the relevant provisions of FIA and ancillary regulation. It contains statements of policy which reflect FIC's administration of the legislation in carrying out its statutory mandate.

The Directive can be accessed at www.fic.na.

Date issued: **November 2016**

Director: Financial Intelligence Centre