

March 3, 2022

**NBFIRA 3/3/4- XI (48)**

To: All Non-Bank Financial Institutions (“NBFIs”)

**COMMENCEMENT OF THE FINANCIAL INTELLIGENCE ACT, 2022  
AND REGULATIONS**

1. The Non-Bank Financial Institutions Regulatory Authority (“NBFIRA”) hereby informs the NBFIs of commencement of the **Financial Intelligence Act, 2022** (“FI Act”), **Financial Intelligence Regulations, 2022** (“FI Regulations”), and the **Financial Intelligence (Implementation of United Nations Security Council Resolutions) Regulations, 2022** (“UNSCR Regulations”) on February 25, 2022. The new legislation repeals and replaces the Financial Intelligence Act 2019 and related Regulations.
2. Among other changes, the new legislation brings the following notable enhancements.
  - Amending “beneficial ownership” definition and customer due diligence (CDD) obligations for alignment with the Financial Action Task Force (“FATF”) Recommendations,
  - Specifying persons to be considered as “prominent and influential persons” in the private sector for ease of application.

- Removing rule-based provision requiring 2-year CDD update cycle to allow for principle and risk-based application,
- Narrowing down the definition of accountable institutions,
- Addition of virtual assets service providers (“VASPs”) as specified parties. VASPs are now regarded as NBFIs following declaration notice by the Minister of Finance and Economic Development, and commencement of the Virtual Assets Act, 2022,
- A prescription of an administrative penalty for failure to file a relevant United Nations Security Council (“UNSC”) return.

3. Furthermore, it is worth highlighting that there were amendments in other laws relating to anti-money laundering and combatting terrorism and proliferation financing; these include Proceeds and Instruments of Crime (Amendment) Act, 2022, Trust Property Control Act, 2022, Counter Terrorism (Amendment) Act, 2022, Chemical, Nuclear and Biological & Toxins Weapons, (Prohibition) (Amendment) Acts, 2022.

4. NBFIs are advised to familiarise themselves with their obligations in the new legislations and make necessary changes in their internal controls to ensure full compliance.

Yours faithfully,



Oduese A. Motshidisi

**CHIEF EXECUTIVE OFFICER**