

CREATING AN EFFECTIVE RISK MANAGEMENT AND COMPLIANCE PROGRAMME FOR TRUST AND COMPANY SERVICES PROVIDERS

Trusts are vulnerable as being targeted by criminals to hide beneficial ownership and provide them with a vehicle to obscure the origins of illicit funds from law enforcement scrutiny.

As gate keepers to the financial sector, trust and company services providers must identify, assess, monitor, mitigate and manage financial crime risks in terms of their Financial Intelligence Centre Act (FIC Act) obligations.

Listed as accountable institutions under item 2 of Schedule 1 of the FIC Act, trust and company service providers must meet certain obligations which are geared to assist in combating money laundering, terrorist financing and proliferation financing (ML, TF and PF).

Among these obligations is the requirement for all trust and company service providers, and all accountable institutions to develop, maintain and implement a risk management and compliance programme (RMCP).

Assessing and mitigating risk

Trust and company service providers must identify, assess, monitor, mitigate and manage both the inherent and residual risk of ML, TF and PF they may face. As the first step in developing its RMCP, the trust and company service provider must conduct an entity-wide risk assessment.

Importantly, the RMCP of each trust and company service provider will differ as the programme must reflect the operational requirements that are unique to that entity. The differentiating factors to be considered include but, are not limited to:

- Products and services offered
- Client base
- Geographical location in which the entity operates

For example, the RMCP of a trust services provider who offers products limited to domestic clients will differ from one that has a broader product offering to foreign markets.

What an RMCP should contain

Section 42 of the FIC Act details the aspects that the RMCP must cover, which includes but, are not limited to:

- Risk-based approach to customer due diligence
- Reporting and account monitoring
- Training of employees
- Record keeping.

The FIC has published [PCC 6A](#) which provides guidance on the risk indicators applicable to trust and company services providers. In addition, the FIC has published a sector risk assessment for [trust services providers](#), focusing on the sector's inherent vulnerabilities. The FIC strongly encourages trust services providers to refer to the publication when conducting their risk assessments.

Submission of RMCPs to the FIC

On 4 March 2025, the FIC issued a request to accountable institutions under its supervision to submit a copy of their RMCPs on the registration and reporting portal, goAML. Submissions for the RMCPs were due on 12 March 2025.

All trust services providers who have not submitted their RMCP are reminded to do so without delay. Failure to provide an RMCP upon a request from the FIC, as the supervisor of this sector, will amount to non-compliance and may lead to administrative sanctions.

The RMCP submissions must be done via goAML and no other form of submission – such as an e-mail or query submission – will be accepted or considered.

The FIC has also issued [Guidance Note 7A](#) which asserts that the board of directors, senior management or person exercising the highest level of authority must approve the RMCP and ensure compliance with the RMCP.

How to submit an RMCP

To submit your RMCP, follow the steps below:

- 1) Save the latest version of your RMCP document in PDF format on your computer with the following filename YYYYMMDD_RMCP.pdf (YYYYMMDD must reflect the date of approval of your latest RMCP.) For example, 20250304_RMCP.pdf.
- 2) The compliance officer for the institution must log on to goAML
- 3) Click on the “MY GOAML” Dropdown Menu.
- 4) Click on “My Org Details”.
- 5) Scroll down to the “Attachment” section and click on the “Upload” button.
- 6) Browse to where you have saved your RMCP document on your computer and click on “Open”.
- 7) Click on “Submit Request”.
- 8) Click on “Continue” – which is the last step in your RMCP submission to the FIC.

Beneficial ownership

Section 21B of the FIC Act requires trust and company service provider to identify and take reasonable steps to identify beneficial owners of their clients. The FIC published [PCC 59](#) to provide guidance on the beneficial ownership requirement.

The definition of a beneficial owner broadly includes every natural person who is a beneficial owner of a legal person, trust or partnership. This is commonly referred to as the “look-through” principle.

To determine the beneficial owner of a client that is a legal person, the accountable institution must complete a process of elimination as outlined below:

- Identify the natural person with controlling ownership interests in the legal person
- If there is doubt or if there is no natural person, then identify the natural person(s) who exercises control by other means
- If no natural person has been identified at this point in the enquiry, then identify the natural person who exercises control over the management of the legal person.

The RMCP must include the processes that will be followed for identifying and taking reasonable steps to verify the beneficial owner.

Additional resources

The FIC website contains further guidance notes and public compliance communications. Alternatively, contact FIC's compliance contact centre on +27 12 641 6000 or log a compliance query on the [FIC website](#).