



FIC INSPECTIONS GUIDELINES

TO: ALL STAKEHOLDERS

1. Purpose

The purpose of this guideline is to assist Property Practitioners to improve their Business Risk Management and Compliance Programme (RMCP) document to align to section 42 of the FIC Act and Financial Action Task Force (FAFT) requirements.

2. Background

2.1 Following communication issued jointly by FIC and PPRA on the 30 August 2022, wherein the Property Practitioners who operate as estate agents were requested to update their current RMCP document to align with section 42 of the FIC Act and FAFT requirements. The PPRA is currently assessing the status of the RMCP through its inspections processes.

2.2 The process of improvement of the RMCP requires Property practitioners, based on business activities products and services to: -

2.2.1 Re-identify their inherent ML/TF risks;

2.2.2 Re-asses their inherent ML/TF risks;

2.2.3 Have a better understanding of their inherent risks;

2.2.4 Record this re- assessment in the revised RMCP;

2.2.5 Record how the Property Practitioner intends to monitor, mitigate, manage these identified and re-assessed risks in his business through his business process in place;

2.2.6 Record how controls are put in place;

2.2.7 Record what compliance preventive measures are put in place.

2.3 The Property Practitioners must ensure that the revised RMCP is available upon request.

2.4 The PPRA and FIC may evaluate the extent and adequacy of the inherent ML/TF risk and compliance mitigation and management improvement implemented by Property

Practitioners as demonstrated by the content of the revised RMCP together with any supporting documents relating to policies and procedures that are used within the company.

- 2.5 In instances where the current RMCP or any other attached document applies to more than one registered Property Practitioner (e.g., in the case of branches or franchises), The names and FIC registered ORG ID number of all the institutions to which the RMCP and related documents apply, must be provided.
- 2.6 Once the PPRA and FIC had the opportunity to scrutinise the submitted RMCPs and enclosed documents, the PPRA and the FIC may provide those property practitioners with feedback on the contents and adequacy of their RMCPs.

3. To sum up, the RMCP document must provide for all the requirements as set out in section 42 of the FIC Act and FAFT requirement and shall include;

- 3.1 RMCP governance;
- 3.2 ML/TF risk assessment and risk rating framework;
- 3.3 Customer due diligence controls;
- 3.4 Prominent influential persons controls;
- 3.5 Monitoring and preventative measurements;
- 3.6 Reporting controls;
- 3.7 Record – keeping controls; and
- 3.8 Any supporting policies and procedures aligned to RMCP.

4. Why is it important to ensure the integrity of the country financial system in the property sector

- 4.1 It must be noted that the property practitioner's compliance is key to ensuring better compliance with FAFT requirements and thereby assist the country to be complaint with FAFT recommendations.

ISSUED BY

PROPERTY PRACTITIONERS' REGULATORY AUTHORITY