

Check yourself before you wreck yourself - ongoing monitoring measures to stay on the right side of FIC regulations

VOCA introduces new ongoing monitoring functionality to help businesses detect risks in real-time

Keeping up with regulatory compliance isn't just about ticking boxes, it demands real-time vigilance. Ongoing monitoring plays a critical role in ensuring businesses don't just comply with FICA - but stay ahead of the risks before they escalate.

Earlier this year, South Africa's Prudential Authority fined Standard Bank R13 million for failing to report suspicious activities and conduct ongoing due diligence on two of its clients. "The lesson here is clear: Without ongoing monitoring, even large institutions can miss critical red flags, leading to financial penalties and reputational risk," explains Sameer Kumandan, Managing Director of SearchWorks, which powers VOCA, a verification, onboarding, and compliance platform.

The FIC Act was formulated to address issues around financial crime, and accountable institutions are required to adhere to Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) obligations, which include customer identity verification, risk mitigation measures, staff training for compliance, and crucially, ongoing monitoring.

Global regulators are also taking a tougher stance on businesses that fail to monitor transactions and customer profiles adequately. This means businesses must ensure they are consistently meeting FICA's AML and CFT requirements, which mandate real-time transaction monitoring and reporting of suspicious activities.

"Substantial fines are a warning to businesses across all sectors that consistent and ongoing monitoring is a crucial part of compliance. The clear message from regulatory authorities is that they expect institutions to take compliance seriously. Financial penalties are just one of many risk factors that businesses have to consider alongside reputational damage and operational disruptions," notes Kumandan.

Unlike periodic due diligence, ongoing monitoring ensures continuous oversight, detecting potential risks as they develop rather than catching them retrospectively. This real-time approach is particularly critical in detecting patterns of suspicious activity that may otherwise go unnoticed.

“For businesses in sectors such as financial services, real estate, and legal practices, ongoing monitoring is an integral part of the compliance framework. Without it, institutions are exposed to the risk of unknowingly facilitating illicit activities,” says Kumandan.

Regulatory compliance is clearly non-negotiable, but the business case for implementing ongoing monitoring goes beyond avoiding fines. “Effective compliance processes help protect a business’s reputation and build customer trust which ultimately translates into long-term growth. Organisations that prioritise ongoing monitoring show their commitment to transparency and accountability in the face of financial crime and corruption,” adds Kumandan.

How can accountable institutions ensure they stay within South Africa’s regulations for ongoing due diligence? Kumandan says by using automated tools, businesses can reduce the need for extensive manual oversight and streamline compliance processes while staying aligned with current laws and best practice.

VOCA, powered by SearchWorks offers an innovative, cost-effective solution to help businesses meet the ongoing monitoring requirements under FICA. The platform’s new ongoing monitoring feature automates the daily checks of client profiles, alerting businesses in real-time to any changes that could indicate a risk before they escalate into compliance failures. “When a change is detected in PEP or sanctions status, VOCA immediately alerts the user who created the client profile, along with all company supervisors, via email so a new compliance verification can be completed. This automates and simplifies the process of monitoring clients for potential risks, making it more efficient and less prone to human error,” says Kumandan.

VOCA's ongoing monitoring feature also integrates into existing compliance workflows, reducing the disruption often caused by new compliance measures and is available at no additional cost for all VOCA users.

Regulatory scrutiny is increasing, and businesses can no longer afford to be reactive, they should be considering how automated tools can help them stay ahead of their obligations. "By automating these processes, companies can allocate valuable resources where they're needed while still adhering to the necessary regulations. Platforms like VOCA streamline compliance, making it easier for businesses to handle large volumes of data, monitor transactions in real-time, and quickly identify potential risks without the administrative burden that typically accompanies manual checks."

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