

NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NUMBER 89

14 MARCH 2007

MS J L FUBBS (ANC) TO ASK THE MINISTER OF FINANCE:

- (1) (a) How many suspicious transactions were (i) reported to the Financial Intelligence Centre (FIC) since its inception and (ii) investigated and (b) how is the money involved in established money-laundering operations treated;
- (2) whether any criminal investigations were instituted against any person(s) as a result of suspicious transactions; if not, why not; if so, what are the relevant details;
- (3) whether the FIC detected any funds that may have been used for financing terrorist activities; if so, what are the relevant details? **N436E**

REPLY:

- (1) (a) (i) During the past financial year the Centre received 19 793 reports on suspicious and unusual transactions. This brought the total number of reports received since the Centre's inception to 44 021.

(ii) The Centre is not an investigative body and therefore does not investigate reports on suspicious and unusual transactions.

Information reported to the Centre is analysed with a view to extracting leads which can be provided to investigating authorities. This analysis process involves the aggregation of information in a suspicious transaction report with other information at the Centre's disposal, including information from previous reports on suspicious and unusual transactions.

The information which the Centre refers to investigating authorities typically involves information from a number of reports where certain underlying links are found as a result of the analysis process. Information reported to Centre now may therefore only be referred to investigating authorities at some future date when subsequent information reported to the Centre leads to the belief that it should receive attention from investigating authorities. The Centre also supplies information drawn from reports to law enforcement upon request where this information will be used in a pending investigation. It is also likely that information from a particular report may be referred to law enforcement on more than one occasion. Since the Centre does not refer individual reports on suspicious or unusual transactions to investigating authorities for investigation, it is not logical to express the number of matters successfully investigated or prosecuted as ratio of the number of reports received by the Centre.

- (b) This question should be directed at the Asset Forfeiture Unit of the National Prosecuting Authority (“the AFU”). The Centre frequently collaborates with the AFU in relation to pre-emptive freezes of transactions, but the final action to confiscate or forfeit the proceeds of crime is taken by the AFU.
- (2) The responsibility for investigating and charging suspected offenders lies with the investigating and prosecuting authorities. The information supplied by the Centre is used as leads in strengthening and focusing an investigation, but must be combined with other information in order to be converted to evidence which can support a prosecution and conviction.
- (3) The Centre from time to time receives reports under the relevant provisions of the Financial Intelligence Centre Act, 2001, from financial and other institutions relating to property or transactions suspected of being associated with terrorist or related activities.

Since the Centre is not an investigative body (as explained in relation to Question 1(a)(ii), above) it is not in a position to detect whether funds referred to in such reports are in fact related to terrorist activities. The information gathered from such reports is analysed in the same manner as explained above and supplied to the relevant investigating authorities for further investigation.