



NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 2005 [NW2220E]
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2005. Mr D J Maynier (DA) to ask the Minister of Finance:

- (1) Whether an interdepartmental forum will be established to enhance and entrench the consultative process in respect of the Financial Intelligence Centre Amendment Act, Act 1 of 2017; if not, why not; if so, (a) who will lead the forum, (b) who will participate in the forum and (c) what will the functions of the forum be;
- (2) Whether any forum has been established in the interim to enhance and entrench the consultative process in respect of the specified Act; if not, why not; if so, (a) on what statutory grounds and (b) what are the further relevant details in this regard?

NW2220E

REPLY:

1. Yes, an Inter-Departmental Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) Committee is in the process of being set up. In addition, we plan to have a separate and dedicated consultative structure to facilitate engagements with accountable institutions in the private sector.
 - (a) The Committee will be chaired by Director-General of the National Treasury or his representative.
 - (b) The Committee will (initially) consist of representatives of National Treasury, the Department of Justice and Constitutional Development, the Department of Home Affairs, the State Security Agency, the South African Police Service, the National Prosecuting Authority, the South African Reserve Bank, the Financial Services Board and the Financial Intelligence Centre. The first meeting will also consider inviting other relevant departments or agencies for future meetings.
 - (c) The functions of the Committee are:

- i) to co-ordinate South Africa's response to the Financial Action Task Force (FATF), including preparing for the Mutual Evaluation and the National Risk Assessment to facilitate compliance with international obligations;
 - ii) to inform discussions on potential changes to the country's measures against money laundering and terror financing, including changes to laws, regulations and other measures;
 - iii) to assist in the allocation and prioritization of resources by competent authorities to combat money laundering and terror financing;
 - iv) to harmonise and align approaches to financial investigations, prosecutions, convictions and asset forfeitures in money laundering and terrorist financing matters;
 - v) to assess the effectiveness of anti-money laundering and combating of financing of terrorism (AML/CFT) policies and practices and whether the key objectives of the South African institutional framework against these phenomena are being met in practice;
 - vi) to assess progress made in South Africa with implementing the AML/CFT legal framework against the benchmark of the international standards and making recommendations for improvement; and
 - vii) assist in preparing the relevant departments and agencies for regular country assessments, peer reviews to measure South Africa's compliance with international standards on combating money laundering and the financing of terrorism.
2. No interim forum has been established outside of the normal National Treasury internal processes, in collaboration with the Financial Intelligence Centre, and other financial sector regulators, to process the feedback emanating from the public comments in order to, among other things, give effect to the establishment of the Inter-Departmental AML/CFT Committee.
- (a) As I stated previously, in **PQ 1634 [NW1840E]**, dated 9 June 2017, I want to point out again that we will be putting in place more effective consultation mechanisms, and that we do not need legislation to do so.
 - (b) More details relating to the establishment and operations of the Inter-Departmental AML/CFT Committee will be made available after the public consultation processes have been finalised, together with the publication of the final set of provisions of the Financial Intelligence Amendment Act, 2015 on 2 October 2017.