



MINISTRY OF FINANCE  
REPUBLIC OF SOUTH AFRICA

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## SPEECH BY MINISTER OF FINANCE

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### OPENING REMARKS BY MINISTER OF FINANCE, MR ENOCH GODONGWANA DURING THE SECOND DEBATE OF THE GENERAL LAWS AMENDMENT BILL IN THE NATIONAL ASSEMBLY

22 NOVEMBER 2022

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*Check Against Delivery*

#### Honourable Members,

Today marks a significant milestone in actions taken by South Africa to address deficiencies identified in the country's ability to deal with money laundering and financing of terrorism by the Financial Action Task Force (FATF) and the risk of greylisting. By passing the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill, this house demonstrates its commitment to not only addressing the issues which risk the greylisting by FATF, but more importantly, this governments' commitment to rooting out and preventing financial crime and the proceeds of corruption.

The Bill amends five pieces of legislation<sup>1</sup> to satisfy the technical compliance deficiencies (deficiencies relating to the adequacy of laws and legal frameworks related to the 40 FATF Recommendations) that were identified in the Mutual Evaluation Report. These technical compliance deficiencies represent one half of the exam we must pass.

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<sup>1</sup> Trust Property Control Act, 1988: Minister of Justice and Correctional Services, Nonprofit Organisations Act, Financial Intelligence Centre Act, Companies Act, Financial Sector Regulation Act, 2017: Minister of Finance.



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The Amendment Bill addresses deficiencies in at least 14 of the 20 recommendations, including an appropriate enhancement of powers and procedures for regulatory authorities.

In parallel, the Protection of Constitutional Democracy against Terrorist and Related Activities Amendment Bill, 2022 (administered by the Minister of Police) is currently before Parliament and I hope it will be passed soon. The Protection of Constitutional Democracy against Terrorist and Related Activities Amendment Bill, 2022, deals with 2 further (and core) Recommendations. The outstanding 4 deficient Recommendations are being addressed via policy processes and mechanisms.

When enacted into law, it will improve South Africa's adherence to international best practices in combating financial crimes and corruption and stand as the strongest possible evidence of this house's commitment to fighting financial crime.

Honourable Members, the National Assembly will now consider the report of the Standing Committee on Finance and will vote on the Bill with the amendments proposed by the Standing Committee on Finance in its report.

If the National Assembly adopts the Bill with the proposed amendments, the National Council of Provinces (NCOP) and the Select Committee on Finance in the NCOP will then consider the Bill.

In addition to the laws we are passing, the country is also working to improve the effectiveness of the country's AML/CFT system. This represents the second half of the exam we must pass.



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This relates to how the country's AML/CFT laws are implemented and how effective the country's systems are in combatting financial crime.

Here, I along with the Director-General have been mandated by Cabinet to ensure coordination across departments, agencies and authorities through an interdepartmental process. I believe that through this IDC, we have made the significant progress in improving effectiveness as well as the legislative changes that FATF needs to see for us to pass this exam and avoid grey listing.

The key areas of work of the IDC include the development of National Risk Assessments and strategy to combat financial crime, improve the intensity of supervision of sectors vulnerable to facilitating financial crimes, demonstrating improvements in investigating and prosecuting financial crimes, improving the availability of beneficial ownership information, enhancing our asset recovery mechanisms, the implementation of targeted financial sanctions for terror financing and proliferation financing, as well as deepened cooperation domestically and internationally to bring those responsible for financial crime and corruption to book.

I would like to conclude by thanking my Cabinet colleagues whose departments have been so instrumental in passing this Bill and reaching this milestone.

Thank you.