

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 290

DATE OF PUBLICATION: 4 MARCH 2005

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MR I O DAVIDSON (DA) TO ASK THE MINISTER OF FINANCE:

(a) How many (i) suspicious transactions reports (STRs) have been sent to the Financial Intelligence Centre since its inception, (ii) of these STRs were (aa) from international agencies and (bb) forwarded to law enforcement authorities for further investigation, (b) to which law enforcement agencies were they sent and (c) how many successful prosecutions were obtained as a result of the said referrals? **N424E**

REPLY:

- (a) (i) The Financial Intelligence Centre received 8471 suspicious transaction reports (STRs) between its establishment and the end of the 2003-2004 financial year.
- (ii) (aa) The FIC does not receive STRs from international agencies, but does receive referrals and requests for information from them.
- (bb) Once received, these reports are processed within the FIC, but remain suspicions only, even after they have been referred to law enforcement authorities.
- (b) The FIC has made 518 referrals to all the law enforcement authorities.
- (c) It is unlikely that a successful prosecution will be obtained as a result of a specific referral. Referrals based on STRs can be used to build up an investigation, but cannot be used as evidence in a prosecution.

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1125

DATE OF PUBLICATION: 24 JUNE 2005

MR K J MINNIE (DA) TO ASK THE MINISTER OF FINANCE:

Whether, the Financial Intelligence Centre Act, Act 38 of 2001, which will enable the Financial Intelligence Centre to analyse information in co-operation with the SA Police Service is fully implemented; if not, why not; if so, what are the relevant details?

N1484E

REPLY:

The Financial Intelligence Centre (FIC) is statutorily obliged to analyse financial information independently of any state agency, including the SA Police Service. The FIC is duty bound to collect, process, analyse and interpret all financial information disclosed to it as suspicious transaction reports by accountable and reporting institutions, and any other reporting persons, under section 29 of the Financial Intelligence Centre Act, Act 38 of 2001. Thereafter the FIC may disseminate the financial information that may be linked to the proceeds of crime and related money laundering activity to law enforcement agencies for further investigation.

The Financial Intelligence Centre Act, Act 38 of 2001 (the FIC Act), has not yet been fully implemented. However, Section 29 of the Act, which deals with the reporting of suspicious transactions by accountable institutions to the Centre, has been effective since February 2003. This forms the core of the reporting obligations and is in keeping with international standards required of the country.

Sections 28 (cash transactions above prescribed limit), 30 (conveyance of cash to or from Republic) and 31 (electronic transfer of money to or from Republic) of the FIC Act have yet to come into operation. These sections of the FIC Act will take effect as

soon as the necessary infrastructure to facilitate the reporting of large volumes of transactions entailed by these provisions, is established. The growing trend internationally is for countries to have as many transaction reporting streams as systems can accommodate. South Africa believes that all three reporting streams - cash threshold reporting, cross border reporting, and electronic money transfer reporting, will become valuable sources of information in the process to combat money laundering and terrorist financing, once implemented.