

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 2099 [NW2253E]
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2099. Ms N W A Mazzone (DA) to ask the Minister of Finance:

With reference to the letter addressed to Ms N W A Mazzone from the Deputy Governor of the SA Reserve Bank (SARB), dated 2 May 2018, what are the details of the actions taken against the Bank of Baroda by the supervision department of the SARB pursuant to its responsibilities as enshrined in the Financial Intelligence Centre Act, Act 38 of 2001?

NW2253E

REPLY:

I am informed by the South African Reserve Bank (SARB) that its former Bank Supervision Department (BSD), which is absorbed into the new Prudential Authority (PA), conducted an onsite inspection in terms of the Financial Intelligence Centre (FIC) Act at the Bank of Baroda in 2014 and found deficiencies relating to compliance with the FIC Act as well as weaknesses in controls to counter money laundering and terrorist financing. The BSD instructed the Bank of Baroda to remediate the weaknesses found, after which the Bank of Baroda assured the BSD that such compliance deficiencies had been remediated.

BSD conducted a follow-up inspection in 2016 and found that there were still FIC Act compliance deficiencies as well as weaknesses in controls to counter money laundering and terrorist financing.

The SA Reserve Bank is not able to disclose at this stage the specific administrative sanctions it may have recommended, as the process for imposing any administrative sanctions (including whether both parties accept the outcome) has not as yet been completed.

