

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
TRANSFERRED TO WRITTEN QUESTION
QUESTION NUMBER: 2115 * 679 [NW3478E]
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2115★679. Mrs W R Alexander (DA) to ask the Minister of Finance:

With reference to the placement of the Republic on the Financial Action Task Force (FATF) Grey List in 2023, which significantly impacted the Republic's standing and considering the delays that the National Treasury is expecting in resolving areas of concern identified by the FATF, what accelerated steps is National Treasury implementing to address identified deficiencies in our anti-money laundering and counter-terrorism financing frameworks, given the importance of this matter?

NW3478E

REPLY:

As outlined in the media statement following the 25 October 2024 FATF Plenary meeting, South Africa was deemed to have addressed or largely addressed 16 action items, and is now left with 6 action items for the last reporting cycle, which ends in February 2025. Three of these action items relate to demonstrating a sustained increase in the investigation and prosecution of complex money laundering, terror financing and unlicensed cross-border money or value transfer services (MVTs). The other three relate to the timely access of beneficial ownership information in respect of companies and trusts, and the imposition of remedial action and dissuasive sanctions by designated AML/CFT supervisors.

Government remains committed to meet the original deadline for exiting the grey list in February but acknowledges that this depends largely on addressing the remaining deficiencies timeously, which may require an additional round of assessments.

The Interdepartmental Committee on Anti-Money Laundering (IDC-AML/CFT) remains the principal coordination mechanism to ensure all deficiencies are addressed. National Treasury chairs the IDC-AML/CFT which was mandated by Cabinet to lead the government's effort towards fully and speedily addressing all the deficiencies in the country's AML/CFT system. Cabinet and the Justice, Crime Prevention and Security (JCPS) Cluster have overseen the implementation of the Action Plan (since the country's greylisting in February 2023), via the IDC-AML/CFT. The IDC-AML/CFT includes a wide range of government departments and agencies, such as the Directorate for Priority Crime Investigation (the Hawks), the National Prosecuting Authority, the Special Investigating Unit, the State Security Agency, the Financial Intelligence Centre, the South African Reserve Bank, the Financial Sector Conduct Authority, the Department of Justice and Constitutional Development, the Companies and Intellectual Property Commission, and the South African Revenue Service. The

National Treasury regularly updates Cabinet on the progress made by the IDC-AML/CFT and government departments and agencies against the action items in the Action Plan.

For further information, I refer the Honourable Member to the regular media releases issued by the National Treasury, including the last one issued on 25 October 2024 (link attached below), all available on its website www.treasury.gov.za. I also refer the Honourable Member to the many parliamentary questions over the last two years responding to FATF and grey listing questions for example PQ 516 [no3759e], 3967 [NW4935E], 2641 [NW3157E], 2642 [NW3158E], 21602 [NW1730E], 3967 [NW4935E], 3547 [NW4717E], 1602 [NW1730E], 3547 [NW4717E] and 1289 [NW1393E]

The media statement, Action Plan and South Africa's 3rd Enhanced Follow-up Report with technical compliance re-ratings report, can be accessed at the following links:

Media Statement

https://www.treasury.gov.za/comm_media/press/2024/2024102501%20Media%20Statement%20FATF%20Greylisting%20South%20Africa%E2%80%99s%20Positive%20Progress%20as%20at%20October%202024.pdf

Action Plan:

https://www.treasury.gov.za/comm_media/press/2024/2024102501%20Annexure%20FATF.pdf

FATF 3rd follow up report:

https://www.treasury.gov.za/comm_media/press/2024/2024110501%20South%20Africa%E2%80%99s%203rd%20Enhanced%20Follow-up%20Report%20by%20FATF.pdf