



# financial intelligence centre

## REPUBLIC OF SOUTH AFRICA

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### PRESS RELEASE

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#### **FINANCIAL ACTION TASK FORCE MUTUAL EVALUATION OF SOUTH AFRICA'S ANTI-MONEY LAUNDERING AND COUNTER FINANCING OF TERRORISM REGIME**

On 2 March 2009, the Financial Action Task Force (FATF) published an Executive Summary of the report on its recent mutual evaluation of South Africa's measures against money laundering and terror financing.

The FATF report commends South Africa on the progress made in the development of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) systems in the country. The FATF says South Africa has demonstrated a strong commitment to implementing effective AML/CFT systems, a process which has involved close cooperation and coordination between a variety of government departments and agencies. It also notes that South African authorities have sought to construct systems which use as reference, relevant United Nations Conventions and the international standards as set out by the FATF.

The FATF also notes very favourably that South Africa's achievements on implementing its AML/CFT systems were achieved in a short period of time.

Some of the key findings in the Executive Summary are that:

- South African authorities have established comprehensive mechanisms to cooperate on operational matters relating dealing with money laundering and terror financing

- Measures to criminalise money laundering and terror financing and to provide for the forfeiture of the proceeds of crime are comprehensive and in accordance with international standard

The Executive Summary report also identified a number of areas for development where the South African framework against money laundering and terror financing can be improved further. These include:

- Measures relating to customer due diligence performed by financial and other institutions, including the identification of certain types of customers such as the beneficial owners of legal persons and politically exposed persons,
- Measures requiring that customer particulars accompany electronic funds transfers,
- Measures requiring the disclosure of cross-border transfers of cash,
- Measures concerning the supervision of compliance by financial and other institutions with obligations flowing from anti-money laundering legislation,
- Measures to improve the transparency of the ownership and control structures of legal persons and trusts, and
- Measures to protect non-profit organisations from abuse for money laundering and terror financing purposes.

The FATF further acknowledges that South Africa's positive mutual evaluation report was achieved due to a constructive cooperation by various stakeholders that included government departments, financial institutions, retail and entertainment players.

The full Mutual Evaluation Report is expected to be made public within two months.

For more information, and a copy of the report, visit: [www.fic.gov.za](http://www.fic.gov.za) or [www.fatf-gafi.org](http://www.fatf-gafi.org) or contact the Centre's Communications Manager, Themba Hlengani on 012 641 6214 or [themba.hlengani@fic.gov.za](mailto:themba.hlengani@fic.gov.za)

## **NOTES TO EDITORS**

The FATF is an inter-governmental body whose purpose is the development and promotion of policies, both at national and international levels, to combat money laundering and terrorist financing.

The thirty-four members of the FATF are: Argentina; Australia; Austria; Belgium; Brazil; Canada; China; Denmark; the European Commission; Finland; France; Germany; Greece; the Gulf Co-operation Council; Hong Kong, China; Iceland; Ireland; Italy; Japan; Luxembourg; Mexico; the Kingdom of the Netherlands; New Zealand; Norway; Portugal; the Russian Federation; Singapore; South Africa; Spain; Sweden; Switzerland; Turkey; the United Kingdom; and the United States.