



national treasury

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MEDIA STATEMENT

ENACTMENT OF KEY ANTI-MONEY LAUNDERING AND COMBATING OF TERROR FINANCING LAWS

PRESIDENT SIGNS INTO LAW:

- **GENERAL LAWS (ANTI-MONEY LAUNDERING AND COMBATING TERRORISM FINANCING) AMENDMENT ACT No 22 of 2022; and**
- **PROTECTION OF CONSTITUTIONAL DEMOCRACY AGAINST TERRORISM AND RELATED ACTIVITIES AMENDMENT ACT No 23 of 2022.**

National Treasury welcomes the enactment of two key Acts of Parliament, designed to strengthen South Africa's system of Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT). These laws will strengthen the fight against corruption, fraud and terrorism, and also assist South Africa in meeting the international standards on AML/CFT, and to reduce the prospect of greylisting by the Financial Action Task Force (FATF).

South Africa underwent a mutual evaluation (peer review) of its AML/CFT system by the FATF between April 2019 and June 2021, with the final report being finalised and published in October 2021 [Mutual Evaluation Report](#). Since then, the South African government and its authorities have been working resolutely to address the deficiencies that were identified in the Mutual Evaluation Report. Part of the remedial efforts included the amending of six laws that are key to the effectiveness of South Africa's AML/CFT measures.

President Cyril Ramaphosa has recently signed into law two key Acts of Parliament, namely the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act, 2022 ("General Laws Amendment Act") and the Protection of Constitutional Democracy Against Terrorism and Related Activities Amendment Act, 2022 ("POCDATARA Amendment Act"). This is a significant step towards addressing the deficiencies in South Africa's AML/CFT measures that were identified in the 2021 Mutual Evaluation Report.



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The General Laws Amendment Act was assented to by the President on 22 December 2022, and the POCDATARA Amendment Act was assented to by the President on 23 December 2022. Both were published in the *Gazette* on 29 December 2022 (Gazette No's 47815 and 47803 respectively), and are available at:

[POCDATARA Amendment Act](#)

[General Laws Amendment Act](#)

The POCDATARA Amendment Act amends the Protection of Constitutional Democracy Against Terrorism and Related Activities Act, 2004 by strengthening its provisions and expanding it to include aspects such as cyber-terrorism. These amendments also address two key findings of the mutual evaluation by refining the offence of terrorist financing and improving the processes for the implementation of financial sanctions against supporters of terrorist organisations. The POCDATARA Amendment Act commenced on 4 January 2023, in terms of Proclamation Notice 110 of 2022 (Government Gazette Number 47820), available on:

[Proclamation Notice 110 of 2022](#)

The General Laws Amendment Act amends five different Acts, namely:

- Trust Property Control Act, 1988,
- Nonprofit Organisations Act, 1997,
- Financial Intelligence Centre Act, 2001,
- Companies Act, 2008 and
- Financial Sector Regulation Act, 2017.

The General Laws Amendment Act amends:

- the Financial Intelligence Centre Act, 2001, among others by improving the provisions that require financial and other institutions to perform due diligence in respect of their customers. This ensures that these institutions have more reliable information about their customers and are in a better position to manage money laundering and terrorist financing risks in their businesses, which addresses another key finding of the mutual evaluation. The dates of commencement for the majority of the amendments in the General Laws Amendment Act were on 31 December 2022 or on 1 April 2023, as outlined in Proclamation Notice 109 of 2022 on 31 December 2022 (Gazette No 47805), available on: [Proclamation Notice 109 of 2022](#)



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- the Trust Property Control Act, 1988 and the Companies Act, 2008, to lay the basis for South Africa to develop a comprehensive mechanism to bring transparency to the beneficial ownership of corporate vehicles such as trusts and companies. This is a significant step in strengthening the ability of investigators and other authorities to pierce the corporate veil and determine who the natural persons that deal with financial and other institutions at arm's length through trusts and companies are. These measures will boost the ability of the authorities to fight against crime and corruption perpetrated by criminal syndicates. The majority of these amendments will commence on 1 April 2023;
- the Nonprofit Organisations Act, 1997, to establish a regulatory framework to protect nonprofit organisations which transfer funds overseas from possible exploitation by facilitators and financiers of terrorist organisations. This ensures that nonprofit organisations that transfer funds overseas abide by standards of good governance and financial management and are supervised according to the requirements of the Nonprofit Organisations Act. These amendments will commence on 1 April 2023; and
- the Financial Sector Regulation Act to improve the ability of financial sector regulators to apply fit and properness scrutiny to the beneficial owners of licensed financial institutions. These amendments commenced on 31 December 2022.

The General Laws Amendment Act and POCDATARA Amendment Act address 15 of the 20 deficiencies relating to the adequacy of laws and legal frameworks related to the 40 FATF Recommendations that were identified in the mutual evaluation report. The remaining 5 deficiencies will be or have been addressed through non-statutory initiatives. In addition, the South African authorities have completed a second round of assessments of money laundering and terrorist financing risks and developed a national strategy to address these. The South African regulators also developed policies and issued directives and guidance to further strengthen aspects of money laundering, terrorist financing and proliferation financing risk management by financial institutions. South African authorities are of the view that these actions address almost all the technical compliance deficiencies that were identified in the Mutual Evaluation Report. Government will also continue working to improve the effectiveness of South Africa's AML/CFT regime.



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FATF Mutual Evaluation follow-up process

Following the conclusion of our Mutual Evaluation Report by the FATF in October 2021, we are required, in terms of our follow up process, to report back to the FATF on the progress that we have made in addressing the deficiencies that were identified in the Mutual Evaluation Report. South African authorities submitted a Post Observation Period Report to the FATF Joint Group on 28 November 2022. The FATF Joint Group responded to South African authorities with preliminary analysis/ comments on 16 December 2022. South African authorities responded to the preliminary analysis/ comments by the Joint Group on 3 January 2023, in line with the timelines in our follow up process. The revised and updated Post Observation Period Report responds to the preliminary analysis/ comments by the Joint Group.

The next step in the process is for South African authorities to attend a face-to-face meeting with the FATF Joint Group in Rabat, Morocco on 13 January 2023. South Africa will be represented by a delegation of officials drawn from the National Treasury, the Department of Justice and Constitutional Development, the State Security Agency, the Special Investigating Unit, the Financial Intelligence Centre, the South African Police Service, the South African Reserve Bank, the Financial Sector Conduct Authority, the South African Revenue Service, the Department of Social Development, the National Intelligence Coordinating Committee, the Companies and Intellectual Property Commission and the National Prosecuting Authority. The delegation is led by the Acting Director-General of the National Treasury.

The meeting will give the South African delegation the opportunity to engage with the FATF Joint Group, and to respond to any further queries which the FATF Joint Group might have, and for the country to present to the FATF on the progress made in addressing the deficiencies that were identified in the Mutual Evaluation Report. The Joint Group will report to the FATF's International Co-operation Review Group (ICRG) on the progress that South Africa has made in addressing the deficiencies that were identified in the Mutual Evaluation Report, before the ICRG makes a final recommendation to the FATF Plenary ahead of its meeting of 22-24 February 2023.

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