

MEDIA RELEASE

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CULTIVATING A CULTURE OF COLLABORATION TO STRENGTHEN FINANCIAL STABILITY

16 November 2020: During the 2019/20 financial year, the Financial Intelligence Centre (FIC) forged new relationships and reinforced existing partnerships to further safeguard and shore up South Africa's financial system.

[The FIC 2019/20 annual report](#) highlights the steps taken to bolster the fight against financial crime through collaboration and cooperation. Among the measures implemented, were 11 new memoranda of understanding the FIC signed with domestic partner entities and the launch of public-public and public-private partnership initiatives during the reporting period.

In his foreword to the FIC's 2019/20 annual report, the Minister of Finance, TT Mboweni, MP, emphasised the integral role these partnerships played in enhancing the stability of the South African economy. This year's report features the views of a sampling of partners and stakeholders, on their working relationship with the FIC.

"The Financial Intelligence Centre continues to be instrumental in ensuring that our financial system remains resilient and that its respected reputation is preserved," Minister Mboweni said.

"It bears testament to what government can achieve to keep our country's financial environment conducive to investment and growth."

Director of the FIC, Adv Xolisile Khanyile, said the FIC delivered quality, useful, timeous, and actionable financial intelligence during the reporting period.

“During the year, the FIC continued to protect the integrity of South Africa’s financial system to help ensure that criminals do not benefit from the proceeds of their crime,” Adv Khanyile said.

“In doing so, we contributed to the country’s wellbeing and the safety of its people during a difficult time.”

As South Africa’s financial intelligence unit, the FIC applies measures to assist in combating money laundering and terrorist financing. The FIC administers the FIC Act, which requires identified business sectors to register with and submit regulatory reports to the FIC. All businesses, whether identified in the FIC Act or not, are required to report transactions deemed suspicious and unusual to the FIC.

In 2019/20, the number of institutions registered with the FIC, increased to 44 420 (42 353 in 2018/19). These businesses filed more than 6 million reports with the FIC, made up of suspicious and unusual transaction (299 256) and cash threshold (5.9 million) reports.

Based on the analysis of these types of reports, the FIC produces intelligence reports on request or as proactive referral reports. To this end, it produced 745 proactive reports, and 2 017 reports upon request. Of the 2 762 financial intelligence reports produced, they related primarily to fraud, corruption, narcotics, and tax crimes. The FIC’s financial intelligence was instrumental in assisting in the recovery of close to R3 billion in proceeds of crime. Furthermore, more than R70 million was frozen as suspected proceeds of crime.

Effecting the synergies between the FIC and its public and private sector cohorts and stakeholders, two collaborative partnerships were forged in 2019/20.

The Fusion Centre was established at the end of 2019 as a platform for a multi-agency, public-public collaboration, and cooperation. The platform provides a national hub for central coordination and is a key resource point for dealing with corruption and money laundering related matters. The collaboration is aimed at achieving successful investigations and prosecutions and assisting in the tracking and recovery of ill-gotten domestic and foreign assets and gains.

Aimed at enhancing collaboration and coordination between the banking sector and government regulatory authorities, the South African Anti-Money Laundering Integrated

Task Force (SAMLIT) was also launched during the reporting period. Members of the SAMLIT include the Prudential Authority of the South African Reserve Bank, representatives of the banking sector, the Banking Association of South Africa, and associated bodies, as well as the South African Banking Risk Information Centre and the FIC.

During the financial year, the FIC undertook assessments of the risks of money laundering and terrorist financing in specific sectors and the country as a whole. The intention is to continuously improve the country’s regulatory apparatus and function.

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**ISSUED BY THE FINANCIAL INTELLIGENCE CENTRE
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Note to editors: As South Africa’s national centre for the gathering and analysis of financial data, the role of the Financial Intelligence Centre (FIC) is to safeguard the integrity of the country’s financial system and its institutions. In pursuit of this, the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), mandates the FIC to identify the proceeds of crime, combat money laundering and terrorist financing and to facilitate the effective supervision and enforcement of the FIC Act.

Under this legislation, the FIC makes information available to a wide range of law enforcement agencies and other government institutions to facilitate the administration and enforcement of the laws of the Republic. The FIC also provides information and guidance to financial and non-financial institutions on their compliance obligations. It also outlines the enforcement and penalty regime for those who do not comply.

The FIC ensures South Africa’s legislation and standards for combating money laundering and terrorist financing are met and up-to-date across government and the private sector.

For more about the FIC visit www.fic.gov.za

Item	2019/20
Institutions registered	44 420
Reports received	6 238 877
Cash threshold reports received	5 939 522
Suspicious and unusual transaction reports received	299 256
Inspections by FIC and supervisory bodies	824
Reports disseminated	745
Responses to requests for financial intelligence	2 017
Value of suspected criminal proceeds frozen	>R70.7 million
Value of criminal proceeds recovered	R2 973.18 million