

## MEDIA RELEASE

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### **FIC 2020/21 ANNUAL REPORT: FIGHTING FINANCIAL CRIME IN AN INCREASINGLY DIGITAL WORLD**

**21 September 2021:** During the 2020/21 financial year, the Financial Intelligence Centre (FIC) continued to deliver on its mandate despite the challenges brought on by the coronavirus pandemic. The FIC maintained its operations by embracing technology and introduced automation during the various levels of the lockdown during the period under review.

The FIC annual report highlights new and adapted approaches the organisation took in finding ways to continue fulfilling its obligations amidst the pandemic, how it accepted additional oversight responsibilities, and spearheaded new partnership initiatives. [[Access the annual report here](#)]

In his foreword to the annual report, the Minister of Finance, Enoch Godongwana, highlighted the critical role the FIC played in ensuring the integrity of South Africa's financial system.

“In executing its mandate and through its work with private and public sector partners, the FIC has provided a bulwark in the collective effort to support the national priorities of fighting crime and corruption and building the capability of the state,” Minister Godongwana said.

“These approaches adopted by the FIC augur well and will establish a legacy that could be transposed to addressing other challenges or large-scale projects in the country.”

The FIC's efficiency and delivery of financial intelligence to law enforcement and other competent authorities is premised on compliance by sectors identified as vulnerable to being abused by criminals for purposes of money laundering and terrorist financing.

Called accountable and reporting institutions, these sectors are listed in the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). At year end, there were 44 499 financial and non-financial institutions registered with the FIC. Cumulatively, these institutions submitted to the FIC more than 5.2 million regulatory reports, including 394 709 suspicious and unusual transaction reports.

By far the largest contributor of regulatory reports, was the banking sector, having submitted more than 4.3 million cash threshold reports and more than 260 000 suspicious and unusual transaction reports.

Based on the analysis of the regulatory reports it receives, the FIC produces financial intelligence on request or as proactive referral reports. In 2020/21, the FIC responded to 2 080 requests for financial intelligence from law enforcement, security agencies and other competent authority partners domestically and abroad. This was an increase in the number of requests for intelligence reports received, in comparison to the previous year (2019/20: 2 017).

The FIC compiled and referred 1 126 proactive financial intelligence reports to law enforcement and other authorities in the criminal justice system (2019/20: 745) for investigation during the reporting period. Overall, the FIC produced 16 percent more financial intelligence reports in 2020/21 (3 206 reports), than was produced in the prior year (2019/20: 2 762).

The FIC's financial intelligence was instrumental in assisting in the recovery of close to R3.3 billion in proceeds of crime. Furthermore, more than R613.2 million was frozen as suspected proceeds of crime.

The annual report describes the instrumental role that South Africa's financial intelligence unit has played in forging partnerships in the private and public sector around the goal of assisting in combating money laundering. This has been embodied in the unique FIC-led initiatives of the Fusion Centre and the South African Anti-Money Laundering Integrated Task Force (SAMLIT).

The Fusion Centre is a collaboration of law enforcement authorities and investigative bodies in the Justice, Crime Prevention and Security cluster. SAMLIT is a public-private

partnership bringing together the banking sector, its industry representatives, and regulatory authorities.

In the period under review, the FIC's financial intelligence provided through the Fusion Centre resulted in 276 criminal investigations relating to fraud and corruption regarding COVID-19 relief efforts. This work led to the recovery of proceeds of crime to the value of approximately R659 million, which has been returned to the fiscus. This was accomplished by the members of the Fusion Centre working together within their own jurisdiction and mandate.

The banking sector is at the coalface of the transactions environment. It is thus significant that SAMLIT, which is steered by the FIC, has taken root during the reporting period. The formation of this partnership is in keeping with the approach being taken by financial intelligence units across the globe. It entails sharing of financial information between the partners and building trust in enhancing the fight against financial crime. These partnerships are geared towards improving the quality of reported information exchanged between partners.

Various working and tactical operations groups are operational within SAMLIT, which are oriented to identify financial crime trends and threats, and to find possible solutions to address them. SAMLIT works collaboratively with the Fusion Centre in providing direct, efficient and effective financial information timeously.

Director of the FIC, Adv Xolisile Khanyile, said the FIC achieved and exceeded many of its performance targets during the 2020/21 financial year delivering reliable, useful, accurate, comprehensive, timeous, and up to date intelligence to its partners against crime.

"During the year under review, the FIC's main focus continued to be the improvement of the organisation's capacity and ability to fight financial crime in an increasingly digital world, and to stay up to date with fintech developments," Adv Khanyile said.

"In achieving its mandate, the FIC was able to exchange information with law enforcement authorities and other local and international agencies. We also supervised and enforced compliance with the FIC Act and facilitated effective supervision and enforcement by supervisory bodies."

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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](http://www.fic.gov.za)

Item	2020/21
Institutions registered	44 499
Regulatory reports received	5 247 362
Cash threshold reports received	4 852 629
Suspicious and unusual transaction reports received	394 709
Inspection reports issued by FIC and supervisory bodies	749
Financial intelligence reports disseminated	3 206
Responses to requests for financial intelligence	2 080
Value of suspected criminal proceeds frozen	R613.2 million
Value of criminal proceeds recovered	R3 398.71 million