

MEDIA RELEASE

9/5/13

PUBLIC PRIVATE SECTOR PARTNERSHIP TO ASSIST IN COMBATING FINANCIAL CRIME

Tuesday, 10 December 2019: Monday, 9 December 2019 saw the launch of South Africa's first public private partnership, between the banking sector and government regulatory authorities, aimed at enhancing collaboration and co-ordination in combating financial crime, money laundering and terrorist financing.

Given the nature of their business, banks are at the frontline in identifying suspicious transactions. This sector tends to file over 80 percent of the suspicious and unusual transaction reports received by the Financial Intelligence Centre (FIC). The creation of a partnership to effectively, efficiently and timeously share information and improve law enforcements' analytical capabilities represents a big step forward in the fight against financial crime and corruption.

The extent and complexity of fraud, corruption and organised crime activities in South Africa means that government cannot on its own tackle financial crimes. There is therefore an urgent need for a concerted and united response across government and the private sector to combat the scourge of financial crimes. Ultimately, it is in the country's best interest to ensure that the financial system is protected from abuse by criminals and that it continues to contribute to sustainable economic growth in the country.

At the inaugural meeting of the South African Anti-Money Laundering Integrated Task Force (SAMLIT), members expressed their commitment to sharing resources and information in efforts to prevent, detect and disrupt financial crime. SAMLIT's launch follows several months of planning and discussion led by the FIC and endorsed by the National Treasury and the Prudential Authority of the South African Reserve Bank.

Signatories to SAMLIT, who also attended the inaugural meeting, include the FIC, major and smaller banks, the National Treasury, the Prudential Authority, the Banking Association South Africa and the South African Banking Risk Information Centre.

Speaking at the launch, the FIC's Director, Adv Xolisile Khanyile said that in the fight against financial crime, it was no longer possible for industry and regulators to work in silos: "Membership of this partnership is voluntary (for the private sector) but it is important that we are equal partners in this collaboration.

"We will hold each other accountable to ensure that the financial system is protected from abuse."

Importantly, all information discussed at the SAMLIT will be confidential, including bank confidentiality, which will not be compromised in any way.

Market Conduct Manager: Legislation and Regulatory Oversight for the Banking Association South Africa, Adri Grobler, was enthusiastic about the synergy of collective efforts between the banking sector and authorities in fighting financial crime. She said that members of SAMLIT would learn from international best practice to look for continuous improvement. Grobler emphasised that, "collaboration in a safe and trusted environment" was key and that "the country will see the benefits (of SAMLIT's work)".

The National Treasury's Deputy Director-General and Head: Tax and Financial Sector Policy, Ismail Momoniat, said the formation of the partnership was long overdue and that it would make a huge difference in effectively tackling financial crime. He said he looked forward to the FIC and reporting banks working more collaboratively in picking up unlawful activities earlier and involving law enforcement more speedily to deliver as promised on SAMLIT's objectives.

Referring to the suspicious and unusual transaction reports (STRs) submitted by banks to the FIC, Momoniat said: "Most STRs (received by the FIC) are sent by the banks." He added that it was important for banks to ensure that they were picking up information timeously and that this was fed through to the authorities and so that they could act as quickly as possible. Recent experience, especially in relation to corruption, he said, clearly emphasised the need for and the role that bodies such as SAMLIT could play in assisting the authorities to connect the dots quicker.

The SARB was represented by the Deputy Governor and CEO of the Prudential Authority, Kuben Naidoo, and the Head: Financial Conglomerate Supervision Department in the Prudential Authority, Denzel Bostander.

In his address, Bostander said: "We must make sure that our banking system is not used for financial crime.

"(the SAMLIT partnership) will produce the results that we require and desire in the country."

He furthermore stressed the importance of a partnership such as SAMLIT, for its potential to enhance trust between the public and private sector, to improve quality of reporting, to develop common approaches to tackling financial crime, to provide more flexibility and agility in addressing threat environments and to enhance levels of expertise and knowledge for all partners. He added that it was integral that SAMLIT's role players bore in mind the cost of the initiative and called members to prioritise their resources accordingly.

At the heart of SAMLIT will be a tactical operations group, which will address specific financial crime investigations, and act with speed and agility, gathering and supplying information timeously to law enforcement and prosecutorial authorities. In an environment where speed is of the essence in stemming the movement of illicit funds, timeous information supply will be crucial to helping law enforcement and prosecutorial authorities with investigations, forfeiture and prosecution of criminals.

--- ends ---

Issued by:

The Financial Intelligence Centre

For more information please contact communications@fic.gov.za or visit www.fic.gov.za.

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 assist in the identification of the proceeds of crime, in combating money laundering and in the financing of terrorism, and facilitate effective supervision and enforcement of the Act.

Under this legislation, financial and non-financial institutions are required to fulfil certain compliance obligations, including filing of transactions reports to the FIC. The information provided in these reports form the basis upon which analysis is conducted to develop financial intelligence reports for use by 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 Act also sets out the enforcement and penalty regime for non-compliance with the FIC Act.

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

HEADLINE STATISTICS AS AT 31 MARCH 2019	
42 353	Institutions registered with the FIC
288 434	Reports on suspicious or unusual transactions
5.2 m	Cash threshold reports received
5.5 m	Total number of reports received
R53.6 m	Value of assets frozen as suspected proceeds of crime
R2.14 b	Value of proceeds recovered through FIC's actions
1 054	Referrals of financial intelligence reports
1 840	Requests for information
29	Contributions to judicial actions
875	Total FIC (138) and supervisory body (737) inspections conducted