Information is at the core of the effectiveness and impact of financial intelligence units the world over. Its availability, quality and depth, as well as the speed at which information is provided are all material in an environment where time can be of the essence.

For the Financial Intelligence Centre, information feeds primarily take the form of regulatory reports submitted by accountable institutions. Sources include financial and non-financial institutions such as estate agents, lawyers, casinos, banks and others in the list of 16 categories of accountable institutions.

In addition, thanks to a combination of relationships the FIC has developed since its inception 16 years ago, and collaboration agreements, the organisation has added many sources of information.

The FIC has thus far signed 89 agreements on information exchange with foreign jurisdictions across the globe. The agreements are critical in helping to ensure that under strict guidelines and rules, information can be requested and exchanged between financial intelligence units, in the quest to find missing pieces of information to assist in the pursuit of crime.

On the domestic front, the FIC is also making progress with increasing the number of information exchange agreements with its competent authority partners. Thus far the FIC has entered into information exchange agreements with the Special Investigating Unit, the South African Reserve Bank, the State Security Agency, the Financial Sector Conduct Authority, the Southern African Fraud Prevention Service, the Insurance Crime Bureau and the Public Protector.

Notwithstanding the co-operative relationship the FIC has with its competent authority partners, it is a requirement of the FIC Act for the organisation to enter into written agreements with its partners.

The feed of relevant, useful and detailed transaction and other information is vital to financial intelligence units. Such material forms the basis for FIC’s analysis and preparation of its financial intelligence reports.

In turn, the financial intelligence reports are requested or provided to domestic and foreign law enforcement and other authorities in the pursuit of their mandates to investigate crime or protect the safety of financial institutions.

Taking the business out of crime has become the norm for law enforcement agencies. The financial intelligence reports which the FIC produces have become increasingly significant tools in the pursuit of the proceeds of crime. Last year alone, the FIC received 2 243 requests for information and referred 1 470 matters for investigation.

The financial intelligence reports that the FIC produces contain descriptions of the transactions or activities relating to the financial conduct of reported persons and how those transactions or activities are linked with other persons, as well as the FIC’s advice on potential unlawful activities that may be pursued in an investigation. In the process of producing its financial intelligence reports the FIC extracts information from reports that financial and other institutions make to it, conducts analysis and identifies potential links to unlawful activities. The FIC does not conduct its own investigations or prosecutions.

A glance through the FIC’s annual reports will provide further background on the organisation as well as case studies demonstrating how information provided by the FIC assisted domestic and foreign competent authorities. These are but some of the instances in which information provided by the FIC has assisted in bringing criminals to justice.

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1 Regulatory reports include: Suspicious or unusual transaction reports, cash threshold reports, and terrorist property reports.
How the FIC produces financial intelligence reports

Accountable and reporting institutions are legally required to submit reports to the FIC on suspicious and unusual transactions; transactions over the cash threshold of R24 999.99. In addition, accountable institutions are required to report property that is owned or controlled by or on behalf of a terrorist.

These regulatory reports may include sensitive information such as, for example, information about financial transactions, amounts involved, bank account details and account balances for example.

The FIC is the gatekeeper of this information, which it treats as private and confidential, and only shares in terms of its mandate and legislative parameters.

The FIC analyses the information it receives, and produces financial intelligence reports. The information referred for investigation contains descriptions of the transactions and analysis of their potential links to unlawful activity.

The financial intelligence report is handed over to the relevant authorities for further action and/or investigation if necessary. The true value of information held by a financial intelligence unit is to be found not in the reports it receives, but in the integration and evaluation of this information with other data linked to human and social behaviour.