



## financial intelligence centre REPUBLIC OF SOUTH AFRICA

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### **FIC 2012/13 ANNUAL REPORT HIGHLIGHTS GROWING IMPORTANCE OF FINANCIAL INTELLIGENCE**

**Wednesday, 2 October 2013:** The significance of greater levels of compliance, linked with the receipt of financial transaction data for analysis and the recovery of cash from proceeds of crime, are at the nub of the Financial Intelligence Centre's annual report for 2012/13.

Tabled in Parliament last week, the report reflects that the FIC directly added R1.171 billion in cash to the national fiscus, as recovered funds from the proceeds of crime.

"This reflects important progress for the FIC," says FIC Director, Murray Michell. "This sum is made up of funds seized from money laundering; from assets attached under the auspices of the Prevention of Organised Crime Act; and from the recovery of stolen state funds. It is particularly important in the current economic constraints."

There was an increase in requests for analysis and research information produced by the FIC (980 in 2011/12; 1 445 in 2012/13), indicating a 47 percent rise, year-on-year.

During the period the number of accountable and reporting institutions registered with the FIC jumped by 56 percent to 21 866. Registration with the FIC is a legal obligation for accountable and reporting institutions to adhere to the Financial Intelligence Centre Act, 38 of 2001.

Another FIC Act obligation, the reporting of financial transactions above R25 000 (consisting of any of coins, notes, foreign currency and/ or traveller's cheques) yielded more than 6 million reports. These reports can be indicators of illicit transactions and attempts at money laundering.

The FIC increased its reach by hosting road shows countrywide to increase awareness on compliance obligations and enforcement measures. All nine provinces were visited.

Adding further weight to ensuring adherence to the requirements of the FIC Act, the FIC and supervisory bodies, which have oversight over various business sectors, conducted a combined number of 2 307 inspections on businesses in the course of the past year.

During the period the FIC signed memoranda of understanding with 13 international financial intelligence unit counterparts, ushering in a greater flow of information exchange, thereby strengthening the global fight against crime.

Helping to strengthen the enforcement side of compliance, the FIC signed memoranda of understanding with 10 supervisory bodies, which are responsible for maintaining oversight on certain commercial institutions. The FIC works with identified supervisory bodies to help enforce regulatory obligations of the FIC Act.

The FIC received an unqualified audit and no matters of emphasis were raised by the Auditor-General.

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**Note to editors:** The Financial Intelligence Centre (FIC) was established in 2003, through the promulgation of the Financial Intelligence Centre Act 38 of 2001 (FIC Act), with the purpose of identifying the proceeds of unlawful activities and combating money laundering and financing of terrorism. The organisation collects and analyses data sourced from reports submitted by accountable and reporting institutions. Where necessary, the FIC

provides this analysis to the law enforcement authorities and the South African Revenue Service for further follow up. The FIC works closely with counterparts on the African continent as well as with international organisations. The FIC enhances levels of business compliance to the FIC Act, thereby reducing the possibility of financial and accountable institutions being exploited by criminal networks, which is core to enhancing the integrity of the country's financial system. Amendments to the FIC Act were announced on 1 December 2010, which gave the supervisory bodies and the FIC powers of inspection and enforcement of the FIC Act and Regulations.

Some statistics from the 2012/13 Annual Report of the Financial Intelligence Centre:

- 21 866 accountable and reporting institutions now registered with the FIC
- R1.171 billion recovered in cash from the proceeds of crime
- More than 6 million cash threshold reports were received during the reporting period
- 147 744 suspicious transaction reports were filed with the FIC during the reporting period
- 292 inspection reports produced
- The FIC experienced a 71% increase in requests for support in investigations from other organisations
- FIC supported 269 Asset Forfeiture Unit investigations
- As part of the Anti-Corruption Task Team, provided support in 89 priority investigations.

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## FIC at a glance – 2012/13

R1, 171 billion – the total cash the FIC has added to the national fiscus, as funds recovered from the proceeds of crime
1 075 percent increase in the value of cases referred for investigation, from R6.3 billion (2011/2) to R74 billion (2012/13)
147 744 – the number of suspicious transaction reports received in 2012/13
6 093 408 – the number of cash threshold reports received in the last financial year
1 841 percent increase in the value identification and freezing of suspected proceeds of crime, from R17.2 million (2011/12) to R334.8 million (2012/13)
56 percent to 21 866 – the rise in the number of accountable and reporting institutions registered with the FIC during the 2012/13 financial year
47 percent increase in requests for analysis and research information produced by the FIC (980 in 2011/12 and 1 445 in 2012/13)
13 memoranda of understanding signed with international financial intelligence units in the last financial year
10 memoranda of understanding signed with supervisory bodies in the last financial year
2 307 inspections carried out by supervisory bodies and the FIC during 2012/13