

MEDIA RELEASE

Ref:9/5/1/3

PARTNERSHIP BETWEEN BANKS AND REGULATORY AUTHORITY MAKES IMPACT IN FIGHT AGAINST FINANCIAL CRIME

Monday, 3 October 2022: The banking sector and regulatory authorities are working together in a collaborative approach to improve understanding on financial crime to effect nimbler responses to fighting serious financial crime.

The learnings and impact of this public-private partnership is reflected in a review report on the South African Anti-Money Laundering Integrated Task Force (SAMLIT) activities for the period January 2021 to March 2022.

Established in late 2019 and led by the Financial Intelligence Centre (FIC), SAMLIT has placed a high premium on mutual trust and cooperation shared by its 26 member banks, the South African Reserve Bank's Prudential Authority, the FIC, and the industry representatives, as the basis for a unified fight against financial crime.

SAMLIT's key achievements in the 15 months covered in the review report include, contributing to investigations, arrests, prosecutions, forfeitures, and convictions of persons involved with serious money laundering and predicate offences including fraudulent schemes, illicit financial flows, kidnapping, the illegal wildlife trade, procurement fraud and large-scale corruption.

In addition, SAMLIT made a valuable contribution to the work of the Fusion Centre, a public-public collaborative hub, which is made up of representatives from law enforcement and intelligence agencies. The collaboration between SAMLIT and the Fusion Centre has led to successful interventions resulting in preservation and directives to the amount of R86 million in criminal assets over the last two years.

Director of the FIC and chair of the SAMLIT steering committee, Adv Xolisile Khanyile, said: "The learnings from the collaborative work between the SAMLIT members, the FIC and the Fusion Centre are significant for all involved. It is leading to increased understanding on various levels.

“The transaction environment for criminal activity is better understood. There is increasing refinement in the responsiveness among the banks as reporters and this is in turn enhancing the depth of intelligence reports being produced for law enforcement who benefit from the FIC’s analysis of the reports submitted by the banks.”

SAMLIT effects its work through research on identified crime types which leads to the development of trends and typologies. This broadens understanding for the banks and regulatory authorities. Where specific criminal activities are identified, the tactical arm of SAMLIT engages with the FIC and law enforcement. This allows members to quickly identify and share detail which can be analysed and passed on to law enforcement and prosecutorial authorities.

Through this engagement between the SAMLIT, the FIC and the Fusion Centre, there is increased recognition in the justice and security environment that financial intelligence is important for serious crime investigations and prosecutions of money laundering offences in addition to the predicate offences.

Pieter Alberts, Acting Executive Manager: Monitoring and Analysis at the FIC, said the multi-faceted nature of crime and criminal behaviour required a swift response from both the public and private sectors to pre-empt, identify and deal with financial crime.

“SAMLIT’s extraordinary successes over a relatively short period is testimony to what can be achieved through collaborative efforts and sets the standard for similar public-private partnerships domestically and across the continent,” Alberts said.

The collaboration between SAMLIT and the public-public Fusion Centre collaborative hub has delivered noteworthy results from January 2021 to March 2022. These include:

- 59 preservation and/or restraint orders obtained
- Suspected criminal assets forfeited and/or confiscated to the value of more than R5 billion
- 45 affidavits issued in support of asset seizures and criminal prosecutions
- 258 accounts identified to have received proceeds of crime
- 3 793 reactive and proactive financial intelligence reports disseminated
- 38 natural persons or entities found guilty and sentenced in 19 prosecutions.

Banks are listed as accountable institutions in the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). As such, among their compliance obligations is the requirement to file various regulatory reports. This sector is the largest source of regulatory reports filed with the FIC and their reports offer a wealth of information on customer transactions, which can be converted into intelligence

for law enforcement and other competent authorities for their investigations, prosecutions and applications for asset forfeiture.

Please click [HERE](#) to access the SAMLIT Review Report for the period January 2021 to March 2022.

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Note to editors:

SAMLIT (South African Anti-Money Laundering Integrated Task Force) is a private-public partnership between the banking sector and government regulatory authorities, led by the Financial Intelligence Centre (FIC). Started in December 2019, SAMLIT is aimed at enhancing collaboration and coordination in combating financial crime, money laundering and terrorist financing. Banking sector partners include domestic and international banks, and banking industry representatives SABRIC (South African Banking Risk Information Centre) and BASA (The Banking Association South Africa). Regulatory authorities in the partnership include the South African Reserve Bank's Prudential Authority and its Financial Surveillance Department, as well as the FIC.

The partnership enhances the effective, efficient and timeous sharing of information with a view to improving analytical capabilities of regulatory authorities which in turn assists law enforcement in their investigations and application for asset forfeiture. Through its work SAMLIT also identifies specific types of behaviours and activities associated with different types of crimes. These typologies are intended to increase knowledge on and possibly pre-empt some types of criminal behaviour associated with the banking sector. For any queries about SAMLIT, please go to SAMLIT@fic.gov.za

Partners in SAMLIT:

Public sector members: Financial Intelligence Centre | South African Banking Risk Information Centre | The Banking Association South Africa | South African Reserve Bank (Financial Surveillance department and Prudential Authority).

National and international banks and banking associations:

Absa Group Limited | African Bank Limited | Albaraka Bank | Bank of China | Bank of Taiwan South Africa Branch | Bidvest Bank Limited | Capitec Bank Limited | China Construction Bank Corporation, JHB Branch | Citibank N.A., South Africa | Deutsche Bank AG, JHB Branch | Discovery Limited | Finbond Mutual Bank | FirstRand Bank | GBS Mutual Bank | Grindrod Bank Limited | Grobank Limited | HBZ Bank Limited | Habib Overseas Bank Limited | HSBC Bank | Investec Bank Limited | Nedbank Group Limited | Sasfin Bank Limited | Standard Chartered Bank | State Bank of India, South Africa | Standard Bank of South Africa Limited | TyneBank Limited.