

## MEDIA RELEASE

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### **COLLABORATION BETWEEN DOMESTIC AND FOREIGN AGENCIES STYMIES CROSS-BORDER FINANCIAL CRIME**

**13 May 2024:** Successful collaboration between crime fighting role players across the border and domestically led to the recent arrest of suspects and the forfeiture of criminal assets to the value at more than R12 million.

An alert was raised after a Zimbabwean company that was purchasing agricultural products from a South African company realised it had been deceived by criminals. In the correspondences between the two companies, the criminals intercepted e-mails of the purchasing company and inserted their bank account details, subsequently diverting funds for the ensuing financial transactions. As a result of this business e-mail compromise, the Zimbabwean company paid more than R26 million into the account of the criminals. The Zimbabwean company reported the matter to law enforcement in Zimbabwe.

The Zimbabwean police contacted their financial intelligence unit (Zimbabwe FIU), which alerted the Financial Intelligence Centre (FIC) in South Africa about the alleged fraudulent financial transactions. The Zimbabwe FIU requested assistance from the FIC to identify and freeze the bank accounts of the suspects and to assist in the repatriation of the stolen funds.

As part of its mandate, the FIC is able to send requests for financial intelligence to, and receive such requests from, counterpart financial intelligence units across the globe, with which it has information exchange agreements. This was particularly

useful in this matter, as the FIC was able to assist both domestic law enforcement agencies and the Zimbabwe FIU.

The FIC does not conduct investigations itself. It analyses regulatory reports that are submitted by accountable institutions, including the banks, to produce financial intelligence, which law enforcement and other competent authorities use to conduct their investigations and prepare their applications for asset forfeiture.

The FIC identified from its analysis that the suspects had an account with a bank in South Africa. Through further analysis, the FIC identified that the suspects had accounts at other banks through which they had dissipated their funds. With this information, the FIC issued directives for all the identified banks to place a hold on the bank accounts, which resulted in preservation orders being issued in terms of the Prevention of Organised Crime Act, 1998 (Act 121 of 1998) (POC Act).

Following this, the investigation and asset forfeiture teams of the National Prosecuting Authority's Asset Forfeiture Unit – North West Province, the North West Province Specialised Commercial Crime Unit, as well as the South African Police Service's Directorate for Priority Crime Investigation were able to step in. On 24 April 2024 the high court in North West granted the forfeiture orders in terms of the POC Act for more than R12 million.

As a result of the joint efforts of all the role players in the crime fighting value chain, six suspects, two South African citizens and four foreigners were arrested and charged with theft, fraud and money laundering. Prompt action saw the accused appearing in the Molopo Magistrate Court also on 24 April 2024.

The case was postponed to 15 May 2024. Both the criminal and financial investigations are ongoing as a result of the mutual legal assistance between South Africa and Zimbabwe.

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

Under this legislation, financial and non-financial institutions are required to fulfil certain compliance obligations, including registering with, and filing various regulatory reports to the FIC. The information provided in these reports forms the basis for the FIC's analysis to develop financial intelligence reports for use by a wide range of law enforcement and other competent authorities, and other 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.

In February 2023, the country was placed under increased monitoring listed by the Financial Action Task Force, the global anti-money laundering and combating of terrorist financing watchdog organisation. Work to address South Africa's grey listing was under way in earnest in 2022/23 and will continue in the coming period. The FIC will continue its contribution in work towards exiting South Africa from the grey list as soon as possible. In the FIC environment, the 2022/23 financial year saw several legislative and regulatory changes being implemented, which speak to some of the concerns raised by FATF. Among them were changes to the FIC Act, and an increase in the types of financial and non-financial institutions required to comply with obligations of the FIC Act. Altogether, these amendments and other measures enable the FIC to source, for interpretation and analysis, transactional and other information from a broader playlist. In this way, the FIC will continue to improve its support in the justice and crime prevention arena domestically and internationally.

For more about the FIC visit [www.fic.gov.za](http://www.fic.gov.za)

ITEM	2022/23
Total institutions registered as at year end	45 392
Compliance events and attendees	33 events and 16 801 attendees
Compliance inspections	402 FIC and 544 supervisory bodies
Regulatory reports received	>5.3 million
Cash threshold reports received	>4.2million
Suspicious and unusual transaction reports received	558 348
Financial intelligence reports disseminated	2 393 reactive, 976 proactive, 55 on illicit financial flows
Proactive financial intelligence reports disseminated	976, of which 144 related to high priority matters
Value of suspected criminal proceeds frozen	R92.2 million
Value of proceeds of crime recovered, in which the FIC's financial intelligence was used	>R5.82 billion