



national treasury

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REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

FATF GREYLISTING: SOUTH AFRICA'S POSITIVE PROGRESS AS AT OCTOBER 2024

The Financial Action Task Force (FATF) Plenary today announced nine upgrades for South Africa from its 22-item Action Plan, including eight to “largely addressed” and one to “partly addressed”. South Africa is now deemed to largely or fully address 16 of the 22 action items in its Action Plan, leaving the country with six outstanding action items to be addressed for the last scheduled reporting cycle, concluding in February 2025.

This announcement was made at a FATF press conference, following the conclusion of its October 2024 Plenary meetings in Paris, France. The FATF Plenary accepted the report of the FATF Africa Joint Group on South Africa's progress. South Africa's progress update is listed on the progress for “*Jurisdictions under Increased Monitoring – 25 October 2024*” (<https://bit.ly/3NH8omc>)

National Treasury is pleased with the progress made by South Africa, as recognised by the FATF in its official statement which highlights that: “*South Africa has taken steps towards improving its AML/CFT regime including by demonstrating a sustained increase in outbound MLA requests, strengthening its AML/CFT supervisory capacity by improving the risk-based supervision of DNFBPs, enhancing its identification, seizure and confiscation of proceeds and instrumentalities of a wider range of predicate crimes, in line with its risk profile, the update and implementation of its TF strategy and increasing relevant authorities' TF capabilities on the basis of an understanding of its TF risks, as well as ensuring the effective implementation of targeted financial sanctions.*”

South Africa is now left with one reporting cycle to address the remaining six action items. Three of these relate to demonstrating a sustained increase in the investigation and prosecution of complex money laundering, terror financing and unlicensed cross-border money or value transfer services (MVTs). The remaining three relate to the timely access of beneficial ownership information in respect of companies and trusts, and the imposition of remedial action and dissuasive sanctions by designated AML/CFT supervisors. As noted by the FATF statement:

“*South Africa should continue to work on implementing its action plan to address its remaining strategic deficiencies, including by: (1) demonstrating that all AML/CFT supervisors apply effective, proportionate, and effective sanctions for non-compliance; (2) ensuring that competent authorities have timely access to accurate and up-to-date BO information on legal persons and arrangements and applying sanctions for breaches of violation by legal persons to beneficial ownership obligations; (3) demonstrate a sustained increase in investigations and prosecutions of serious and complex money laundering and the full range of TF activities in line with its risk profile.*”



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Despite the progress that South Africa has made, National Treasury reiterates its previous communication that it made in the last update on FATF greylisting progress on 2 July 2024 ([National Update on FATF Greylisting 2 July 2024](#)) to the effect that it remains a challenge to exit the grey list at the conclusion of the next cycle, as South Africa will need to address all six outstanding action items by February 2025 to do so.

If South Africa is successful in addressing all remaining action items in the next reporting cycle, the February 2025 FATF Plenary will authorise an onsite visit by the FATF Africa Joint Group to confirm their assessment on the progress of all action items. This would happen around May 2025. If the onsite assessment results in a positive outcome, the FATF Africa Joint Group will recommend to the June 2025 FATF Plenary that South Africa be delisted from the FATF grey list. However, if the FATF Africa Joint Group assesses that South Africa has not adequately addressed all remaining action items in February 2025, South Africa will be required to continue reporting back to the FATF Africa Joint Group every four months until all the action items have been addressed. Hence the exit from greylisting will be moved from June 2025 to October 2025, or later.

The interdepartmental committee chaired by National Treasury is co-ordinating the process to exit greylisting, and has been reporting regularly to Cabinet, and the Justice, Crime Prevention and Security (JCPS) cluster. It has provided effective leadership and co-ordination to ensure the upgrading of action items related to outbound mutual legal assistance requests, seizure and confiscation of proceeds of crime, implementation of terror financing strategy and ensuring the effective implementation of targeted financial sanctions. It continues to oversee further progress in at least four of the six outstanding action items, including three related to investigations and prosecutions.

The interdepartmental committee also notes that the action item related to beneficial ownership registries is out of date as it was due in September 2024, as the coverage for both companies and trusts was assessed to be too low by the FATF Africa Joint Group in September 2024. It is incumbent upon all companies and trusts to ensure they have registered accurate beneficial ownership information with the CIPC and Masters Office respectively, in accordance with their legal obligations. **National Treasury calls upon all companies and professional trustee service providers to ensure registration by companies and trusts they engage (or involved) with before 30 November 2024**, to significantly increase the coverage in beneficial ownership registries.



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Addressing outstanding technical compliance deficiencies

The October 2024 FATF Plenary also approved the upgrade of South Africa's compliance with a further three FATF Recommendations. South Africa now complies or largely complies with 37 of the 40 FATF Recommendations, while an additional Recommendation was deemed to be not applicable to South Africa. This is substantial progress since the 2021 FATF mutual evaluation when South Africa had deficiencies in 20 of 40 Recommendations. Further, South Africa is now deemed to comply or largely comply with all six core Recommendations.

The two Recommendations outstanding are Recommendation 8 on Non-Profit Organisations and Recommendation 32 on Cash Couriers. Both are assessed to be "Partially Compliant". *It is important to note that the process to upgrade the outstanding Recommendations does not affect the process for the country to exit the FATF grey list, as greylisting is a consequence of the assessment of the extent to which a country uses its power effectively.* The fact that South Africa complies with 37 of 39 applicable Recommendations places it in a good position for the next 2026/27 Mutual Evaluation assessment. Further legislation will be introduced next year to strengthen Recommendation 8 and improve the extent of compliance for other Recommendations.

The FATF will soon publish South Africa's 3rd Enhanced Follow-up Report with technical compliance re-ratings report, which will also be made available on National Treasury's website.

Conclusion

National Treasury welcomes the progress made by all agencies in ensuring South Africa now meets 16 of the 22 action items, with only six action items remaining. It emphasises that while South Africa is working hard to address all outstanding action items by February 2025, this remains a difficult challenge. All relevant agencies and authorities must continue to make substantial progress, ensuring that these improvements are indeed both sustainable and effective.

Please note accompanying Annexure on the Action Plan.

Issued by National Treasury

Date: 25 October 2024