

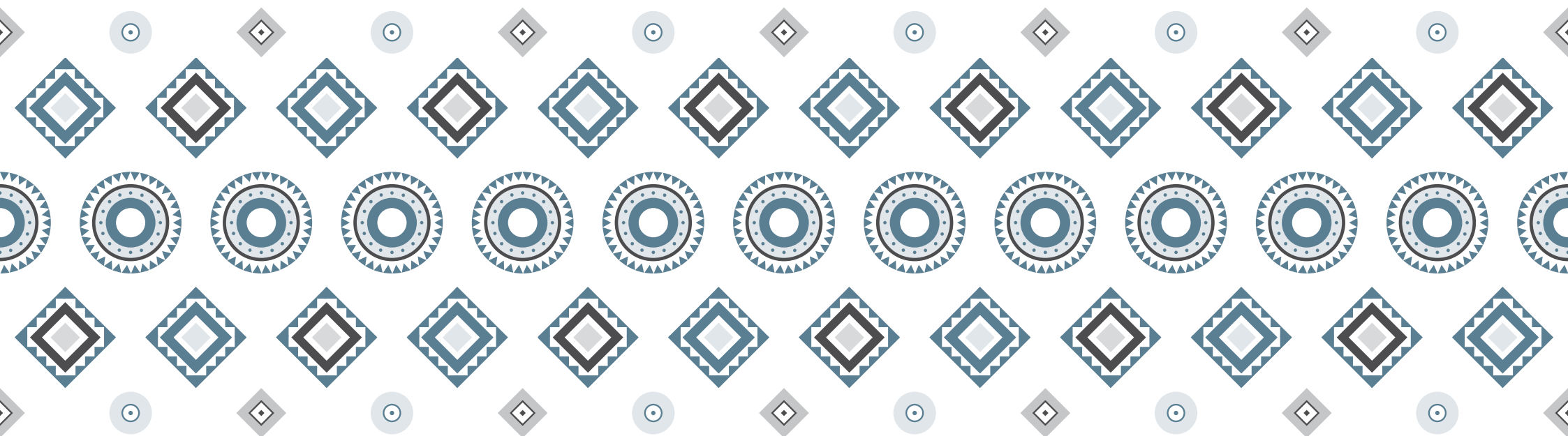


Financial  
Intelligence Centre

# ANNUAL REPORT

## 2024/25

Safeguarding the South African economy





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Financial Intelligence Centre  
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# SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

**To the Minister of Finance, Mr Enoch Godongwana, MP**

I have the honour of submitting to you the annual report of the Financial Intelligence Centre for the financial year 1 April 2024 to 31 March 2025.



**Pieter Smit**  
Acting Director and Accounting Authority

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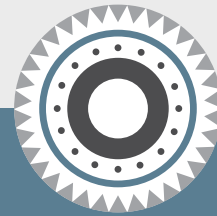
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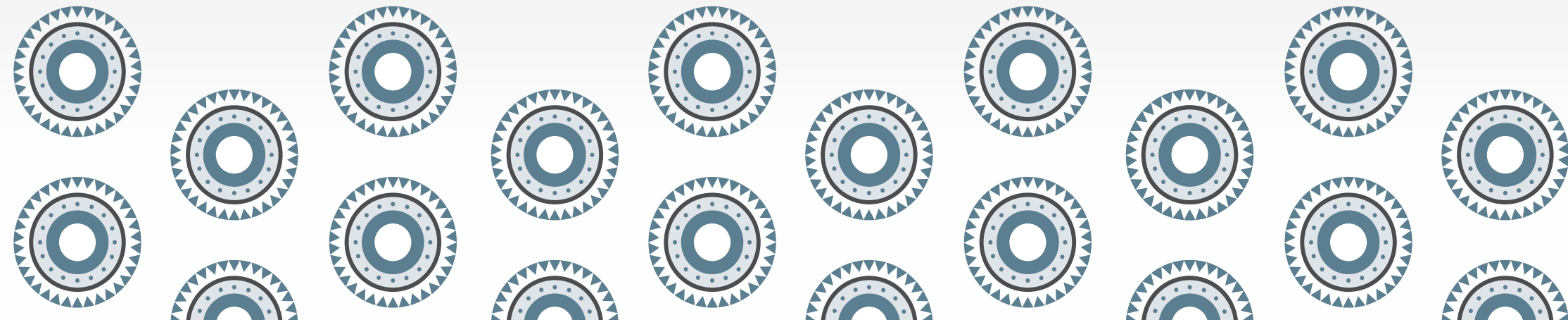
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# PART A

General  
information



# FIC GENERAL INFORMATION

**Registered name:**  
Financial Intelligence Centre

**Postal address:**  
Private Bag X177,  
Centurion, 0046

**Telephone number:**  
+27 12 641 6000

**Website:**  
[www.fic.gov.za](http://www.fic.gov.za)

**External auditor:**  
Auditor-General of South Africa

**Bankers:**  
Standard Bank, Pretoria

# ABBREVIATIONS AND ACRONYMS

<b>AFU</b>	Asset Forfeiture Unit
<b>AML, CFT and CFP</b>	Anti-money laundering, combating the financing of terrorism and combating the financing of proliferation
<b>ATMS</b>	Automated transaction monitoring system
<b>CDD</b>	Customer due diligence
<b>CTR</b>	Cash threshold report
<b>DNFBPs</b>	Designated non-financial businesses and professions which includes lawyers; notaries; other independent legal professionals and accountants; trust and company service providers; real estate agents; casinos; dealers in precious metals and dealers in precious stones
<b>DPCI</b>	Directorate for Priority Crime Investigation
<b>ESAAMLG</b>	Eastern and Southern Africa Anti-Money Laundering Group
<b>EWG</b>	Expert working group
<b>FATF</b>	Financial Action Task Force
<b>FIC</b>	Financial Intelligence Centre
<b>FIC Act</b>	Financial Intelligence Centre Act, 2001 (Act 38 of 2001)

<b>FinSurv</b>	Financial Surveillance department
<b>FIU</b>	Financial intelligence unit
<b>FSCA</b>	Financial Sector Conduct Authority
<b>SFC</b>	Shared Forensic Capability
<b>GLA Act</b>	General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act, 2022 (Act 22 of 2022)
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>IAWG: IFFs</b>	Inter-Agency Working Group on Illicit Financial Flows
<b>ICT</b>	Information and communications technology
<b>IFTR</b>	International funds transfer report
<b>IFWG</b>	Intergovernmental Fintech Working Group
<b>ML</b>	Money laundering
<b>MoU</b>	Memorandum of understanding
<b>NPCOC</b>	National Priority Crime Operational Committee
<b>NPO</b>	Non-profit organisation
<b>PF</b>	Proliferation financing

<b>PA</b>	Prudential Authority
<b>PFMA</b>	Public Finance Management Act, 1999 (Act 1 of 1999)
<b>POC Act</b>	Prevention of Organised Crime Act, 1998 (Act 121 of 1998)
<b>POCDATARA Act</b>	Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004)
<b>RMCP</b>	Risk management and compliance programme
<b>SAMLIT</b>	South African Anti-Money Laundering Integrated Task Force
<b>SARB</b>	South African Reserve Bank
<b>SAR</b>	Suspicious activity report
<b>SIU</b>	Special Investigating Unit
<b>STR</b>	Suspicious and unusual transaction report
<b>TF</b>	Terrorist financing
<b>TPR</b>	Terrorist property report
<b>UNSC</b>	United Nations Security Council
<b>VDR</b>	Voluntary disclosure report

# FOREWORD BY THE MINISTER

“The Financial Intelligence Centre (FIC) has a key role in the financial crime fighting ecosystem, connecting private and public sector partners.”

**Mr Enoch Godongwana,  
MP, Minister of Finance**

The information the FIC receives from business and other sources is collated, analysed and turned into financial intelligence, before being passed on to competent authorities for their use in the administration of justice.

Trust in its integrity and abilities is paramount to the relationships the FIC has forged with the business community, supervisory bodies, law enforcement, and other competent authorities. The FIC has instilled this trust and integrity by remaining tethered to its values and by upholding the highest standards of excellence and professional service delivery.

During the financial year, the FIC continued to represent South Africa in its engagements with domestic, international and regional anti-money laundering and counter terrorist financing bodies.

The FIC made, and continues to make, an invaluable contribution to the whole-of-government effort to resolve deficiencies identified in the third mutual evaluation of South Africa by the Financial Action Task Force (FATF) in 2021.

When the FATF grey listed the country in February 2023, questions were posed about our ability as government, civil society and the private sector to safeguard the economy against exploitation by criminal elements. Although South Africa must still safely navigate the final hurdles to exit the grey list, we have demonstrated what can be achieved when we pull in the same direction.

During the last financial year pivotal milestones were attained to help bring the grey listing chapter to conclusion. These included meeting most of the items in the FATF action plan, with 20 items out of 22 having been addressed by the end of the year. In June 2025, the FATF announced at its plenary that the country had substantially completed all 22 action plan items which had been adopted when it was grey listed in 2023. FATF will verify that the actions mentioned have indeed been taken and once verified, exiting the grey list becomes a real possibility.

In large measure, these milestones were supported through addressing the country's legal framework and systems for anti-money laundering and combating of terrorism financing in line with the FATF standards. The country exited the enhanced follow-up process related to technical compliance deficiencies in November 2024. At the year end, South Africa remained partially compliant with only two FATF Recommendations, which will be assessed during its fifth round of mutual evaluations scheduled for 2026-2027.

As South Africa's financial intelligence unit, the FIC plays a critical role in plotting the path towards a more robust regime for combating money laundering, terrorist financing and proliferation financing.

To this end, the organisation has been agile in implementing policy and legislative amendments geared to improve its delivery and impact in curbing financial crime. These measures have encompassed the FIC onboarding the supervisory oversight of all non-financial accountable institutions and starting the production of forensic evidence relating to the flow of financial transactions. These are significant components of a broader government strategy to identify, disrupt and address money laundering and terrorist financing threats and risks.

The FIC's efforts to deepen its operational partnerships such as the Reformed Fusion Centre, the Asset Recovery Hub and the South African Anti-Money Laundering Integrated Task Force have enabled it to more effectively deliver on its mandate. For example, the Reformed Fusion Centre, under the stewardship of the FIC, in the past financial year co-ordinated multi-disciplinary teams investigating 562 cases including three project investigations dealing with serious and complex money laundering. The Reformed Fusion Centre was instrumental in the recovery of proceeds of crime to the value of approximately R93 million in one of the project investigations.

The Asset Recovery Hub, working closely with the Asset Forfeiture Unit in the National Prosecuting Authority, and with the support of other law enforcement partners, initiated 11 investigations which resulted in the recovery of more than R33 million in proceeds of crime.


Furthermore, although in its infancy, the Shared Forensic Capability has in its first full year of operation contributed to the recovery of assets to the value of more than R14 million and to the enrolment of 14 cases for prosecution.

By providing quality financial intelligence products and supporting investigations and prosecutions with forensic evidence of financial flows, the FIC continues to play an essential role in recovering criminal proceeds, block criminal assets, and helping to ensure the integrity of the financial system.

The demand for the FIC's financial intelligence products continues to rise. The more than 4 200 financial intelligence reports the FIC delivered were instrumental in assisting law enforcement in the recovery of criminal proceeds to the value of close to R144 million.

This annual report reflects the innovative and agile response by the FIC to increasing demands for its financial intelligence products and expanded mandate to ensure broader compliance with the Financial Intelligence Centre Act. I am confident the FIC will continue to uphold its standards of integrity as we step up our efforts to safeguard South Africa's economy.

I extend my appreciation to the FIC executive team and the employees for their diligence and commitment to making South Africa a safer place for all. I am particularly proud of the FIC's focus, dedication and commitment in helping the country to achieve the reaching of important milestones that will pave the way to a brighter future for South Africa's economy and its people.



**Mr Enoch Godongwana, MP**  
Minister of Finance

# ACTING DIRECTOR'S OVERVIEW

“The Financial Intelligence Centre (FIC) facilitates the flow of financial intelligence from business to law enforcement and other government entities, with the shared purpose of safeguarding South Africa’s economy. As the central architect of this information flow, the FIC’s work is geared to achieve high impact for its national and international stakeholders using its resources to unlock doors to information through analysis and helping to ensure high impact levels for helping to identify, mitigate and stem financial crime.”

**Pieter Smit,**  
Acting Director

Based on the solid foundations put in place since its inception, the FIC continues to shape itself as a forward-thinking organisation with enhanced capabilities to anticipate and act with agility to the demands of South Africa’s crime fighting ecosystem.

Legislative and regulatory developments, the response to the Financial Action Task Force requirements to help South Africa exit the grey list, and updates to the information and communications technology environment all serve as further building blocks in this process. Significantly, the positive relationships and collaborations the FIC has forged with government, domestic and international partners, civil society, and the private sector added further weight to the positive impact of the organisation in the space of fighting financial crime.

We reflect this in the 2024/25 annual report highlighting how, as South Africa’s financial intelligence unit, the FIC has single-mindedly pursued bringing the country’s anti-money laundering, combating the financing of terrorism and combating proliferation financing system to the required level to assist law enforcement and other partners to effectively deal with financial crime.

## Overview of strategy and performance

In implementing our strategic and annual performance plan during the year under review, we achieved and exceeded many of our performance targets, while carrying out our mandate to:

- Identify the proceeds of crime
- Assist in combating money laundering
- Assist in combating financing of terrorism
- Assist in combating the financing of proliferation of weapons of mass destruction

- Supervise all non-financial accountable institutions, as well as some other institutions
- Produce forensic evidence pertaining to the flow of financial transactions.

## Embedding a culture of compliance

During the period under review, the FIC continued to promote a robust culture of compliance in the sectors within the ambit of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act). The 55 262 institutions registered on the FIC database submitted more than 13.5 million regulatory reports during the 2024/25 financial year.

The FIC has shown agility in implementing the amended legislative and regulatory framework, which expanded its mandate in December 2022. One of these amendments saw the FIC assuming responsibility for overseeing compliance and supervision of all designated non-financial businesses and professions, along with credit providers and crypto asset service providers.

In the 2023/24 financial year, the FIC refined its risk-based supervision approach with the introduction of tools to assist in identifying accountable institutions at higher risk of being abused for money laundering and terrorist financing. This guided the FIC’s supervisory approach and compliance monitoring actions in accordance with individual institutions’ money laundering and terrorist financing risks.

Based on the information obtained through these risk assessment tools the FIC conducted 556 inspections in 2024/25, the majority of which were inspections of medium and high-risk institutions.

## Business as partners in the fight against financial crime

A FIC Act compliant business community is the bedrock of the country's successful regime for combating money laundering, financing of terrorism and of proliferation financing. Their diligent filing of regulatory reports, which contains transaction and other crucial data, is central to the FIC's creation of high-quality financial intelligence products for the use of law enforcement and other competent authorities for their investigations, prosecutions and applications for asset forfeiture.

The FIC contributed to the recovery of close to R144 million in criminal proceeds in 2024/25 flowing from the 3 104 reactive reports and 1 092 proactive reports it produced, as well as 51 reports on illicit financial flows produced during this period.

Non-conviction-based confiscation through the work of the FIC-led Asset Recovery Hub served as another step forward in the fight against financial crime. The hub is geared to convert financial intelligence reports into actionable, admissible, legal evidence to facilitate asset forfeiture applications. In providing financial intelligence in the Asset Recovery Hub, the FIC plays a pivotal role. Working closely with the Asset Forfeiture Unit in the National Prosecuting Authority, and with the support of law enforcement partners, the hub initiated 11 investigations which resulted in the recovery of more than R33 million in proceeds of crime.

Just over a year since its establishment, the Shared Forensic Capability division at the FIC has made significant strides during the period, building its human resources capacity, fostering relationships in the criminal justice value chain, and underlining its critical role in safeguarding South Africa's economy.

The Shared Forensic Capability team provides forensic service support to law enforcement, the revenue authority, intelligence services, and other competent authorities in terms of section 40 of the FIC Act. This financial year, the SFC contributed to asset recoveries to the value of R14.37 million, enrolled 14 cases for forensic analysis and issued 11 forensic products.

As part of its holistic approach to combating financial crime, the FIC continued to work closely with various government departments, entities and agencies in contributing to South Africa's anti-money laundering and combating the financing of terrorism regime.

During 2024/25, South Africa's whole-of-government approach to addressing its Financial Action Task Force grey listing bore fruit. By February 2025, the country had addressed or largely addressed 20 of the 22 items in the Financial Action Task Force action plan, leaving two items to be remedied. In Part B of this report, detail is provided on the role the FIC played in assisting to address some of the items in the action plan.

Outside of the current reporting period, the global watchdog for anti-money laundering and combating the financing of terrorism announced at its plenary in June 2025 that South Africa had substantially completed all 22 action items. The Financial Action Task Force will verify that the actions South Africa has taken have been implemented during an on-site assessment planned in July 2025.

South Africa also reached a significant milestone after exiting the enhanced follow-up process related to technical compliance deficiencies. The country will be undergoing an assessment of its anti-money laundering and combating the financing of terrorism measures by the Financial Action Task Force in the fifth round of mutual evaluations scheduled for 2027.

The country's comprehensive policy and regulatory response to the threat of financial crime being committed via the use of crypto assets and crypto asset service providers has brought the country's anti-money laundering and combating the financing of terrorism regulations in line with Financial Action Task Force global standards. Central to this was the FIC's delivery of Directive 9, on the travel rule relating to the transfer and/or receipt of crypto assets by accountable institutions for or on behalf of their customers.

## Joint approach to fighting crime

The FIC is in a strategic position in the financial crime fighting value chain. It is able to harness the inputs and strengths of private and public sector partners and, coupled with its analysis, has a unique view of financial flows related to financial crime.

Key partners and collaborations included in this value chain are government departments and entities, the private sector, regulatory bodies, non-governmental organisations, regional organisations, law enforcement agencies, and international financial intelligence units such as:

- Government institutions and groups involved in the criminal justice system, law enforcement, prosecutorial authorities, the Financial Sector Conduct Authority, South African Revenue Service, South African Reserve Bank and other competent authorities.
- Accountable institutions as listed in Schedule 1 to the FIC Act.
- Regulatory bodies such as the Legal Practice Council, the Property Practitioners Regulatory Authority, the Gambling Provincial Licensing Authorities, the South African Diamond and Precious Metals Regulator, and the National Credit Regulator.
- The Inter-Agency Working Group on Illicit Financial Flows, whose aim is to limit money flowing illicitly out of the country.
- The South African Anti-Money Laundering Integrated Task Force, a FIC-led public-private partnership of domestic and foreign banks registered in South Africa, banking industry representatives and regulatory authorities, that share financial information and build expertise to help expedite solving of financial crime.
- The FIC-led Reformed Fusion Centre, which is a public-public collaboration dealing with matters related to corruption and money laundering.
- The Asset Recovery Hub which, under the auspices of the Anti-Financial Crime Coalition, is made up of the FIC, the Directorate for Priority Crime Investigation, the National Prosecuting Authority, the Asset Forfeiture Unit, and the National Prosecuting Service. The partners in the Asset Recovery Hub help fast-track matters towards asset recovery where the risk of assets being dissipated is high.

- The Intergovernmental Fintech Working Group, which focuses on financial technology developments and their regulatory and policy implications for the financial sector and the economy.
- The Eastern and Southern Africa Anti-Money Laundering Group, which promotes the formulation of policies on the prevention of money laundering and terrorist financing in the region.
- Global bodies engaged in combating money laundering, the financing of terrorism and proliferation financing, such as the Egmont Group of Financial Intelligence Units, and the Financial Action Task Force.
- The Organisation for Economic Co-operation and Development Foreign Bribery Working Group, in which the FIC provides support on foreign bribery cases investigated by South African authorities.

Furthermore, the FIC has in place 102 memoranda of understanding with foreign financial intelligence units, to facilitate and optimise the timeous sharing of information, and 42 with domestic institutions to support information exchange with the objective of fighting financial crime.

Collaboration and partnerships advanced the work and operations of the FIC and progressed the fight against financial crime in this financial year. The case studies that appear in Part B of this annual report are a testimony to the significance of the financial intelligence the FIC produces, and the impact this has on the FIC's collaborative relationships and partnerships and overall efforts to address financial crime.

## General financial review and spending trends

The FIC is funded from the national budget with funds voted as part of the National Treasury budget. For the 2024/25 financial year, the FIC had an approved budget of R400.9 million (2023/24: R385.7 million).

During the year under review, the FIC focused on meeting its performance targets and paid particular attention to effecting and deriving value from international and domestic partnerships and collaborations that assist in combating financial crime.

## Capacity constraints and challenges

The FIC continued to deliver on its mandate during the period under review despite challenges with the recruitment of specialist skills and the retention of critical staff due to competitiveness of the skills market.

## Human capital

The FIC recruited 55 new employees in the financial year, bringing the FIC workforce complement to 275 on 31 March 2025 (2023/24: 257).

The organisation also promoted several current employees and invested in developing expertise to capacitate the organisation to respond to its expanding mandate and the rising demand for financial intelligence products.

As part of its commitment to maintaining a transformed and equitable workforce, the FIC exceeded all three of its employment equity targets. A total of 84.98 percent of the FIC's workforce is from designated race groups and 61.90 percent is female.

## Technology enhancements

Enhancements in the FIC's information and communications technology over the past few years have enriched the organisation's capabilities and use of advanced techniques to tackle financial crime.

With the foundations of the FIC's business modernisation solutions put in place in prior years, in 2024/25 the FIC was able to continue its focus on embracing new technologies.

The FIC has embarked on a process of using artificial intelligence and machine learning technologies in the year under review to improve productivity and optimise production efficiencies resulting in better quality financial intelligence products for the use of competent authorities in their investigations, prosecutions and applications for asset forfeiture. Going forward, the FIC will continue investing in and deploying artificial intelligence and machine learning along with cross-skilling of employees to maximise the use of these technologies.

A comprehensive cyber security strategy is in place, as well as a cloud computing strategy. A dedicated cyber security team ensures that information under the FIC's custody remains safe.

The FIC's website offers an online search tool to assist accountable institutions in finding possible matches between their clients' names and/or entities included on the targeted financial sanctions list. This is important for accountable institutions to help prevent transactions from taking place between institutions and persons or entities associated with terrorism or proliferation, or the financing thereof, as identified in terms of resolutions of the United Nations Security Council.

The FIC gave effect to all 30 United Nations Security Council targeted financial sanctions within 24 hours of the designations being made, as required by the Financial Action Task Force.

## Audit report matters

The FIC relies on good corporate governance to deliver on its mandate and received an unqualified audit opinion with no material findings for the 2024/25 financial year.

## Supply chain management

Supply chain management processes and systems of the FIC comply with the required Regulations and Practices in the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) as well as National Treasury regulations. These policies and procedures are in place to ensure that the FIC procures goods and services in a fair, competitive, transparent and equitable manner.

## New or proposed key activities

No new or proposed key activities were reported in the year under review.

## Discontinued key activities / activities to be discontinued

No activities were discontinued during the year under review.

### Events after the reporting date

The FIC is not aware of any events after the reporting date of 31 March 2025, which are likely to have a material impact on the FIC's financial results or operations.

### Economic viability

The FIC derives its income from the national budget, with funds voted as part of the National Treasury budget. This source of income, good corporate governance and financial management, and capable leadership ensure the entity's financial viability.

### Going forward

The FIC will continue to build upon its development curve with the goal of bringing South Africa's financial crime under control and assist in growing our economy. We are not alone in this focus. As a collective, the FIC and its partners in government, civil society, and the private sector have made major strides in the past financial year. Our intention is to build on this momentum in pursuit of making South Africa a safer place for all.

The year ahead offers more opportunities for the FIC to build its technology capabilities, human capital, and institutional competencies to improve our organisational performance. The FIC will be looking to implement and embed its employee value proposition to retain and attract talent.

As the prospect of exiting the Financial Action Task Force grey list comes into view, the FIC remains committed to the broader objective of fortifying South Africa's regime for anti-money laundering and the combating of the financing of terrorism beyond mutual evaluation. More work lies ahead as we consider the lessons learned from the fourth round of mutual evaluations in 2019 and prepare for the next round scheduled for 2026-2027.

### Acknowledgements and appreciation

To each member of the FIC executive team, I express my appreciation for their dedication, unwavering support and contribution towards building an ethical and well-managed organisation.

I also convey my gratitude to every employee of the FIC for their efforts and embracing of the values, mission and vision of the organisation. Our collective endeavours are captured in the pages of this report, which showcases our unwavering commitment to safeguarding South Africa's economy.

The FIC does not operate in isolation and relies on the time, expertise, collaboration and co-operation of the many organisations and individuals whom we consider as partners in the fight against financial crime. Without them this objective would falter.

Finally, a wholehearted thank you to the Minister of Finance for his guidance and support.



**Pieter Smit**

Acting Director and Accounting Authority  
Financial Intelligence Centre

31 July 2025

# HIGHLIGHTS OF THE YEAR

Exceeded  
8 and  
**achieved 10**  
of its **20 annual**  
**performance targets**



Contributed  
to the **recovery**  
of close to  
**R144**  
**million**  
in criminal proceeds



Blocked  
**R157.5**  
**million**  
in terms of section 34 of  
the FIC Act as **suspected**  
**proceeds of crime**



Produced  
**4 196**  
**proactive and**  
**reactive financial**  
**intelligence reports**



Produced  
**51**  
reports on **illicit**  
**financial flows**



Participated in  
**49**  
**engagements** to  
**improve the**  
**understanding and use**  
of FIC intelligence reports



Achieved  
**positive**  
**outcomes**  
in **matters referred** for  
**administrative sanctions**



Contributed to  
South Africa's  
collective effort  
to **exit the**  
**FATF** grey list



**Enhanced**  
**networks and**  
**partnerships**  
with **domestic stakeholders**



Implemented software  
and hardware  
**upgrades**  
to **enhance financial**  
**crime-fighting performance**



Issued  
**Directive 9**  
on implementation  
of the **travel rule** for  
**crypto asset transfers**



**Exceeding**  
**performance**  
**targets on**  
**employment equity**



# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

## To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General of South Africa.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The annual financial statements (Part F) have been prepared in accordance with the prescribed standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board and applicable to the public entity.
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2025.

Yours faithfully



**Pieter Smit**  
Acting Director

31 July 2025

# STRATEGIC OVERVIEW

## VISION



To be a highly capable public entity that produces financial intelligence for making South Africa's financial system intolerant to abuse.

## MISSION



The FIC promotes increasing levels of compliance with the FIC Act in an efficient and cost-effective manner, enabling it to provide high quality, timeous financial intelligence for use in the fight against crime and the protection of national security.

## VALUES



The FIC seeks to achieve its mandate through the employment of capable employees who are committed to the highest standards of excellence and professional service delivery in the fulfilment of their responsibilities.

### The FIC strives to:

- Demonstrate integrity, respect, honesty, trust, humility and loyalty in everything that we do
- Conduct our work with pride and discipline, accepting accountability and being prepared to 'go the extra mile'
- Strive for excellence and professionalism – not only identifying problems but also providing solutions
- Value individual employees and provide space for creativity and growth
- Maintain strong relationships with stakeholders and partners
- Ensure the security of organisational assets and information

# LEGISLATIVE AND OTHER MANDATES

The FIC is a statutory body established to give effect to the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).

The FIC is listed as a Schedule 3A public entity according to the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA).

The FIC Act works in tandem with the following Acts:

- Prevention of Organised Crime Act, 1998 (Act 121 of 1998) (POC Act)
- Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004) (POCDATARA Act)
- South African Police Service Act, 1995 (Act 68 of 1995) (SAPS Act)
- Intelligence Services Act, 2002 (Act 65 of 2002) (IS Act).

The FIC Act places obligations on financial institutions and other business (as listed in Schedule 1 of the FIC Act) to assist in counteracting money laundering, the financing of terrorism, and financing of the proliferation of weapons of mass destruction. The POC Act criminalises money laundering and provides for the confiscation and forfeiture of the proceeds of crime. The POCDATARA Act provides measures to counter the financing of terrorism.

## Objectives of the Financial Intelligence Centre

The FIC Act established the FIC to assist in:

- Identifying the proceeds of unlawful activities.
- Combating money laundering activities and the financing of terrorism and related activities.
- Initiating analysis based on information in its possession or information received other than by means of reports.
- Identifying persons involved in money laundering activities, terrorist financing and related activities and proliferation financing activities.
- Implementing financial sanctions in terms of resolutions adopted by the United Nations Security Council, including requiring accountable institutions to freeze property and transactions in terms of these sanctions.

- Sharing information with investigating authorities, including the National Prosecuting Authority, law enforcement agencies, intelligence services, office of the Public Protector, the investigative division of the Auditor-General of South Africa, the South African Revenue Service and supervisory bodies.
- Producing forensic evidence based on the flow of financial transactions.
- Exchanging information with relevant bodies in other countries regarding money laundering and the financing of terrorist activities.
- Facilitating effective supervision and enforcement by supervisory bodies.

The FIC Act introduced a regulatory framework of compliance control measures requiring certain categories of business (defined as accountable institutions in Schedule 1 to the FIC Act) to fulfil the following compliance obligations:

- Implement a risk-based approach to customer due diligence including aspects such as ongoing due diligence, enhanced due diligence, screening for domestic and foreign politically exposed persons and establishing the beneficial ownership in legal structures.
- Develop a risk management and compliance programme.
- Keep records of customers' information and transactions.
- Adhere to the governance obligations as outlined in the FIC Act.
- Undertake business risk assessments for money laundering, terrorist financing and proliferation financing.
- Train employees on how to comply with the FIC Act and their institution's risk management and compliance programme.

- Register with the FIC.
- Submit to the FIC regulatory reports relating to
  - i) suspicious and unusual transactions, ii) cash transactions exceeding the prescribed threshold, iii) property that is linked to sanctioned persons and entities, terrorist activity or terrorist organisations, and iv) electronic cross-border transfers of funds.

The FIC Act assigns certain roles, responsibilities and powers to supervisory bodies to support the objectives of combating money laundering and combating the financing of terrorism and related activities.

Supervisory bodies are responsible for ensuring that the accountable institutions in the business sectors under their supervision comply with FIC Act requirements.

For example, the South African Reserve Bank's Prudential Authority is the supervisory body for the banking sector. This means SARB conducts inspections to assess the banking sector's compliance with the FIC Act and helps banks comply with the regulations.

The FIC supervises and enforces compliance by designated non-financial businesses and professions and other persons not supervised by a supervisory body in terms of the FIC Act.

### To achieve its objectives, the FIC must carry out the following functions:

- Process, analyse, interpret, and retain information disclosed to and obtained by the FIC.
- Initiate analysis where appropriate, based on information in its possession.
- Inform, advise, co-operate with, and make its financial intelligence products available to investigating authorities, supervisory bodies, intelligence services, and other competent authorities to facilitate the country's administration and enforcement of laws.
- Exchange information with similar bodies in other countries.

- Monitor and give guidance to accountable institutions, supervisory bodies and individuals regarding their compliance with the FIC Act.
- Provide information and guidance to accountable institutions in meeting requirements to freeze property and transactions related to the resolutions of the United Nations Security Council (UNSC).
- Supervise and enforce FIC Act compliance with affected institutions that are not supervised by a supervisory body or where the supervisory body is unable to act.
- Implement a registration system for all affected institutions and individuals.
- Annually review the implementation of the FIC Act and submit a report, which includes information that demonstrates the implementation of the Act, to the Minister of Finance.

### In executing its mandate, the FIC seeks to:

- Protect the integrity of the financial system by making it more difficult for criminals to hide their illicit proceeds and block the accumulation of resources for the financing of terrorism.
- Develop policy options for the Minister of Finance based on an assessment of the available financial intelligence.
- Contribute to the global framework against money laundering and the financing of terrorism.

By identifying the proceeds of crime and assisting in combating money laundering and the financing of terrorism, the FIC fulfils its primary role of protecting the integrity of South Africa's financial system and making it intolerant to abuse.

## Institutions required to register with the FIC

The FIC Act requires all accountable institutions to register with the FIC. An accountable institution is an individual or an institution that, by virtue of the business it conducts, falls within the ambit of Schedule 1 of the FIC Act. Listed below are the accountable institutions and their item numbers, as per Schedule 1 of the FIC Act.

### ITEM 1

Legal practitioners (including attorneys, conveyancers, notaries, advocates practising with a trust account, commercial legal practices)

### ITEM 2

Providers of specifically mentioned services to trusts and companies, including accountants in so far as these services are provided

### ITEM 3

Estate agents. Although the Property Practitioners Act, 2019 (Act 22 of 2019), which came into effect on 1 February 2022, refers to property practitioners, encompassing a wider definition of property professionals. Only estate agents as defined in the Estate Agency Affairs Act, 1976 (Act 112 of 1976) currently fall within the ambit of the FIC Act as accountable institutions.

### ITEM 4

Authorised users of an exchange, as defined in the Financial Markets Act, 2012 (Act 19 of 2012)

### ITEM 5

A manager registered in terms of Collective Investment Schemes Control Act, 2002 (Act 45 of 2002) (unit trusts)

### ITEM 6

Business of a bank, as defined in the Banks Act, 1990 (Act 94 of 1990)

### ITEM 7

A mutual bank, as defined in the Mutual Banks Act, 1993 (Act 124 of 1993)

### ITEM 7A

A co-operative bank, as defined in the Co-operative Banks Act, 2007 (Act 40 of 2007)

### ITEM 8

A person who carries on life insurance business, as defined in the Insurance Act, 2017 (Act 18 of 2017)

### ITEM 9

A person who carries on the business of making available a gambling activity, as contemplated in section 3 of the National Gambling Act, 2004 (Act 7 of 2004)

### ITEM 10

Foreign exchange dealers

### ITEM 11

Credit providers

### ITEM 12

Financial services providers requiring authorisation in terms of the Financial Advisory and Intermediary Services Act, 2002 (Act 37 of 2002)

### ITEM 13

A person who issues, sells or redeems travellers' cheques, money orders or similar instruments

### ITEM 14

The South African Postbank Limited

### ITEM 19

A person who carries on the business of a money or value transfer provider

### ITEM 20

Dealers in high-value goods where any transaction is equal to or more than R100 000 per item, whether the payment in any form, is made in a single or multiple operation that appears to be linked

### ITEM 21

The South African Mint Company, to the extent that it distributes non-circulation coins in retail trade and where in respect of such transactions it receives payment in any form to the value of R100 000 or more

### ITEM 22

Providers of crypto assets, including exchanges providing services relating to crypto assets

### ITEM 23

A clearing system participant, as defined in the National Payment System Act, 1998 (Act 78 of 1998)

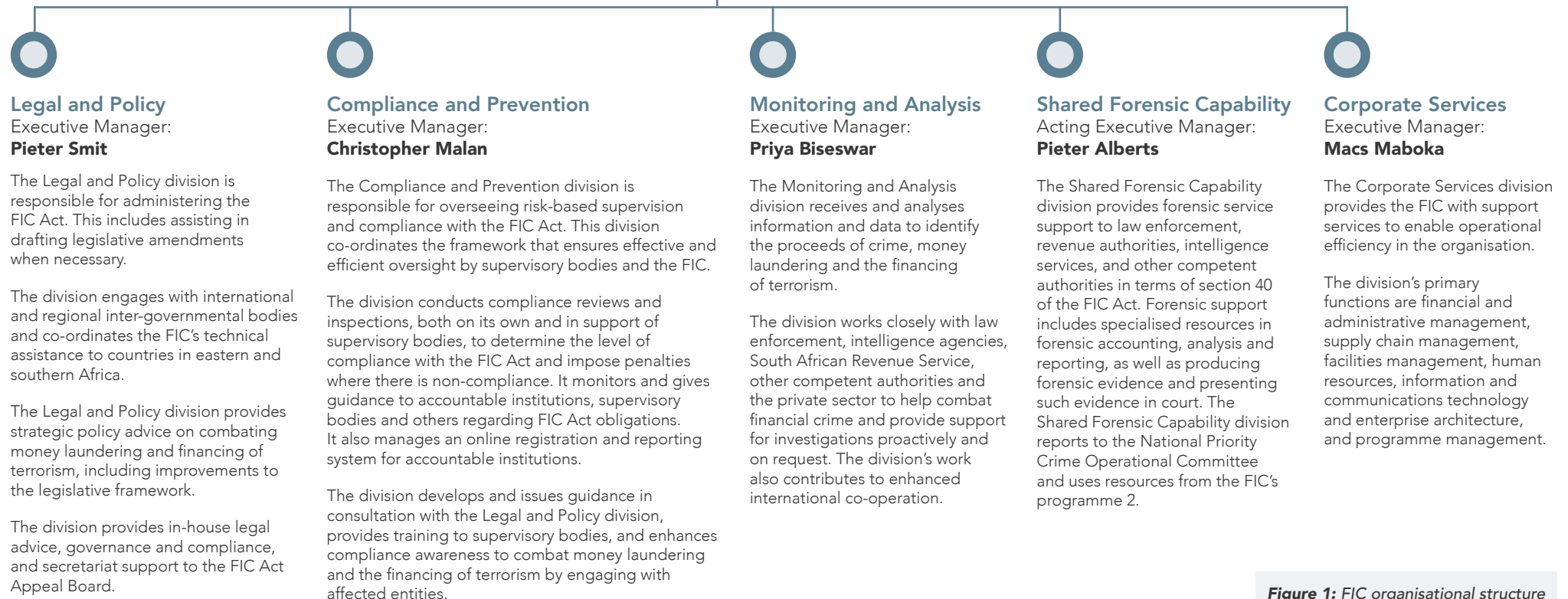
**Note:** A group of companies or a legal entity may contain more than one accountable institution. Conglomerates must ensure that all accountable institutions, based on the activity it conducts in the group, are registered with the FIC.

# ORGANISATIONAL STRUCTURE

The FIC is a statutory body that operates outside the public service, but within the public administration, as envisaged in section 195 of the Constitution. The Director of the FIC, who is also the Accounting Authority, reports directly to the Minister of Finance and to Parliament. The FIC consists of six divisions: Office of the Director, Legal and Policy, Compliance and Prevention, Monitoring and Analysis, Shared Forensic Capability and Corporate Services.

## Office of the Director Acting Director: **Pieter Smit**

The Director is responsible for the FIC's strategy and stakeholder relations and supports South Africa's relations with international bodies such as the Financial Action Task Force and the Eastern and Southern Africa Anti-Money Laundering Group, as well as the FIC's engagement with the Egmont Group of Financial Intelligence Units.



**Figure 1: FIC organisational structure**



# PART B

Performance  
information

# AUDITOR-GENERAL'S REPORT

## Predetermined objectives

The audit conclusion of the Auditor-General of South Africa on the FIC's performance against predetermined objectives is in Part F of this report.



## OVERVIEW OF PUBLIC ENTITY'S PERFORMANCE

### Service delivery environment

#### Overview of the external context within which the public entity operated

The FIC was agile in its response to an increase in demand for financial intelligence reports by law enforcement, prosecutors and other competent authorities for their investigations, prosecutions and applications for asset forfeiture.

The organisation assumed responsibility for the supervision of all designated non-financial businesses and professions as well as credit providers and crypto asset service providers at the end of December 2022, which placed additional strain on human, financial and information and communications technology (ICT) resources.

#### External developments and/or challenges that may have impacted on the demand for the FIC services or on the ability to deliver those services

**Grey listing:** On 24 February 2023, the Financial Action Task Force (FATF) listed South Africa as a jurisdiction under increased monitoring, commonly referred to as grey listing. When FATF grey listed South Africa, a jointly agreed action plan was adopted itemising 22 actions to address the strategic deficiencies identified in the country's regime for anti-money laundering and the combating of financing of terrorism (AML and CFT).

To exit the FATF grey list, South Africa has been required to address the action items by specified deadlines and processes that included a face-to-face meeting with the reviewers assessing the country's progress held in January 2025. On 21 February 2025, FATF determined that South Africa had achieved or largely achieved 20 of 22 of the action items, which needed to be addressed by June 2025 for the country to possibly exit the grey list by October 2025. FATF announced at its plenary in June 2025, after the close of the FIC's 2024/25 financial year, that South Africa had substantially completed all 22 action items. FATF will verify that the actions South Africa has taken have been implemented during an on-site assessment planned in July 2025.

**Increasing crime:** The level of financial and commercial crime remained high and evolving throughout the previous year. Increasing crime underlines the importance of the FIC's role in the fight against financial crime, by its provision of financial intelligence and support to law enforcement agencies. It also means that the demand for FIC's services may increase.

**Other developments:** There were no other significant external developments that affected the FIC.

### Organisational environment

**Funding:** The FIC was able to deliver on its Strategic Plan and Annual Performance Plan, by not only meeting, but exceeding several of its performance targets, in the face of budgetary constraints. The FIC exceeded eight and achieved 10 of its 20 annual performance targets in 2024/25.

**Successes:** The FIC increased its general capacity and recruited 55 employees during the year under review. The total head count increased from 257 employees in 2023/24 to 275 on 31 March 2025.

**Challenges:** The FIC's overall operating environment was positive throughout the reporting period as it continued to optimise the effectiveness and efficiency of its business processes, allocated budget, ICT system and general operations. Funding, recruitment of specialist skills and the employee attrition rate remain organisational challenges. To remedy these challenges, the FIC has several strategies and frameworks in place.

# PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES



The FIC provides financial intelligence reports to law enforcement agencies and other competent authorities for use in the fight against crime and the protection of the integrity of South Africa's financial system.

The FIC is guided by four strategic outcomes in its work to realise its objectives:

- Enhanced compliance with the FIC Act
- Improved production and utilisation of financial intelligence reports and services to assist in the identification and combating of crime
- Continuous improvement in the effectiveness of legal and institutional AML and CFT frameworks
- Good corporate governance and an efficient and effective operating environment that supports the FIC in delivering on its mandate.

During the financial year, the FIC made progress towards achieving its five-year targets in relation to the outcome indicators, as outlined in the FIC Strategic Plan 2020/21-2024/25.

The FIC continued to enhance compliance with the FIC Act through maintaining registration of accountable institutions. On 31 March 2025, there were 55 262 institutions registered with the FIC. Registration is a legal requirement for accountable institutions listed in Schedule 1 of the FIC Act, which provides the FIC with the details of its regulated environment, making it possible to reach registrants when necessary to, for example, request information, and to hold them accountable for compliance, including their reporting obligations.

The FIC produced a total of 4 196 proactive and reactive reports that directly contributed to the recovery of close to R144 million in criminal proceeds. The FIC also produced 51 reports specifically on illicit financial flows. To continue improving the effectiveness of legal and institutional AML and CFT frameworks, the FIC participated in seven policy-making meetings at regional and inter-governmental level, one ESAAMLG and six FATF, respectively.

## Contribution toward the Medium-Term Strategic Framework

The Revised Medium-Term Strategic Framework (MTSF) 2019-2024, containing government's plan of action, rolling out of infrastructure, increasing local production, creating jobs, expanding energy generation capacity, and enhancing state capability to deliver which included having to combat corruption and fraud.

The FIC's work contributed to three of the seven national priorities of South Africa as identified in the MTSF:

**Priority 1:** A capable, ethical and developmental state,

**Priority 6:** Social cohesion and safe communities and

**Priority 7:** A better Africa and world.

# INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

## Budget programme 1: Administration

### Purpose

This budget programme provides strategic leadership and services to internal users to ensure that the organisation is managed efficiently, effectively, and in an economical manner.

### Strategic outputs

Administration-related objectives can be traced within the objectives and targets that are set in the other two FIC budget programmes.

## Budget programme 2: Delivery of intelligence on financial crime and FIC Act-related regulatory services

This programme consists of three sub-programmes that are directly linked to strategic outcomes 1, 2 and 3.

### SUB-PROGRAMME 2.1:

#### **Delivery of intelligence on financial crime and FIC Act-related regulatory services – focusing on enhancing compliance with the FIC Act**

### Purpose

The sub-programme provides guidance and awareness to accountable and reporting institutions, and monitors the supervision by supervisory bodies of their responsibilities under relevant legislation. It focuses on enhancing compliance with the FIC Act through several key activities:

- Information gathering and reporting
- Risk-based supervision to compliance management and oversight
- Carrying out administrative actions relating to non-compliance with the FIC Act.

### Strategic outputs

Sub-programme 2.1 contributes to the following institutional outcomes:

- Awareness of the FIC Act
- Supervision of the FIC Act
- Enforcement of the FIC Act.

### Performance

During 2024/25, the FIC exceeded three and met one of the four targets under this sub-programme. Highlights for the year include:

- Presenting 46 compliance awareness events that reached a total of 14 810 attendees
- Exceeding the targeted number of risk-based compliance review reports issued
- Exceeding the targeted number of risk-based inspection reports issued
- Achieving 100 percent success rate in matters referred for administrative sanctions.

**Table 1: Outcomes, outputs, output indicators, targets and actual achievements of sub-programme 2.1**

Delivery of intelligence on financial crime and FIC Act-related regulatory services									
				Audited actual performance 2022/23	Audited annual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	
Outcome	Outputs	Output indicators							Reasons for deviations
Enhanced compliance with the FIC Act	Outreach and awareness of the FIC Act	1.1.1	Number of risk and compliance awareness initiatives conducted	30	48	42	46	4	Target exceeded  Additional compliance awareness sessions were held to address FATF grey listing concerns to increase the submissions of the risk and compliance returns
	Monitoring of the FIC Act	1.2.1	Number of risk-based compliance review reports issued	95	129	144	157	13	Target exceeded  Due to the additional resources appointed during the year
	Risk-based inspections in terms of the FIC Act	1.3.1	Number of FIC risk-based inspection reports issued	402	558	500	556	56	Target exceeded  Due to the prompt selection of high-risk institutions identified via the risk and compliance analysis tool, and the issuance of notices of inspection to these accountable institutions
	Enforcement of the FIC Act	1.4.1	Percentage success rate of matters referred for administrative sanctions	100%	100%	100%	100%	0	Target achieved  100% = 25/25

## Registration of accountable institutions

All accountable institutions must register with the FIC in terms of the FIC Act, and comply with regulatory obligations such as:

- Implementing a risk-based approach to customer identification, verification and due diligence
- Undertaking business risk assessments for anti-money laundering, combating of terrorist financing and financing of proliferation (AML, CFT and CFP)
- Maintaining and implementing a risk management and compliance programme
- Filing regulatory reports relating to suspicious and unusual transactions, cash transactions exceeding the prescribed threshold and on property that is linked to sanctioned persons, terrorist activity or terrorist organisations and international funds transfers
- Appointing a compliance officer
- Training employees on FIC Act compliance and exposure to money laundering, terrorist financing and proliferation financing.

On 31 March 2025, there were 55 262 institutions registered on the FIC database (2023/24: 51 020).

Accountable institutions must comply with all obligations of the FIC Act, including the requirement to register with the FIC. Registration enables accountable institutions to submit reports and receive correspondence and notices relating to reporting and compliance from the FIC.

\* Item 3 of Schedule 1 of the FIC Act refers to estate agents. This definition of estate agents is narrower than that of property practitioners as defined in the Property Practitioners Act, 2019 (Act 22 of 2019), which came into effect on 1 February 2022.

\*\* Items 15 to 18 under Schedule 1 to the FIC Act were deleted.

**Table 2: Institutions registered with the FIC**

Item no	Schedule 1	Total registered institutions at 1 April 2024	Total registered institutions at 31 March 2025	Variance
1	Legal practitioners	17 604	19 305	1 701
2	Trust and company service providers	1 680	2 113	433
3	Estate agents*	9 593	9 162	-431
4	Authorised users of an exchange	151	157	6
5	Collective investment schemes managers	70	73	3
6	Banks	36	36	0
7	Mutual banks	10	12	2
7A	Co-operative banks	4	5	1
8	Long-term insurers	110	186	76
9	Gambling institutions	4 338	4 455	117
10	Foreign exchange dealers	204	213	9
11	Credit providers	1 483	2 082	599
12	Investment advisors or Intermediaries	9 533	10 094	561
13	Issuers of travellers' cheques and money orders	111	111	0
14	The South African Postbank	2	2	0
15 **	.....			
16 **	.....			
17 **	.....			
18 **	.....			
19	Money or value transfer service providers	222	239	17
20	High-value goods dealers	4 621	5 184	563
21	The South African Mint Company	1	1	0
22	Crypto asset service providers	89	287	198
23	Clearing system participants	1 069	37	1 032
<b>Reporters that are not accountable institutions under Schedule 1</b>				
	Voluntary disclosure reporters	36	86	50
	Business entities with reporting obligations in terms of section 29 of FIC Act	53	1 304	1 251
	Individual reporting entity		118	118
<b>Grand total</b>		<b>51 020</b>	<b>55 262</b>	<b>4 242</b>



## REGULATORY REPORTING

### What is a regulatory report

Under the FIC Act, accountable institutions are required to file certain reports to the FIC:

#### Section 28: Cash threshold report (CTR)

On transactions of R50 000 and more

#### Section 28A: Terrorist property report (TPR)

Property associated with terrorist and related activities

#### Section 29: Suspicious and unusual transactions

- **Suspicious and unusual transaction report (STR)** – Transactions that are unusual or arouse suspicion in terms of money laundering
- **Suspicious and unusual activity report (SAR)** – An activity that may be considered suspicious and unusual involving an incomplete, abandoned, aborted, attempted, interrupted or cancelled transaction
- **Terrorist financing transaction report (TFTR)** – Where there is a suspicion that a transaction or series of transactions are linked to the financing of terrorism and related activities
- **Terrorist financing activity report (TFAR)** – Where an activity is suspected to be linked to the financing of terrorism and related activities, but the suspected activity did not involve a transaction between two or more parties.

#### Section 31: International funds transfer report (IFTR)

Section 31 of the FIC Act requires only those accountable institutions that are authorised in terms of the Exchange Control provisions to transfer money electronically into or outside South Africa to submit such reports to the FIC, only in respect of amounts of R20 000 and above.

#### Voluntary disclosure report (VDR)

Reporting done by all persons who are not accountable and reporting institutions and further not required to report in terms of section 29 of the FIC Act. A VDR includes the reporting of suspicious or unusual transactions or activities relating to money laundering or terrorist financing activity. The public can also report suspicious and unusual transactions using this reporting stream, once they have registered with the FIC.

## Regulatory reporting

Accountable institutions which are identified in the FIC Act as being vulnerable to possible money laundering, terrorist financing and proliferation financing, must submit regulatory reports to the FIC.

The FIC interprets and analyses the information and data provided in the regulatory reports to develop financial intelligence. Law enforcement, prosecutors and other competent authorities use these financial intelligence reports for their investigations, prosecutions and applications for asset forfeiture.

During the year under review, the institutions registered on the FIC database submitted approximately 13.5 million regulatory reports (2023/24: More than 7.4 million). Consistently, the banking sector submits the highest volume of reports (more than 9 million in 2024/25), followed by cross-border money or value transfer service providers, gambling institutions, foreign exchange agents or companies, and high-value goods dealers.

Section 30 of the FIC Act, which has not yet been promulgated, provides for the submission of reports on cash and/or bearer negotiable instruments conveyed to or from South Africa by international travellers. The South African Revenue Service (SARS) has already begun providing reports on cross-border cash conveyances that have been reported voluntarily to SARS. The FIC received 10 650 cash conveyance reports from SARS in 2024/25.

The FIC monitors the regulatory reports it receives to ensure they are complete, accurate and submitted in the prescribed reporting periods as defined in the FIC Act. Where regulatory reports are insufficient, incomplete or inaccurate, the FIC liaises with the relevant entities so that they can correct or submit outstanding information.

**Table 3: Regulatory reports received during 2024/25**

Item no	Schedule 1	Cash threshold reports	Suspicious and unusual transaction reports	International funds transfer reports	Terrorist property reports	Total
1	Legal practitioners	1 079	1 584	0	1	2 664
2	Trust and company service providers	11	51	0	0	62
3	Estate agents	1 703	589	0	4	2 296
4	Authorised users of an exchange	36	74	0	0	110
5	Unit trusts (collective investment schemes managers)	34	153	0	0	187
6	Banks	2 904 697	423 095	5 587 873	0	8 915 665
7	Mutual banks	10	345	221	0	576
7A	Co-operative banks	17	0	0	0	17
8	Life insurance businesses	58	777	0	1	836
9	Gambling institutions	185 959	14 013	0	0	199 972
10	Foreign exchange agents or companies	39 447	5 099	0	0	44 546
11	Credit providers	1 693	4 077	0	0	5 770
12	Investment advisory or intermediaries	1 082	34 390	806	0	36 278
13	Issuer of travellers' cheques and money orders	8	109	0	0	117
14	The South African Postbank Limited	461	1	0	0	462
19	Cross-border money or value transfer services providers – authorised dealers	10 846	50 644	4 130 608	2	4 192 100
20	High-value goods dealers	10 037	28 028	0	0	38 065
21	The South African Mint Company		1	0	0	1
22	Crypto asset service providers	6	4 014	0	0	4 020
23	Clearing system participants		22	0	0	22
<b>Reporters that are not accountable institutions under Schedule 1</b>						
	Business entity with a reporting obligation in terms of section 29 of the FIC Act*	1 948	3 199	0	2	5 149
	Individual reporting entities		18	0	0	18
	Voluntary disclosure reporters**		0			0
<b>Grand total</b>		<b>3 159 132</b>	<b>570 283</b>	<b>9 719 508</b>	<b>10</b>	<b>13 459 538</b>

\* Section 29 reports include all suspicious and unusual transaction reports, suspicious activity reports, financing of terrorism activity reports and reports on financing of terrorism transactions.

\*\* Voluntary disclosure reports (VDRs) are submitted to the FIC by those who do not have a section 29 obligation, due to the fact that no transaction has been entered, to report in respect of terrorist financing and/or money laundering. While there is no obligation to submit such reports, the FIC encourages entities and persons to report suspicion or knowledge of financing of terrorism or business conducted by persons or entities subject to financial sanctions via a voluntary disclosure report. VDRs are submitted voluntarily.

Heightened levels of compliance are important for us to help stem money laundering, terrorist financing, and proliferation financing.

The FIC has rapidly enhanced its approach to risk-based supervision which has helped identify institutions at high risk of being abused for money laundering, terrorist financing and proliferation financing.

– Christopher Malan, executive head of the Compliance and Prevention division

### Enabling risk-based supervision

During the prior financial year, the FIC developed and introduced a risk and compliance assessment analysis tool which enabled it to supervise designated non-financial businesses and professions (DNFBPs), credit providers and crypto asset service providers, based on their individual levels of risk.

Businesses outside the traditional financial sectors, such as legal practitioners, trust and company service providers (including accountants), estate agents, casinos, dealers in precious stones and metals (including Kruger rand dealers), and other dealers in high-value goods, fall under the definition of DNFBPs.

The targeted approach, using risk-based supervision, was introduced in response to the FIC's expanded supervisory scope when it assumed responsibility for overseeing compliance of these sectors.

In addition, the approach helped address deficiencies in South Africa's action plan to exit the Financial Action Task Force (FATF) grey list. When FATF grey listed South Africa, a jointly agreed action plan was adopted itemising 22 actions linked to the strategic deficiencies identified in the regime for anti-money laundering and the combating of the financing of terrorism. To exit the FATF grey list, South Africa had to address the action items by specified deadlines.

FATF required the country, and by extension the FIC as the supervisor, to implement assessment tools to identify higher risk DNFBPs as a basis for risk-based supervision in terms of Immediate Outcome 3/4 (2a). The action item was deemed partially addressed in 2023/24 largely attributable to the successful roll out and implementation of the risk and compliance return (RCR) questionnaire, as well as the risk and compliance analytical assessment tool.

DNFBPs and other institutions, identified in the FIC's Directives 6 and 7, were required to complete the RCR questionnaire based on their self-assessed risks of being abused for money laundering and terrorist financing purposes, and their understanding of the FIC Act compliance obligations.

Although the time prescribed in the Directives for RCR submission had lapsed, the FIC continued to encourage accountable institutions during the past financial year to complete and file their questionnaires. By 31 March 2025, a total of 24 356 DNFBPs registered with the FIC had submitted their RCRs, which is 3 839 more than had done so at the end of the previous financial year.

The RCR input from the individual businesses was fed into the risk and compliance analysis assessment tool and used to analyse and profile these institutions into different risk categories. The risk profiles helped identify institutions at various levels of risk of money laundering, terrorist financing or proliferation financing abuse, and informed the FIC's supervisory approach and compliance monitoring actions in accordance with each individual institution's money laundering and terrorist financing risks.

Actions resulting from the risk profiling of institutions included inspections of higher-risk institutions, conducting compliance reviews on medium and lower risk institutions or tailoring outreach and awareness sessions to address certain shortcomings. In addition, it allowed for ongoing risk monitoring of institutions identified as being at low risk, to ensure changes in risk categories are monitored and future supervisory actions are being aligned to institutional risk profiles.

The risk-based procedures applied by the FIC to supervise, monitor and enforce compliance with the anti-money laundering and combating financing of terrorism obligations of DNFBPs and other institutions demonstrated a positive impact on the state of compliance and change in compliance behaviour of affected accountable institutions.

Sanctions imposed by the FIC are proportionate, dissuasive and effective. This is achieved by shaping the sanction to the non-compliance found and balancing that with the circumstances of the institution. Furthermore, sanctions are published on the FIC website as a further deterrent to non-compliance.

**Table 4: Risk and compliance returns received from accountable institutions supervised by the FIC**

<b>A: Institutions targeted in Directive 6</b>	<b>Registered with the FIC as at 31 March 2023*</b>	<b>Risk and compliance returns received as at 31 March 2025</b>	<b>Percentage of RCRs received per sector 31 March 2025</b>
Legal practitioners	16 480	11 351	69%
Company service providers	1 010	1 021	100%
Trust service providers	644	596	93%
Estate agents	9 060	6 506	72%
Casinos	38	38	100%
<b>Total A</b>	<b>27 232</b>	<b>19 512</b>	<b>72%</b>
<b>B: Institutions targeted in Directive 7</b>	<b>Registered with the FIC as at 31 March 2025**</b>	<b>Risk and compliance returns received as at 31 March 2025</b>	<b>Percentage of RCRs received per sector as at 31 March 2025</b>
High-value goods dealers: Precious stones	220	182	83%
High-value goods dealers: Precious metals (including Kruger rands)	386	231	60%
High-value goods dealers: Motor vehicles	4 072	2 183	54%
High-value goods dealers: Other goods	506	285	56%
Credit providers	2 082	1 805	87%
The South African Postbank	1	1	100%
The South African Mint Company	1	1	100%
Crypto asset service providers	287	156	55%
<b>Total B</b>	<b>7 555</b>	<b>4 844</b>	<b>64%</b>
<b>Grand Total (A+B)</b>	<b>34 787</b>	<b>24 356</b>	<b>70%</b>

\* The original instruction for the submission of RCRs in Directive 6 was that the information must cover the financial year ended at 31 March 2023. The system to receive RCRs remains open and the number of RCRs submitted reflects the total number submitted since 31 March 2023 and up to 31 March 2025, measured against the registered institutions as at 31 March 2023.

\*\* Directive 7 was issued to cover the period from 1 January 2023 to 30 June 2023 to institutions that were only included as accountable institutions in December 2022. The number of registered institutions under the sectors mentioned in Directive 7 was insufficient on 30 June 2023 to provide a benchmark and therefore the percentage submission is measured against the number of institutions registered as at 31 March 2025.



## EXPENSIVE VEHICLE PURCHASE

The FIC received a request for further information relating to a financial intelligence report it had sent to the DPCI.

It was alleged that an individual who reportedly had contracts with a state-owned enterprise, had bought a high value vehicle for which a deposit of R2 million had been paid. The rest of the purchase price for the high value vehicle was financed. The R2 million originated from four entities unrelated to the state-owned enterprise, and the high value vehicle was registered in the name of a different entity.

The origin and flow of the funds was determined, and this information was shared with law enforcement.

## Request for submissions of risk management and compliance programmes

All categories of financial and non-financial accountable institutions listed in the FIC Act are required to develop, document, maintain and implement a risk management and compliance programme (RMCP). The requirement for RMCPs is part of a suite of compliance obligations applicable to business categories listed in Schedule 1 of the FIC Act as accountable institutions.

On 4 March 2025 the FIC issued a general request to certain sectors under its supervision to submit a copy of their RMCPs electronically on the FIC's online registration and reporting platform, goAML, by 12 March 2025. The request was made to verify the information in the RCR submissions and to supplement the FIC's understanding of entity-level risks. At year end, 9 281 of the 55 262 institutions registered with the FIC had submitted their RMCPs as requested.

To fulfil the RMCP obligation, institutions need to understand how criminals can abuse their products and services for money laundering, terrorist financing or proliferation financing, as well as the level of risk posed by their various client types.

**Table 5: Risk management and compliance programme submissions per sector as at 31 March 2025**

Institutions and entities	RMCPs received
Co-operative bank	1
Authorised users of an exchange	8
Banks	4
Clearing system participants	2
Company and trust service providers	839
Credit providers	866
Crypto asset service providers	149
Estate agents	1 714
Foreign exchange dealer	1
Gambling entities	396
High-value goods dealers	1 451
Investment advisors or intermediaries	284
Legal practitioners	3 491
Life insurance businesses	2
Money or value transfer services providers	3
Mutual bank	1
The South African Mint Company	1
Business entities with a reporting obligation in terms of section 29 of the FIC Act	66
Voluntary disclosure reporters	2
<b>Total</b>	<b>9 281</b>



## PROPERTY PURCHASE

The FIC developed a proactive financial intelligence report following the receipt of regulatory reports from an estate agent and a conveyance attorney regarding the purchase of a property to the value of R4.6 million. The two accountable institutions noted that:

- The purchaser did not make any payments in his personal capacity
- Five separate entities made payments
- Payment structures were odd and did not conform to the norm of property purchase payments
- Inconsistencies in paperwork by the listed purchaser.

Following analysis of the regulatory reports and follow-up information provided by the institutions, it was ascertained that the purchaser had signed an acknowledgement contract confirming that he had not viewed the property, and that he had bought it "sight unseen".

A copy of the purchaser's passport reflected that he was a revenue officer while, in other documents, he indicated that he was a farmer. Bank records confirmed that payment for the house was made by five entities on behalf of the purchaser.

Due to the inability of the purchaser to provide coherent paperwork and sufficient reasons for the transactions, it could not be ruled out that there was the possibility that the purchaser might have used the proceeds of crime to purchase the property. Furthermore, the purchaser's account may have been used for illegal purposes, including possible tax evasion.

## Awareness initiatives to improve compliance

The FIC delivered on its mandate to provide guidance to accountable institutions and other relevant bodies in the FIC Act with the purpose of improving compliance in general, as well as in relation to specific obligations.

Efforts to embed a culture of compliance among DNFBPs and other accountable institutions continued in the 2024/25 financial year. The FIC engaged with accountable institutions through various channels and platforms to improve their understanding of the FIC Act obligations.

Webinars hosted during the year were aimed at improving accountable institutions' understanding of and compliance with the FIC Act obligations such as the risk-based approach, screening clients against the targeted financial sanctions list, the development of RMCPs, submitting RCRs, establishing beneficial ownership and submitting regulatory reports. The FIC conducted awareness initiatives through virtual, face-to-face and hybrid seminars, hosting 46 awareness sessions. These consisted of 17 in-person events and 29 webinars. These sessions attracted 14 810 attendees.

Outreach to legal practitioners, estate agents, trust and company service providers, gambling entities and high-value goods dealers focused primarily on screening clients against the targeted financial sanctions list and on improving regulatory reporting, among other topics. The engagements were intended to bring about improved understanding of the suspicious and unusual transaction reporting obligation and the effective submission of these reports with the FIC.

Webinars were also aimed at creating awareness on the risks of money laundering and terrorist financing for the various sectors, as highlighted in the sector risk assessments published by the FIC.

Engagements during 2024/25 included hosting awareness sessions, participating in events hosted by other institutions, providing information to contact centre callers, publishing media releases, issuing notices and guidance documents, and conducting compliance reviews.

During the year, the FIC published 26 media articles on topics including targeted financial sanctions, the requirement for submission of RCRs, beneficial ownership, regulatory reporting, the registration process, and general compliance with the FIC Act. Of these articles, 17 were targeted at DNFBPs, focusing on the obligation to report suspicious and unusual transactions.

## Awareness for non-profit organisations

Certain non-profit organisations have been identified by FATF as entities that are susceptible to being abused by criminals for financing of terrorism and/or money laundering.

The FIC hosted four webinars and collaborated on five awareness sessions with the Department of Social Development aimed at preventing non-profit organisations from falling prey to money laundering, financing of terrorism and other financial crimes. They were also encouraged to report suspicious and unusual transactions and behaviour by submitting voluntary disclosure reports to the FIC.

## Contact centre advice and guidance

The FIC's compliance contact centre provides advice and guidance on aspects including registration with the FIC and interpretation of the FIC Act. The service is aimed at improving compliance and awareness, but it also helps the FIC to understand the needs, challenges and concerns that accountable institutions may have. The requested information and advice sought also provides insight to the FIC on the topics guidance publications and awareness events need to focus on. During 2024/25, the FIC responded to 8 413 written and 18 972 telephonic queries.



## WHAT IS BENEFICIAL OWNERSHIP

Criminals often abuse complex corporate structures such as legal persons (companies), trusts, partnerships and certain types of non-profit organisations (NPOs) to obscure the ownership or control of funds derived from illegal activities or intended to be used for illegal activities. They do this by creating different levels of ownership which makes it difficult to identify the ultimate beneficial owner of the legal person, trust, partnership or NPO.

Certain legal persons, trusts, partnerships or NPOs are more vulnerable to being abused by criminals because of the way they are structured or because of their characteristics.

It is vital that accountable institutions identify the natural person who own or control clients that are legal persons, trusts and partnerships. Accountable institutions must keep adequate, accurate and up-to-date information on their beneficial ownership information and make such information available to competent authorities in a timely manner.

Beneficial ownership information can help manage the risks associated with opaque corporate structures and is a critical resource to assist law enforcement and other competent authorities in identifying the 'warm body' who owns and controls a company, trust, or other corporate vehicle.

The percentage of total ownership interest is a good indicator of controlling ownership over a legal person, as a person who holds sufficient percentage of ownership interest in most instances exercises influence or control over a legal person and benefits from that legal person. In this context the FIC is of the view that holding five percent or more of ownership interest in a legal person is usually sufficient to exercise a controlling ownership interest in the legal person.

## Guidance products

The FIC develops guidance products that provide practical information on FIC Act compliance. Before being finalised, draft versions of guidance products are published for feedback from accountable institutions, supervisory bodies, and other affected persons and/or entities. Comments received are carefully considered and the guidance products are updated where necessary before final publication.

During 2024/25, five guidance products were finalised and published, while two were published for consultation. These included public compliance communication (PCC) 59 on beneficial ownership, Directive 9 on the travel rule for crypto asset service providers, Directive 3A, and PCC 50A which dealt with reporting failures. Guidance Note 7A updated compliance with the risk management and compliance programme (RMCP) requirements, setting out guidance on the development of the RMCP.

**Table 6: Guidance products and Directives issued in 2024/25**

No	Guidance notes and public compliance communications	Issue dates	Topics
1	Directive 3A	31 March 2025	Dealt with the requirement for notification to the FIC of failure to report.
2	PCC 50A	31 March 2025	Dealt with the requirement for notification to the FIC of failure to report.
3	Draft PCC 118A	31 March 2025	Published for consultation. On the money and value transfer service providers sector for consultation.
4	Guidance Note 7A	13 February 2025	Replaced Guidance Note 7 by including an update to Chapter 4 on the risk management and compliance programme.
5	Draft PCC 23A	18 December 2024	Published for consultation. On the interpretation of credit providers.
6	Directive 9	15 November 2024	Prescribed information to be submitted as part of transactions involving crypto asset service providers.
7	PCC 59	8 August 2024	Provided guidance on beneficial ownership, including risk factors and alerts relating to the identification of beneficial owners. This PCC replaced draft PCC 121 and draft PCC121A, previously published for consultation.



## HOW COMPLIANCE REVIEWS DIFFER FROM FIC ACT INSPECTIONS

- Compliance reviews are not conducted under section 45B of the FIC, which governs the inspection regime for the FIC
- FIC officials that conduct compliance reviews are not formally appointed as inspectors
- The purpose of compliance reviews is not primarily to test compliance, but rather to increase awareness and improve compliance through open, constructive engagement
- Compliance requirements are explained, and the institution's reporting history and challenges are discussed during a review.

## Compliance reviews

The FIC engaged with accountable institutions to review their level of compliance with the FIC Act. Compliance reviews provide an opportunity for the FIC to increase institutions' awareness of their FIC Act obligations and assist them first hand, with improving the quality and quantity of regulatory reports they submit.

When selecting an institution or a group of institutions to be reviewed, the FIC takes into consideration the potential impact such a review will have on improving compliance and reporting. The selection criteria for compliance reviews include factors such as the money laundering and terrorist financing risks in the sector, reporting inefficiencies or queries received through the public query process by the specific institution or in general by institutions within the sector.

While the institutions with higher risk ratings are often earmarked for inspections under the FIC Act, those at medium and lower risk are more likely to be subject to a compliance review by the FIC.

During a compliance review, the FIC may discuss compliance obligations such as customer identification, what is required in developing and maintaining an RMCP, registration, and reporting. After a review, the FIC completes a report, which is sent to the reviewed institution. Where relevant, such a report contains recommendations for improving compliance.

During 2024/25, the FIC conducted 157 compliance reviews and issued reports to assist reviewed institutions with improving their understanding and execution of the compliance obligations under the FIC Act. The compliance review team focused on areas that accountable institutions often find challenging, such as drafting and implementing an RMCP and identifying suspicious and unusual transactions.

## Sector risk assessments

FATF requires countries to understand their money laundering, terrorist financing and proliferation financing risks and apply a risk-based approach to supervision. To fulfil this requirement, the FIC periodically assesses the inherent money laundering and terrorist financing risks faced by the various sectors that are regulated under the FIC Act.

The areas the FIC assesses relate to clients, products, services, delivery channels, transactions and geographic areas, as well as terrorist and proliferation financing. These risk assessments are subsequently published in a report and shared so that role players in the various sectors can take the necessary steps to mitigate and manage those risks.

During the financial year, the FIC conducted assessments of the inherent money laundering and terrorist financing risks faced by crypto asset service providers (CASPs). Although the risk assessment report on CASPs was published after year end, research and preparation of the publication had largely been done in 2024/25. The FIC also initiated a review of previous sector risk assessment reports for updating in the upcoming financial year.

**Table 7: Compliance reviews conducted during 2024/25**

Schedule 1 item numbers and sectors	No of reviews
Item 1: Legal practitioners	41
Item 2: Trust and company service providers	25
Item 3: Estate agents	18
Item 9: Gambling institutions	9
Item 11: Credit providers	30
Item 20: High-value goods dealers	29
Item 22: Crypto asset service providers	5
<b>Total</b>	<b>157</b>

### Supervising compliance with legislation

The FIC and the supervisory bodies, the South African Reserve Bank (Prudential Authority and Financial Surveillance department) and the Financial Sector Conduct Authority, are responsible for ensuring that accountable institutions under their purview comply with the FIC Act obligations and may conduct inspections, in terms of section 45B of the FIC Act, to assess the level of institutions' compliance.

The FIC also maintains collaborative partnerships with supervisory and regulatory bodies such as the Legal Practice Council, the Property Practitioners Regulatory Authority, the provincial gambling licensing authorities, the South African Diamond and Precious Metals Regulator and the National Credit Regulator.

### Risk-based inspections

During the period under review, the FIC applied the risk and compliance analysis assessment tool that was implemented in the previous financial year to identify high-risk DNFBPs using the data from the risk and compliance returns (RCRs) they submitted. This enabled the FIC to plan and conduct inspections on a risk-sensitive basis.

Details acquired from analysis of RCR information was also used to report on the progress South Africa made in addressing the shortcomings identified by FATF. The approach contributed to FATF finding in September 2024 that the country had "largely addressed" the requirement for risk-based inspections.

The FIC exceeded its target of issuing 500 risk-based inspection reports to various DNFBPs by 56. This approach towards risk-based supervision will continue after the removal of South Africa from the FATF grey list.

See Table 8 for a breakdown of inspection reports issued per province and per DNFBP business category.

**Table 8: Inspection reports issued according to province and designated non-financial businesses and professions**

Sector	Gauteng	Western Cape	KwaZulu-Natal	Eastern Cape	Free State	North West	Mpumalanga	Limpopo	Northern Cape	Totals
Legal practitioners	128	44	22	17	9	8	7	7	0	242
Company service providers	3	7	0	0	0	0	0	0	0	10
Trust and company service providers	0	1	0	0	0	0	0	0	0	1
Trust service providers	2	4	1	0	0	0	0	0	0	7
Estate agents	81	45	14	6	3	3	4	3	6	165
Casinos	4	1	0	0	0	0	0	0	0	5
Credit providers	11	5	7	2	4	2	2	2	0	35
Dealers in precious metals and stones	2	0	0	0	0	0	0	0	0	2
Dealers in precious metals	12	5	1	0	0	0	0	0	0	18
Dealers in precious stones	40	17	7	1	1	3	0	0	1	70
Crypto asset service providers	0	0	1	0	0	0	0	0	0	1
<b>Grand total</b>	<b>283</b>	<b>129</b>	<b>53</b>	<b>26</b>	<b>17</b>	<b>16</b>	<b>13</b>	<b>12</b>	<b>7</b>	<b>556</b>



### INHERENT VS RESIDUAL RISK

Inherent risk refers to the level of risk that is applicable prior to any steps being taken to mitigate or manage the risks. Residual risks refer to the risks that remain after risk mitigation measures have been implemented.

## RISK MANAGEMENT AND COMPLIANCE PROGRAMME

Section 42 of the FIC Act requires all accountable institutions as listed in Schedule 1 to the FIC Act to have in place a risk management and compliance programme (RMCP).

### What is an RMCP

An RMCP is a documented plan that sets out how an accountable institution will deal with risks associated with money laundering, financing of terrorism and proliferation financing. An institution's RMCP must contain policy documents, and detail all the processes, systems and controls used for aspects such as customer due diligence (identification and verification of clients), record keeping, reporting, how the risk-based approach will be applied and how employees will be trained accordingly. This applies to an institution's branches and subsidiaries. Institutions are also required to have adequate safeguards to protect the confidentiality of information exchanged.

### Why an RMCP is necessary

It is a legislative requirement that accountable institutions understand their exposure to risks of money laundering, terrorist financing and proliferation financing. An RMCP assists accountable institutions in assessing these risks to protect and maintain the integrity of their business and the integrity of the financial system of South Africa. Institutions must provide copies of their RMCP, when requested, to supervisory bodies such as the FIC and Financial Sector Conduct Authority. Non-compliance could result in an administrative sanction, which may include a financial penalty.

The RMCP must be documented and kept up to date, with the highest authorities in the business taking ultimate responsibility for its implementation.

## Analysis of inspection findings

The primary focus of inspections during the financial year was on high- and medium-high risk-rated DNFBPs including legal practitioners, company and or trust service providers, estate agents, high-value goods dealers (dealers in precious metals and dealers in precious stones), and casinos.

Results from the risk and compliance analysis assessment tool guided the selection of the institutions for inspection. More than 50 percent (288) of the 556 risk-based inspections emanated from these results where higher risk-rated institutions were prioritised.

**Table 9: Inspections conducted in 2024/25**

Inspections based on application of the risk compliance analysis assessment tool	No of reports issued
High-risk	107
Medium high-risk	100
Medium risk	76
Low risk	5
Inspections related to non-submission of RCRs	
Directive 6: Non-submission of RCRs and deemed high risk	166
Directive 7: Non-submission of RCRs and deemed high risk	49
Other inspections	
Referrals	3
Follow-up inspections	44
As determined by other risk factors	6
<b>Grand total</b>	<b>556</b>

A further 215 inspections (38.6 percent) were conducted on institutions that failed to submit their RCR questionnaires and were therefore deemed high-risk. The others were inspections of entities at low risk, follow-up inspections and based on internal referrals. Table 9 shows the application of the risk-based approach in the sourcing of inspections.

The 556 completed inspections varied in scope. Of these, 66 were full-scope inspections i.e. the inspection of all FIC Act compliance obligations, and 150 were limited scope inspections. Limited scope refers to the inspection of specific or identified areas such as registration with the FIC, customer due diligence, and targeted financial sanctions.

As part of the 556 inspections, there were 340 thematic inspections conducted, mainly to determine whether compliance requirements for submission of RCRs and RMCPs were met.

The results of these inspections primarily highlighted failures in the following:

- Undertaking and conducting a business risk assessment
- Developing or implementing an RMCP
- Timeous registration with the FIC or updating registration information
- Adopting a risk-based approach to customer due diligence
- Providing confirmation that clients were screened against the targeted financial sanctions list
- Filing a suspicious and unusual transaction report.

In addition, feedback from the inspections indicated that institutions still grappled with the determination of beneficial ownership and politically exposed persons. To improve understanding on beneficial ownership among accountable institutions, the FIC issued PCC 59. The FIC also conducted awareness sessions to assist institutions with their understanding and application of these obligations.



## FRAUD

A case of fraud was reported by the Department of Labour, specifically the unemployment insurance fund, following the wrongful payment to the estate of a deceased man. The family of the deceased man alleged that they had been defrauded when a payment was made to the account of a Ms X. The family alleged that Ms X, who had been a girlfriend of the deceased man, had falsely provided letters of authority to receive the payment. The family of the deceased lodged a complaint of fraud with the office of the Master of the High Court in Bloemfontein, wherein it was determined that the suspect failed to disclose the existence of the rest of the beneficiaries to the deceased's estate and ultimately the Letters of Authority were withdrawn by the Master of the High Court.

Following the request from the Department of Labour, the FIC conducted analysis on Ms X's account, which revealed that an amount of R67 455.06 had been deposited by the department, and that R51 750.34 remained in the account. Following analysis, it was determined that the remaining balance was the proceeds of the alleged crime.

### Remediation in respect of inspections

Following the 556 risk-based inspections, 330 institutions were issued with reports requiring them to implement remedial actions, as a result of non-compliance.

The aim of remedial action is to ensure that non-compliant accountable institutions change their behaviour to become fully or largely compliant. Of the 330 inspection reports issued to institutions, requiring them to implement remedial actions, 214 institutions corrected or undertook to implement the remedial actions or instructions. Those that did not remediate the non-compliance were consequently subjected to enforcement or monitoring.

Some of the latter institutions were still in the process of remediating the identified shortcomings at the close of the financial year. The changes in compliance behaviour flowing from remediation will be monitored in the next financial year.

### Enforcement of the FIC Act and sanctions for non-compliance

The FIC and the various supervisory bodies may impose a penalty, referred to as an administrative sanction, if they find that an institution or person has not complied with the FIC Act and its directives. The sanctions may include the following:

- A caution not to repeat the conduct that led to the non-compliance
- A reprimand
- A directive to take remedial action
- The restriction or suspension of certain business activities
- A financial penalty of up to R10 million for a natural person and R50 million for a legal person.

Before issuing a sanction, the details of the non-compliance, together with a recommendation on the nature of the sanction is submitted to an internal FIC Adjudication Panel. The panel considers the merits of each matter before making a recommendation to the Director of the FIC for a sanction to be issued, using the options described above.

### Administrative sanctions

The FIC issued 25 administrative sanctions on DNFBPs during the 2024/25 financial year, two of which lodged appeals, which are yet to be heard by the FIC Act Appeal Board.

In addition, one institution, of which five of its registered branches were sanctioned separately, appealed their sanction, which was upheld by the FIC Act Appeal Board. The sanctions, which were imposed upon five branches of the institution, were tabulated as five sanctions.

Sanctions imposed by the FIC were valued at R782 000 during the financial year. A further R266 000 in penalties were paid following an appeal that was lodged in the previous financial year and dismissed in 2024/25. A further R1 180 000 was paid in respect of 118 sanctions of R10 000 each that was imposed as part of the FIC's admission of non-compliance process. This brought the total amount paid in the 2024/25 financial year in respect of the sanctions imposed by the FIC to R2 228 000.

The South African Reserve Bank's Prudential Authority and its Financial Surveillance department imposed sanctions of R143 650 000 and R1 221 452.57 respectively. The Financial Sector Conduct Authority imposed sanctions amounting to R4 500 000 and a further R2 900 000 stemming from an appeal lodged in the previous financial year, which was dismissed in this financial year.

Table 10 reflects the 18 finalised and implemented sanctions issued during the 2024/25 financial year.

Funds derived from financial penalties are paid into the National Revenue Fund, as per section 45C(7)(a) of the FIC Act.

**Table 10: Sanctions issued by the FIC in 2024/25**

No	Sanctioned institution	Nature of non-compliance	Sanction details
1	Andre Steenkamp Attorneys	Non-submission of the risk and compliance return (RCR) (Directive 6)	Financial penalty: Directive 6: R25 000 Fine payable: R25 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
2	Archon International Properties Johannesburg (Pty) Ltd	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R25 000 Fine payable: R25 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
3	Riaan Louw Attorneys	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R25 000 Fine payable: R10 000 Remaining R15 000 suspended for 3 years on stipulated conditions Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
4	Schuld Inc Attorneys	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R10 000 Fine payable: R10 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
5	Turner Ntshingana Kirsten Raven Attorneys	Non-submission of the RCR (Directive 6)	Caution not to repeat the actions that led to the non-compliance
6	Tshikululu Social Investments	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R50 000 Fine payable: R50 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance

**Table 10: Sanctions issued by the FIC in 2024/25 (continued)**

No	Sanctioned institution	Nature of non-compliance	Sanction details
7	Zikra Properties (Pty) Ltd	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R25 000 Fine payable: R25 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
8	Audie Botha Attorneys	Non-submission of the RCR (Directive 6)	Reprimand for non-compliance
9	Shepstone and Wylie Attorneys Pietermaritzburg	Non-submission of the RCR (Directive 6)	Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
10	A Letting Property Management (Pty) Ltd	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R50 000 Fine payable: R50 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
11	5th Square Property Solutions	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R10 000 Fine payable: R10 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
12	@Home Realty	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R10 000 Fine payable: R10 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance

**Table 10: Sanctions issued by the FIC in 2024/25 (continued)**

No	Sanctioned institution	Nature of non-compliance	Sanction details
13	L Appollis Attorneys Incorporated	Non-submission of the RCR (Directive 6) Failure to develop and document a RMCP (section 42)	Financial penalties: Directive 6: R10 000 Section 42: R75 000 Fine payable: R85 000 Reprimand for non-compliance. Caution not to repeat the actions that led to the non-compliance
14	Potch Realti t/a Century 21 Potchefstroom	Failure to develop and document an RMCP (section 42)	Financial penalty: Section 42: R125 000 Fine payable: R125 000 Reprimand for non-compliance. Caution not to repeat the actions that led to the non-compliance
15	Mashau M Attorneys	Failure to develop and document an RMCP (section 42) Failure to screen clients against the TFS list (section 28A)	Financial penalties: Section 42: R50 000 Section 28A: R50 000 Fine payable: R100 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance Directive to submit RMCP on or before 31 January 2025, and a remedial directive to put internal procedures or measures in place to ensure that all clients are scrutinised against the targeted financial sanctions list and document them in the RMCP on or before 31 January 2025

**Table 10: Sanctions issued by the FIC in 2024/25 (continued)**

No	Sanctioned institution	Nature of non-compliance	Sanction details
16	Len Dekker Incorporated (Amended)	Section 42 (RMCP) Section 21B Section 28A(3) (TFS) Non-submission of the RCR (Directive 6)	Financial penalties: Section 42: R197 000 Directive 6: R25 000 Fine payable: R222 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
17	CVW Accounting and Bookkeeping Services	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R10 000 Fine payable: R10 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
18	Twin Towers Properties (Pty) Ltd	Non-submission of the RCR (Directive 6) Failure to develop and document an RMCP (section 42)	Financial penalty: Directive 6: R10 000 Fine payable: R10 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance Directive to update RMCP

## Appeals

During the 2024/25 period, the FIC Act Appeal Board heard four appeals. One of the appeals (relating to five sanctions issued to the branches of an estate agent) was upheld and two were dismissed.

One appeal was referred back to the FIC to reconsider the sanction imposed, in light of new evidence presented by the appellant. The FIC reconsidered the matter and reimposed a sanction. The appellant lodged a further appeal to the High Court, which is in process.

## Admission of non-compliance

In the previous financial year, the FIC implemented an admission of non-compliance process as part of its enforcement actions in response to failure by DNFBPs to submit their risk and compliance returns (RCRs).

The process streamlined the sanctioning of non-compliance and enabled the FIC to issue a large number of notices to non-compliant institutions. These notices contain an admission of non-compliance fine and a directive to non-compliant institutions to submit their RCRs. Upon the sanctions being imposed, RCR submissions must be remediated within seven working days while the fine must be paid within a further seven days. A R10 000 fine was introduced specifically for the non-submission of RCRs, which was intended to speed up the enforcement process and the submission of RCRs.

**Table 11: Appeals lodged against sanctions imposed by the FIC in 2024/25 where findings are still pending**

No	Entity type	Nature of non-compliance	Sanction details
1	Estate agent	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R50 000 Fine payable: R50 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance
2	Legal practitioner	Non-submission of the RCR (Directive 6)	Financial penalty: Directive 6: R50 000 Fine payable: R50 000 Reprimand for non-compliance Caution not to repeat the actions that led to the non-compliance

**Table 12: Outcomes of appeals lodged in 2024/25 against sanctions imposed by the FIC in the previous financial year**

No	Institution	Decision	Status
1	Capital Point Properties (Pty) Ltd	Appeal dismissed	Finalised
2	Kunene Ramapala Incorporated	Appeal dismissed	Appeal to the South Gauteng Johannesburg High Court, instituted by appellant
3	Pam Golding branches: <ul style="list-style-type: none"><li>• Pringle Bay</li><li>• Onrus</li><li>• Kleinmond</li><li>• Hyde Park</li><li>• Hermanus</li></ul>	Appeal upheld	Finalised
4	Len Dekker Attorneys Incorporated	Appeal deferred	Appeal still pending following decision by appellant to lodge a further appeal with the North Gauteng High Court Pretoria

The FIC issued 351 admission of non-compliance notices during the 2024/25 financial year of which 118 were finalised following remediation i.e. admission of non-compliance, and payment of the financial penalty by the non-compliant entity.

The remaining 233 sanctioned entities had not fully remediated i.e. they had failed to submit an RCR, register with the FIC or pay the financial penalties by the end of the financial year. These institutions will be subject to the ordinary sanctioning process where the internal FIC Adjudication Panel will consider each matter on its merits.

#### Collaboration with supervisory bodies

To ensure the highest level of FIC Act compliance, the FIC maintains good working relationships with the supervisory bodies and regulators of accountable institutions.

Quarterly and *ad hoc* meetings are held with the South African Reserve Bank and the Financial Sector Conduct Authority to discuss, among other aspects, compliance issues and to share information.

The FIC also meets with the other regulators on matters such as market entry requirements, assistance with awareness and guidance to the sectors as well as matters relating to supervision and enforcement (including inspections and sanctions).

In terms of the amendments to Schedule 2 of the FIC Act in December 2022, the regulators responsible for licensing and supervising DNFBPs were removed as supervisory bodies under the FIC Act. From December 2022, the FIC assumed responsibility for overseeing FIC Act compliance of the designated non-financial businesses and professions sector and financial institutions such as credit providers.

#### Sanctions issued by supervisory bodies

The supervisory bodies referred to in Schedule 2 of the FIC Act, namely the South African Reserve Bank (Prudential Authority and Financial Surveillance department) and the Financial Sector Conduct Authority, also conduct inspections on institutions licensed and supervised by them to test compliance with the FIC Act. Following these inspections, a report is issued, and the supervisory body may – after taking various factors into consideration – impose a sanction upon these institutions for non-compliance with the FIC Act.

**Table 13:** Compliance inspections reports issued by the Prudential Authority, Financial Surveillance department (PA and FinSurv) and the Financial Sector Conduct Authority (FSCA) during 2024/25

Supervisory body	Sector	No of inspection reports
PA	Banks	18
PA	Long-term insurers	4
FinSurv	Authorised dealers with limited authority	32
FSCA	Financial service providers	95
FSCA	Collective investment scheme managers	5
FSCA	Authorised dealers of an exchange	32
<b>Total</b>		<b>186</b>

**Table 14: Sanctions issued by the Prudential Authority in 2024/25**

No	Institution	Nature of non-compliance	Sanction details
1	Assupol Life Insurance	<p>Failure to comply with customer due diligence (CDD) obligations in terms of sections 21 and/or 21A to 21H of the FIC Act</p> <p>Failure to comply with its record keeping obligations in terms of sections 22 to 24 of the FIC Act</p> <p>Failure to comply with the requirement to adequately develop and implement its RMCP in terms of section 42 of the FIC Act</p>	<p>Financial penalty: R4 million</p> <p>Three cautions and a reprimand</p>
2	Old Mutual Life Assurance Company	<p>Failure to comply with CDD obligations in terms of sections 21 and/or 21A to 21H of the FIC Act</p> <p>Failure to comply with its CTR obligations in terms of section 28 of the FIC Act, read with FIC Act Regulations 22B, 22C and 24(4)</p> <p>Failure to timeously report on STRs to the FIC in compliance with section 29 of the FIC Act, read with FIC Act Regulation 24(3)</p> <p>Failure to adequately develop and implement its RMCP in terms of section 42 of the FIC Act</p>	<p>Financial penalty: R15.9 million, of which R5.9 million was conditionally suspended for 36 months as from 23 July 2024</p> <p>Four cautions</p>
3	Safrican Life Insurance Company	<p>Failure to adequately conduct CDD and enhanced due diligence on sampled active customer relationships, including domestic prominent influential persons in compliance with sections 21(1) and/or 21A to 21H of the FIC Act</p> <p>Failure to comply with record keeping obligations in terms of sections 22 and/or 23 of the FIC Act</p> <p>Failure to adequately develop and implement its RMCP in terms of section 42 of the FIC Act</p>	<p>Financial penalty: R13 million, of which R6 million was conditionally suspended for 36 months as from 10 June 2024</p> <p>Three cautions</p>
4	Capitec Bank Limited (Retail)	<p>Failure to adequately CDD diligence, enhanced due diligence and ongoing due diligence in respect of the sampled client files in terms of sections 21(1) and/or 21A to 21H of the FIC Act</p> <p>Failure to comply with section 28 of the FIC Act in terms of CTRs to the FIC in that it failed to inter alia ensure timeous reporting of CTRs and CTRAs* to the FIC</p> <p>Failure to timeously file STRs and/or SARs in compliance with section 29 of the FIC Act to the FIC</p> <p>Failure to attend to ATMS alerts within the required 48-hour period in compliance with FIC Act Directive 5 of 2019</p> <p>Failure to comply with the requirement linked to the RMCP in terms of section 42 of the FIC Act</p>	<p>Financial penalty: R38 million, of which R8 million was conditionally suspended for 36 months as from 30 July 2024</p> <p>Five cautions and a reprimand</p>

\* CTRA: Although the requirement to submit cash threshold aggregation reports was repealed before the reporting period, this reference to aggregated cash threshold reports refers to inspection findings in prior years

**Table 14: Sanctions issued by the Prudential Authority in 2024/25 (continued)**

No	Institution	Nature of non-compliance	Sanction details
5	Capitec Bank Limited (Business)	Failure to adequately CDD diligence, enhanced CDD and ongoing CDD in respect of the sampled client files in compliance with sections 21(1) and/or 21A to 21H of the FIC Act Failure to comply with the requirement linked to RMCP in terms of section 42 of the FIC Act	Financial penalty: R18.25 million of which R2.5 million was conditionally suspended for 36 months as from 30 July 2024 Two cautions
6	HSBC Bank	Failure to adequately conduct CDD on sampled active customer relationships in terms of sections 21(1) and/or 21A to 21H of the FIC Act Failure to attend to ATMS alerts within the required 48-hour period as required by FIC Act Directive 5 of 2019 Failure to adequately develop, document and/or implement its RMCP in terms of section 42 of the FIC Act	Financial penalty: R9.5 million of which R4 million was conditionally suspended for 36 months as from 10 June 2024 Three cautions
7	Bidvest Bank Limited	Failure to implement its RMCP in relation to the assessed trade-based transactions in respect of a sample of clients assessed in terms of section 42 of the FIC Act	Financial penalty: R5 million, of which R2.5 million was conditionally suspended for 12 months as from 23 August 2024 A caution not to repeat the conduct which led to the non-compliance
8	Monarch Insurance Limited	Failure to register with the FIC as an accountable institution in terms of section 43B of the FIC Act Failure to provide ongoing AML and CFT compliance training to its employees in terms of section 43 of the FIC Act Failure to adequately develop and implement its RMCP in terms of section 42 of the FIC Act	Financial penalty: R1 million, of which R200 000 was conditionally suspended for 36 months as from 10 June 2024 A reprimand, two cautions
9	Standard Bank of South Africa Limited	Failure to conduct ongoing CDD in respect of two of its clients, with no due diligence reviews undertaken in prior years in compliance with section 21C of the FIC Act Failure to keep a record of the dates on which 43 STRs or SARs were submitted to the FIC in terms of section 23(c) of the FIC Act Failure to timeously report 1 466 CTRs and/or CTRAs, when the requirement was still in place, in terms of section 28 of the FIC Act to the FIC Failure to timeously report 17 259 STRs and/or SARs to the FIC in terms of section 29. Failure to report one STR to the FIC in terms of section 29 of the FIC Act Failure to comply with FIC Act Directive 5 of 2019, relating to the use of an ATMS	Financial penalty: R13 million Six cautions

**Table 14: Sanctions issued by the Prudential Authority in 2024/25 (continued)**

No	Institution	Nature of non-compliance	Sanction details
10	State Bank of India	<p>Failure to comply with section 42 of the FIC Act linked to its risk management and compliance programme</p> <p>Failure to adequately conduct CDD and enhanced CDD in respect of the sampled client files in terms of sections 21(1) and/or 21A to 21H of the FIC Act</p> <p>Failure to comply with CTR requirements in terms of section 28 of the FIC Act</p> <p>Failure to comply with section 42A of the FIC Act in respect of its governance obligations</p>	<p>Financial penalty:</p> <p>R10 million, of which R4.5 million was conditionally suspended for 36 months as from 13 June 2023</p> <p>Four cautions</p>
11	ABSA Bank Limited	<p>Failure to fully comply with sections 21(1) and 21A of the FIC Act in that it failed to adequately conduct CDD and enhanced CDD in respect of the sampled client files as follows:</p> <ul style="list-style-type: none"> <li>o Failure to adequately conduct CDD on 4 of its foreign prominent public official (FPPO) client files and 2 of its politically exposed persons (PEP) clients in respect of state-owned enterprises</li> <li>o Failure to adequately conduct enhanced CDD on 3 of its domestic prominent influential persons (DPIPs) client files and 5 of its FFPO client files</li> </ul> <p>Failure to comply with FIC Act Directive 5 of 2019 in that:</p> <ul style="list-style-type: none"> <li>i. 8 559 reported ATMS alerts were not timeously attended to within 48 hours</li> <li>ii. 4 of the non-reportable ATMS alerts were not attended to within 48 hours and</li> <li>iii. 2 non-reportable STRs or SARs alerts were closed beyond the 15-day reporting period as stipulated by Regulation 24(3) of the FIC Act Regulations</li> </ul>	<p>Financial penalty:</p> <p>R10 million</p> <p>Two cautions and a reprimand</p>
12	Bank of Taiwan, South Africa Branch	<p>Failure to comply with section 42 of the FIC Act, in that it failed to:</p> <ul style="list-style-type: none"> <li>• Provide evidence that material amendments relating to its RMCP introduction manual were approved by its executive committee prior to implementation</li> <li>• Adequately manage the recording of the yearly review of its RMCP in relation to its introduction manual as stated in its governance policy</li> <li>• Provide evidence that the screening of customers and transactions manual was reviewed and approved after 2020</li> <li>• Implement its RMCP and undertake the requisite due diligence measures in relation to two of its assessed correspondent banking relationships in respect of Vostro accounts</li> </ul>	<p>A caution and a reprimand</p>
13	Citibank N.A. South Africa Branch	<p>Failure to implement its RMCP in respect of the assessed advance payment transactions in terms of section 42 of the FIC Act</p>	<p>Financial penalty:</p> <p>R6 million, fully but conditionally suspended for 12 months as from 5 March 2025</p> <p>A caution not to repeat the conduct which led to the non-compliance</p>

**Table 15: Sanctions issued by Financial Surveillance Department in 2024/25**

No	Institution	Nature of non-compliance	Sanction details
1	Forex World (Pty) Limited	<p>Failure to conduct CDD in accordance with section 21A and 21C of the FIC Act</p> <p>Failure to submit STR within the prescribed period</p> <p>Failure to update RMCP on ultimate beneficial ownership requirements</p> <p>Failure to provide training to its employees</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>A financial penalty of R100 000 for failure to comply with section 21A</li> <li>A financial penalty of R75 000 for failure to comply with section 21C</li> <li>A financial penalty of R421 452.57 for failure to submit STRs in terms of section 29 within the prescribed time, of which R210 726.28 was suspended</li> <li>A financial penalty of R100 000 for failure to provide training as required under section 43</li> </ul> <p>Directive to revise the RMCP</p>
2	Sasai Fintech (Pty) Limited	<p>Failure to conduct ongoing CDD in accordance with section 21C</p> <p>Failure to adhere to the risk-based methodology in its RMCP in terms of section 42</p> <p>Failure to provide training to its employees</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>R100 000 for failure to comply with section 21C</li> <li>R200 000 for failure to adhere to the risk-based methodology in its RMCP in terms of section 42, of which R100 000 was suspended</li> <li>R100 000 for failure to provide training to employees</li> </ul>
3	Kawena Exchange (Pty) Limited	<p>Failure to identify clients in terms of section 21</p> <p>Failure to keep CDD records in terms of section 22</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>R50 000, suspended for 1 year</li> <li>R75 000, suspended for 1 year</li> </ul>

**Table 16: Sanctions issued by the Financial Sector Conduct Authority in 2024/25**

No	Institution	Nature of non-compliance	Sanction details
1	Mika Finansiële Dienste (Pty) Ltd	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure to identify and verify beneficial owners as required in terms of section 21B of the FIC Act</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>Section 42(1) – R200 000</li> <li>Section 42(2) – R700 000</li> <li>Section 21B – R200 000</li> </ul> <p>Fine payable: R500 000</p> <p>Payment of R600 000 suspended for 3 years</p> <p>Directive to amend defective RMCP</p>
2	Sunlight Financial Services (Pty) Ltd	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure to identify, verify and risk rate clients</p> <p>Failure to provide ongoing training to employees</p> <p>Failure to scrutinise all clients against the TFS list</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>Section 42(1) and 42(2): RMCP requirements – R200 000</li> <li>Section 43: training requirements – R100 000</li> <li>Section 26B and 28A: TFS requirements – R300 000</li> </ul> <p>Fine payable: R300 000</p> <p>Payment of the R300 000 suspended for 3 years</p> <p>Directive to remediate all deficiencies</p> <p>Caution not to repeat the conduct which led to the non-compliance</p>

**Table 16: Sanctions issued by the Financial Sector Conduct Authority in 2024/25 (continued)**

No	Institution	Nature of non-compliance	Sanction details
3	Wealth Portfolio Managers (Pty) Ltd	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure by Director to ensure compliance with the FIC Act</p> <p>Failure to develop CDD measures and processes in accordance with a risk- based approach</p> <p>Failure to screen all clients against the TFS list</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>• R100 000 for non-compliance with the RMCP requirements</li> <li>• R100 000 for non-compliance with the requirement to screen clients against the TFS list</li> </ul> <p>Directive to remediate all deficiencies relating to the RMCP, conduct CDD in accordance with the FIC Act on existing and new clients and screen all outstanding clients against the TFS list</p> <p>A caution not to repeat the conduct which led to the non-compliance</p> <p>A reprimand for non-compliance with the RMCP requirements</p> <p>A reprimand for non-compliance with the CDD requirements</p>
4	Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure to comply with the FIC Act requirements relating to CDD on clients that are legal entities and trusts</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>• R600 000 for non-compliance with the requirement to develop, maintain and implement an RMCP in accordance with the FIC Act requirements</li> <li>• R1 million for non-compliance with the requirement relating to customer due diligence of legal entities and trusts</li> </ul> <p>Fine payable: R1 million</p> <p>Payment of R600 000 suspended for 3 years</p> <p>A directive to review all client files and ensure that beneficial ownership information has been obtained in respect of legal persons and trusts</p>
5	Adams Chrambanis and Associates CC	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act, relating to a client and business risk assessment</p> <p>Failure to comply with the CDD requirements in the FIC Act, relating to conducting of business with fictitious or anonymous clients, risk rating of clients, conducting ongoing CDD, establishing source of funds and conducting business with politically exposed persons</p> <p>Failure by the sole member to implement governance of AML and CFT compliance in accordance with the FIC Act requirements</p> <p>Failure to screen all clients against the TFS list</p>	<p>Financial penalty:</p> <ul style="list-style-type: none"> <li>• R300 000 for non-compliance with sections the RMCP</li> </ul> <p>Directive to remediate the non-compliance relating to risk-rating and screening of clients as well as CDD in accordance with their ML and TF risks and appoint a person with sufficient competence and seniority to ensure the effectiveness of the compliance function</p> <p>A caution not to repeat the conduct which led to the non-compliance</p> <p>A reprimand for non-compliance with the RMCP requirements</p>

**Table 16: Sanctions issued by the Financial Sector Conduct Authority in 2024/25 (continued)**

No	Institution	Nature of non-compliance	Sanction details
6	ID Capital (Pty) Ltd	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure to screen all clients against the TFS list</p>	<p>Financial penalty:</p> <ul style="list-style-type: none"> <li>• R200 000 for non-compliance with the requirement to develop, maintain and implement a RMCP in accordance with the FIC Act requirements</li> </ul> <p>Fine payable: R100 000</p> <p>The payment of R100 000 of the total financial penalty suspended for 3 years</p> <p>Directive to amend the RMCP to be compliant with the requirements set out in the FIC Act in respect of the identification and reporting of terrorist financing activities</p> <p>Directive to ensure that the RMCP is amended in accordance with the FIC Act requirements and approved and signed by the highest level of authority</p> <p>Directive to ensure that all clients are screened against the TFS lists</p>
7	Henk Kolver Investment Management Services CC	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure to screen all clients against the TFS list</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>• R200 000 for non-compliance with the requirement to develop, maintain and implement an RMCP in accordance with the FIC Act requirements</li> <li>• R100 000 for non-compliance with the requirement to screen clients against the TFS list</li> </ul> <p>Fine payable: R150 000</p> <p>Payment of R150 000 of the total financial penalty suspended for 3 years</p> <p>Directive to ensure that the RMCP is amended in accordance with the FIC Act requirements and approved and signed by the highest level of authority</p> <p>Directive to ensure that all clients are screened against the TFS lists</p> <p>A caution not to repeat the conduct which led to the non-compliance</p>
8	Donaldson Global Investments (Pty) Ltd	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure to screen all clients against the TFS list</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>• R100 000 for non-compliance with the requirement to develop, maintain and implement a RMCP in accordance with the FIC Act requirements</li> <li>• R100 000 for non-compliance with the requirement to screen clients against the TFS list</li> </ul> <p>Fine payable: R100 000</p> <p>Payment of R100 000 of the total financial penalty suspended for 3 years</p> <p>Directive to ensure that the RMCP is amended in accordance with the FIC Act requirements and approved and signed by the highest level of authority</p> <p>Directive to ensure that all clients are screened against the TFS lists</p> <p>A caution not to repeat the conduct which led to the non-compliance</p>

### Appeals on sanctions imposed by supervisory bodies

Section 45E of the FIC Act establishes an appeal board to adjudicate on appeals emanating from sanctions issued by the FIC and supervisory bodies for non-compliance with the FIC Act. In 2024/25, appeals were lodged against sanctions imposed by FSCA and the PA, as shown below.

**Table 17: Appeals lodged against sanctions imposed by the Financial Sector Conduct Authority and the Prudential Authority**

No	Supervisory body	Nature of non-compliance	Sanction details
1	FSCA	<p>Failure to properly develop, document, maintain and implement an RMCP as required in terms of sections 42(1) and 42(2) of the FIC Act</p> <p>Failure to comply with the FIC Act requirements relating to CDD on clients that are legal entities and trusts as well as ongoing due diligence</p> <p>Failure to screen all clients against the TFS list</p> <p>Failure to implement governance of AML and CFT compliance in accordance with the FIC Act requirements</p>	<p>Financial penalties:</p> <ul style="list-style-type: none"> <li>• R1 million for technical deficiencies in the requirement to develop, maintain and implement a RMCP in accordance with the FIC Act requirements</li> <li>• R1 million for non-compliance with the implementation of the RMCP, in particular relating to risk rating of clients</li> <li>• R10 million for non-compliance with the FIC Act requirements relating to CDD and beneficial ownership</li> </ul> <p>Fine payable: R8 million</p> <p>Payment of R4 million of the total financial penalty was suspended for 3 years</p> <p>Directive to remediate all technical deficiencies in the RMCP</p> <p>A caution not to repeat the findings as it relates to technical deficiencies of the RMCP</p>
2	PA	Failure to comply with CDD and RMCP obligations	<p>Financial penalty:</p> <ul style="list-style-type: none"> <li>• R25 million, of which R10 million was conditionally suspended for 3 years</li> </ul> <p>A caution not to repeat the conduct which led to the non-compliance, a directive to remediate the non-compliance</p>
3	PA	Failure to comply with record keeping and FIC Directive 5/2019 obligations	<p>Financial penalty:</p> <ul style="list-style-type: none"> <li>• R51.5 million, of which R10 million was conditionally suspended for 3 years</li> </ul> <p>A caution not to repeat the conduct which led to the non-compliance, a directive to remediate the non-compliance</p>
4	PA	Failure to comply with CDD, record keeping, FIC Directive 5/2019, RMCP, training and governance obligations	<p>Financial penalty:</p> <ul style="list-style-type: none"> <li>• R51.5 million, of which R10 million was conditionally suspended for 3 years</li> </ul> <p>A caution not to repeat the conduct which led to the non-compliance, a directive to remediate the non-compliance</p>

The appeal shown below, against a sanction imposed by FSCA was lodged in the previous financial year but, the hearing took place in the 2024/25 financial year. The appeal was dismissed by the FIC Act Appeal Board and FSCA’s decision was confirmed.

**Table 18:** Result of an appeal lodged against a sanction of the Financial Sector Conduct Authority in the previous financial year

No	Institution	Nature of non-compliance	Sanction details
1	Tana Africa Capital Managers (Pty) Limited	Section 42: Deficient RMCP Section 21: Failure to conduct CDD Section 26B: Failure to screen clients against the TFS list	Financial penalties: <ul style="list-style-type: none"><li>• R1 million for non-compliance with section 42(1), 42(2) read with section 21</li><li>• R1.4 million for non-compliance with sections 20A, 21, 21A and 21C of the FIC Act</li><li>• R500 000 for non-compliance with section 28A read with section 26B of the FIC Act</li></ul> Fine payable: R1.9 million Payment of R1 million of the total financial penalty suspended for 3 years Directive to remediate RMCP A caution not to repeat the findings as it relates to technical deficiencies of the RMCP

## SUB-PROGRAMME 2.2:

### **Delivery of intelligence on financial crime and FIC Act-related regulatory services – focusing on the improved production and utilisation of financial intelligence products**

#### **Purpose**

The sub-programme is primarily mandated to produce financial intelligence that typically:

- Identifies crimes and perpetrators
- Identifies assets derived from proceeds of crime
- Provides operational intelligence that assists in decision-making and planning on topical or defined issues
- Provides strategic intelligence that contributes to shaping policy and positions.

This sub-programme provides unique intelligence-based services that entail the analysis, interpretation, and representation of financial information in a manner that can be converted into evidence by law enforcement and prosecutorial services. These services are performed to support law enforcement agencies' efforts to prove crime and involve in-depth planning and co-ordination. The sub-programme also gathers and receives international information through a network of foreign information sources including foreign financial intelligence units.

#### **Strategic outputs**

Sub-programme 2.2 contributes to the following institutional outcomes:

- Financial intelligence reports i.e. proactive and reactive reports issued to stakeholders
- Stakeholder engagements to improve the understanding and use of FIC products and/or services
- Blocked funds involving crime and terrorism.

#### **Performance**

In this sub-programme, the FIC met one and exceeded five of its six targets, during 2024/25. Highlights for the year include:

- Producing a total of 4 196 financial intelligence reports 3 104 reactive reports and 1 092 proactive reports, of which 991 were medium-to-lower priority and 101 were high priority, plus a further 51 reports on illicit financial flows
- Contributing to the recovery of close to R144 million in criminal proceeds
- Blocking R157.5 million (in terms of section 34 of the FIC Act) as suspected proceeds of crime
- Participating in 49 engagements to improve the understanding of FIC intelligence reports and the use thereof
- Bolstering the non-conviction-based confiscation regime through the Asset Recovery Hub
- Enhancing the fight against crime through information sharing partnerships and collaborations such as the Reformed Fusion Centre and SAMLIT.

**Table 19: Outcomes, outputs, output indicators, targets and actual achievements of sub-programme 2.2**

Delivery of intelligence on financial crime and FIC Act-related regulatory services									
Outcome	Outputs	Output indicators		Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Improved the production and utilisation of financial intelligence reports and services to assist in the identification and combating of crime	Financial intelligence reports	2.1.1	Number of proactive high-priority financial intelligence reports issued to stakeholders per annum <sup>1</sup>	144	110	90	101	11	Target exceeded  More matters materialised than expected
		2.1.2	Number of proactive medium to lower priority financial intelligence reports issued to stakeholders per annum <sup>2</sup>	832	1049	750	991	241	Target exceeded  More matters were identified than expected
		2.1.3	Percentage of reactive financial intelligence reports issued to stakeholders <sup>3</sup>	145%	151.66%	Responded to 100% of the requests subject to an annual maximum of 1 850.	167.78%	67.78%	Target exceeded  Team members addressed as many requests as possible  167.78% = 3 104/1 850
		2.1.4	Number of elevated financial intelligence reports issued to stakeholders on illicit financial flows per annum	55	111	40	51	11	Target exceeded  More than anticipated illicit financial flows matters materialised
	Stakeholder engagements to improve the understanding and utilisation of FIC products and/or services	2.2.1	Number of conducted stakeholder engagements to improve the understanding and utilisation of FIC products and/or services per annum	54	50	30	49	19	Target exceeded  Additional opportunities materialised
	Blocked funds involving crime and terrorism	2.3.1	Percentage response to requests to block funds	100%	100%	100%	100%	0	Target achieved 100% (153/153)

<sup>1</sup> Including matters related ML/TF as identified by FATF Action Plan and from the recommendations from the Zondo Commission

<sup>2</sup> Including matters related ML/TF as identified by FATF Action Plan and from the recommendations from the Zondo Commission

<sup>3</sup> Including matters related ML/TF as identified by FATF Action Plan and from the recommendations from the Zondo Commission

“Our focus remains on making a tangible impact in improving the efficiency of the criminal justice system and in recovering proceeds of unlawful activity.”

– Priya Biseswar, executive head of the Monitoring and Analysis division

**17% increase**

**in demand** for financial intelligence products



### Delivering on the rising demand for financial intelligence

As South Africa's financial intelligence unit, the FIC produces various financial intelligence reports following its analysis of regulatory reports and information it receives from accountable institutions.

Where necessary, the financial intelligence reports are submitted to law enforcement, the revenue service, and other competent authorities for use in their investigations, prosecutions and applications for asset forfeiture. The FIC does not itself conduct investigations.

During the year under review, the FIC had to be nimble in responding to a 17 percent increase in demand for its financial intelligence products from competent authorities. In 2024/25 the FIC produced 3 104 reactive reports as compared to 2 654 in the previous year.

The reason for the rising demand for financial intelligence is manifold. Among these was the FATF grey listing requirement for South African law enforcement to proactively increase requests for financial intelligence from the FIC for their money laundering and terrorist financing investigations. The FIC also continued its focused approach to tackling complex money laundering, terrorist financing and other efforts to safeguard the South African economy. Complex money laundering involves sophisticated techniques, which often includes legal entities, professionals, and international trade to obscure beneficial ownership, to disguise the origins of illicit funds and integrate them into the financial system.

In addition, the FIC entrenched its role as facilitator between different role players that assist in the detection, investigation and prosecution of money laundering, and illicit financial flows. This helped improve collaboration and information exchange between stakeholders in the financial crime value chain and forged improved understanding of the potential impact of the FIC's financial intelligence products.

**Figure 2: Producing financial intelligence reports**



During 2024/25  
the FIC produced

**3 104**  
reactive financial  
intelligence reports



During 2024/25  
the FIC produced

**1 092**  
proactive financial  
intelligence reports



The FIC's financial intelligence reports are developed reactively or proactively. Reports that are compiled upon request are called reactive reports. During the 2024/25 financial year, the FIC produced 3 104 reactive financial intelligence reports on request from local law enforcement and other competent authority partners. Of these, there were 60 responses to requests for financial intelligence from financial intelligence units of other countries.

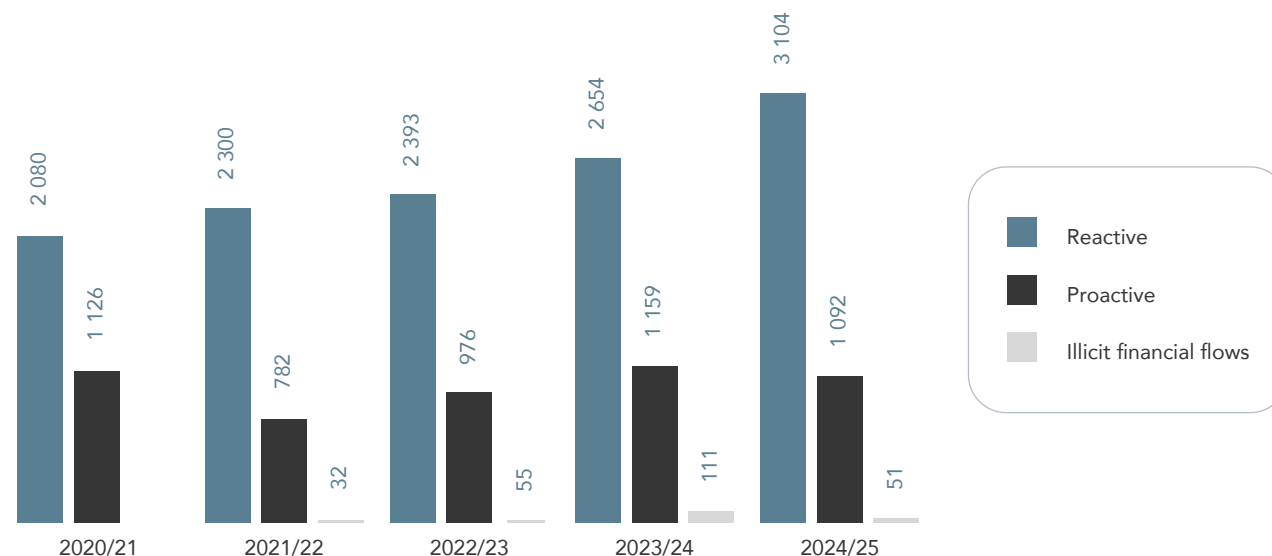
The reports that the FIC produces at its own initiative based on its analysis, are called proactive reports or spontaneous disclosures. The FIC produces such reports where it detects potential illicit activities. During the year under review, the FIC compiled a total of 1 092 proactive financial intelligence reports, of which 991 were medium to low priority and 101 were high priority. A categorisation guide is used to prioritise matters as high or medium-to-low priority. Points allocated consider the extent and complexity of the investigation, monetary value, profile of the perpetrators, and so on.

Proactive reports are crucial in identifying high-priority strategic issues in the country. Included in the total number of proactive reports produced were 23 spontaneous disclosures sent by the FIC to foreign financial intelligence units. A further 51 were reports focused specifically on illicit financial flows. These reports were submitted to law enforcement and other competent authorities in the criminal justice system for investigation.

In addition, the FIC sent 69 requests for information to foreign financial intelligence units.

As complex intelligence matters require substantially more input and more time, the FIC prioritises reports according to factors such as the types of crimes, monetary value involved, the profile of the alleged perpetrator and of the victim, and public interest. In the production of financial intelligence reports, prioritisation positively impacts on success relating to matters of major significance.

**Figure 3: Proactive and reactive financial intelligence reports produced**





## TYPES OF MONEY LAUNDERING

**Third-party money laundering** can be described as the laundering of proceeds by a person who was not involved in the commission of the predicate offence.

**Self-money laundering** can be described as the laundering of proceeds by a person who was involved in the commission of the predicate offence.

**Professional money launderers** are individuals or organisations that specialise in providing services to launder money for others. They may work as individuals, within structured organisations, or in networks, and they often have specialised expertise in placing, layering, and integrating funds.

*Source: FATF*

Throughout the year under review, the FIC continued analysing international funds transfer reports (IFTRS) to detect the electronic illicit cross-border movement of funds. It is important for authorities to understand what and how illicit money is circulating within and across the borders of the country, and if there are any loopholes or gaps exploited to effect illicit financial flows.

The FIC also analysed cash conveyance data i.e. cash declarations made voluntarily by international travellers at ports of entry upon entering or leaving the country. Cash conveyance reporting, by SARS to the FIC, is crucial in helping to detect crime patterns and identify syndicates and cash-related financial crime indicators that could be proactively probed.

Cash conveyance declarations are currently made voluntarily by international travellers via an online system. Reports on cash declarations above the proposed threshold of R25 000 are provided to the FIC by SARS. Reporting will become obligatory upon promulgation of section 30 of the FIC Act.

The FIC's data technologists continued close review of outliers in cash threshold reports and matching them with suspicious and unusual transaction reports. Reports emanating from such analysis assists law enforcement authorities to draw conclusions and set operational priorities regarding money laundering, financing of terrorism, and proliferation financing.

Most of the intelligence reports produced by the FIC in 2024/25 related to the various types of money laundering, fraud, bribery and corruption (Figure 4). There were 2 151 financial intelligence reports produced on money laundering related offences, consisting of 687 on money laundering, 1 131 on self-money laundering, 247 on third-party money laundering, 69 on professional money laundering networks, and 17 on individual professional money launderers.

**Figure 4: Proactive and reactive financial intelligence reports produced by crime type in 2024/25**

	Reactive reports	Proactive reports		Reactive reports	Proactive reports
 Acts against commercial or financial regulations	7	4	 Illegal mining	13	2
 Acts against public administration or regulatory provisions	4	0	 Individual professional money launderers	17	0
 Acts against regulations on betting	4	0	 Kidnapping and hijacking	20	18
 Acts contrary to public revenue or regulatory provisions	32	47	 Money laundering	432	255
 Acts related to an organised criminal group	19	11	 Murder	22	5
 Acts relating to firearms, weapons and explosives and smuggling	8	6	 Narcotics	63	32
 Bribery and corruption	205	110	 Other acts against public safety and state security	16	0
 Child pornography and sexual exploitation of children	0	16	 Professional money laundering network	59	10
 Crimes against humanity	2	0	 Rape and sexual assault	2	0
 Environmental crimes	103	54	 Robbery	25	7
 Crimes against the state	7	6	 Self-money laundering	1 117	14
 Cyber crimes	3	0	 Tax crimes and illicit enrichment	4	4
 Extortion and blackmail	11	1	 Theft and burglary	52	12
 Financing of terrorism and terrorism	241	105	 Third-party money laundering	225	22
 Fraud	249	225	 Violent public disorder offences and other war crimes	4	0
 Human trafficking and modern slavery	2	8	 Other*	136	118

Reactive financial intelligence reports cases (3 104)

Proactive financial intelligence reports cases (1 092)

\* Other, includes criminal acts not elsewhere classified such as acts against the justice system, damage to property, compliance inspections, due diligence requests, strategic intelligence, migration and credit provider sector reports.



## FRAUD, CYBER CRIME

Regulatory reports filed by conveyancers and estate agents indicated that a subject was alleged to be involved in fraud and scam sites. The reports cited property purchases made in cash by Nigerian nationals. Explanations on sources of funds were deemed to be suspicious and included crypto trading, car sales and other sources.

According to records and regulatory reports provided by the banks, the subject was based in Polokwane on a study visa. However, analysis of the regulatory reports and additional information showed that the subject had a Cape Town-based company in which he was registered as the sole director.

The FIC determined that the subject had a personal and business bank account belonging to a company that was registered under his name reflecting large amounts in incoming and outgoing funds, which were inconsistent with his claimed status as a student visa holder.

The regulatory reports also further identified other individuals possibly linked to the subject. The case was referred to the South African Police Service, South African Revenue Service and the financial intelligence unit in Nigeria for further analysis.

## Adding value through strategic financial intelligence

Through financial analysis, the FIC equips South Africa's law enforcement agencies, supervisory bodies, revenue authorities, intelligence services, the South African Anti-Money Laundering Integrated Task Force, and other competent authorities to address complex financial crimes.

The FIC's strategic analysis of the regulatory reports it receives is vital in identifying money laundering, terrorist financing and proliferation financing patterns, trends and *modus operandi* used by individuals, syndicates, criminals and others. By interrogating the data from regulatory reports, the FIC's analysts can identify evolving financial crime trends and methods within a specific sector or in the financial system.

Financial intelligence is shared with a wide spectrum of law enforcement agencies such as Crime Intelligence and Directorate for Priority Crime Investigation of the South African Police Service, the South African Revenue Service, the South African Reserve Bank, as well as other domestic and international stakeholders. The FIC also prepares, when necessary, provincial strategic reports that analyse emerging and prominent crime types per region, including the profiles of suspected perpetrators.

Stakeholders can use the financial intelligence to inform policy decisions within their own organisations and improve collaboration with other stakeholders to identify, disrupt and counter financial crime.

Sharing strategic analysis is important in the pursuit of continuous improvement and meaningful engagement between the FIC and its law enforcement stakeholders and partners. In addition, the FIC conducts awareness sessions for its partners to ensure that the financial intelligence reports are properly understood, and to provide a platform to ask questions and contribute to these reports.

During the year under review, the FIC produced two crime-specific strategic intelligence reports – on money mules and holiday scams – for use by both accountable institutions and partners within the financial crime fighting sphere.

The FIC assessed the inherent money laundering risks related to money mule activities and schemes in South Africa. The report focused on threat patterns and trend information identified through analysis of suspicious and unusual transaction and suspicious activity reports filed to the FIC between August 2016 to July 2023.

The report was produced to assist law enforcement agencies, competent authorities and other stakeholders in identifying instances of suspicious and unusual transaction activity as related to money mules. The money laundering indicators developed from the analysis of reports submitted to the FIC by accountable institutions and other international and domestic sources offer a wealth of information to role players involved in the fight against financial crime.



## CORRUPTION AND MONEY LAUNDERING

An adverse media report published by a South African news agency in July 2024 mentioned that a South African company was involved in a R570 million corruption scandal in Zimbabwe. The company and a Zimbabwean citizen acting as its agent in that country were being investigated by Zimbabwe's anti-corruption authority for price gouging\* on election-related material and equipment.

The company had been awarded a tender from the Zimbabwean Electoral Commission to supply ballot papers, biometric voter registration kits and portable toilets. Leaked documents in Zimbabwe suggested that the company had inflated the price of these items, while its Zimbabwean partner made payments to unknown government officials.

The FIC received regulatory reports from South African banks highlighting suspicious transactions involving South African bank accounts linked to the company and its agent. Analysis of these reports revealed:

- The company received over R1 billion from the Zimbabwe Ministry of Finance and Economic Development. More than R800 million had been transferred from the company to the business bank accounts of the agent.

- Analysis of the agent's business bank account revealed significant payments to the agent's personal and other business bank accounts, including that of a foreign national. Payments of approximately R36 million were seen to have been made from the personal bank account of the agent, seemingly towards motor vehicle purchases.
- Furthermore, another business bank account linked to the agent received two large payments amounting to R156 million from the Zimbabwe Ministry of Finance and Economic Development. Following these payments, large amounts were immediately transferred to other businesses, including those of the agent.

The rapid movement of funds through the bank accounts of the agent raised suspicions, as this was indicative of possible layering of funds. The possibility that the funds may have been derived from proceeds of the alleged criminal activity could also not be ruled out.

The FIC provided vital information to the law enforcement agencies and the financial intelligence unit in Zimbabwe. Investigations into this matter are ongoing.

- \* Price gouging refers to the act or instance of excessively increasing prices or charging high prices to customers for goods or services when demand is high, and supplies are limited.

The FIC also analysed available data sets from regulatory reports it received from accountable institutions to identify the methods, trends, and patterns of suspicious transactions and red flags or indicators associated with holiday scams.

The report explored various categories of holiday scams and highlighted some indicators of possible criminality for public awareness. The report also offers tips on how to avoid falling victim to scammers.

The FIC also produced strategic intelligence reports for the use by law enforcement agencies, accountable institutions, supervisory bodies, and other competent authorities. This information assists with decision-making, supports resource allocation, promotes domestic and international co-operation and raises public awareness of the risks associated with money laundering, terrorist financing, and proliferation financing.



## BLOCKING AND FREEZING FUNDS

The FIC has the power to block or freeze funds that are suspected to be the proceeds of crime. It can use a section 34 directive to instruct an institution not to proceed with a transaction for a period of 10 working days. This allows the FIC to make the necessary enquiries concerning the transactions and, where necessary, to inform and advise an investigating authority or the National Director of Public Prosecutions.

The FIC also shares this information with the AFU, which can seize and take control of the funds if necessary. During 2024/25, the FIC blocked more than R157.5 million as suspected proceeds of crime and issued 164 section 34 directives.

## SECTION 27A OF THE FIC ACT

Section 27A of the FIC Act, introduced in the FIC Act's 2017 amendments, authorises a representative of the FIC to access records kept by or on behalf of an accountable institution in terms of sections 22, 22A or 24 of the FIC Act, on authority of a warrant issued by a magistrate or judge.

The FIC Act authorises the FIC to gain lawful access to financial records of via a warrant. The AFU may use this evidence to apply for the preservation of the schemes' proceeds. The SAPS can use the evidence to investigate, arrest and charge perpetrators.

The FIC blocked >

**R157.5**

million as suspected  
proceeds of crime

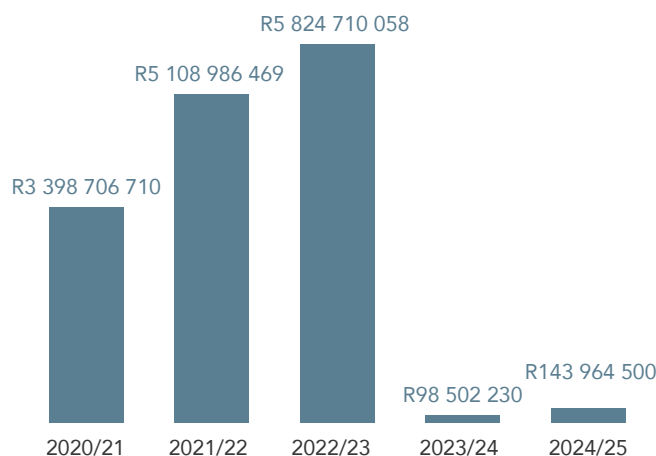


## Blocking and recovering funds

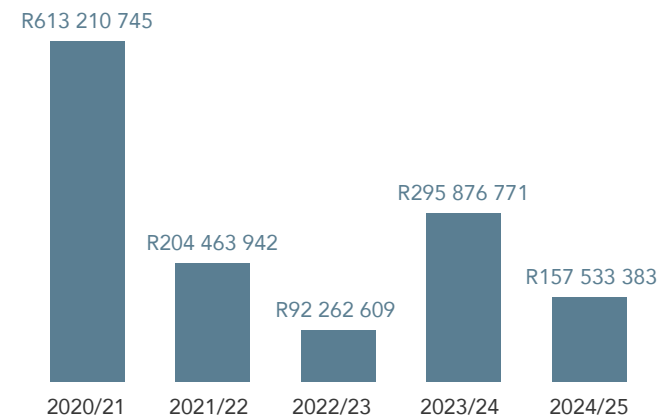
The statistics in Figure 5 show how the FIC's intelligence reports led to the recovery of monies and assets, and bringing criminals to justice. Proceeds of crime recovered in cases where the FIC's financial intelligence was used approximated R144 million. Importantly, the FIC has no control over recoveries as these depend on the facts associated with each criminal matter.

When receiving requests or information to institute its powers in terms of section 34 of FIC Act, the FIC must evaluate and verify the request or information to ensure that substantiating proof exists to justify the block. The FIC subsequently needs to liaise with relevant role players in the value chain to confirm the facts of the matter and ensure that factual support or proof exists to justify the issuing of a section 34 directive.

**Figure 5: Value of proceeds recovered in cases where the FIC's financial intelligence was used**

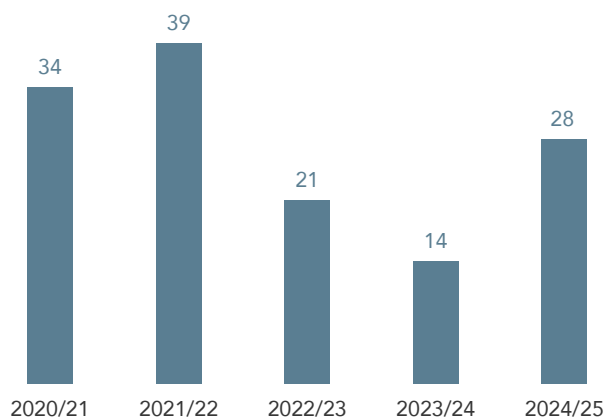


**Figure 6: Value of suspected crime proceeds frozen in terms of section 34 of FIC Act**



Enquiries are done with the respective institution(s), followed by feedback received, which is evaluated against evidence to support the issuing of a section 34 directive or to advise that due to dissipation of funds a directive could not be issued.

**Figure 7: Number of court affidavits produced contributing to judicial actions**



## ASSET RECOVERY

The term **asset recovery** refers to the process of identifying, tracing, evaluating, freezing, seizing, confiscating and enforcing a resulting order for, managing, and disposing of (including returning or sharing), criminal property and property of corresponding value.

Source: FATF

## Asset Recovery Hub

In November 2023, the FIC launched the Asset Recovery Hub (ARH) as a pilot programme to expedite the recovery of assets acquired through suspected unlawful activities such as corruption, fraud, tax evasion, and money laundering.

The initiative was launched under the auspices of the Anti-Financial Crime Coalition (AFCC) which is made up of the FIC, DPCI, NPA, the AFU and the National Prosecuting Service.

The original aims of the coalition were to enhance co-ordination and collaboration on high-priority financial crime, money laundering and terrorist financing cases. This is achieved through the development of impactful financial intelligence reports, facilitating access to systems and data, and implementing a comprehensive training programme for coalition members.

During the 2024/25 financial year, the coalition placed greater impetus on asset recovery as an extra weapon in South Africa's financial crime fighting arsenal further bolstering the non-conviction-based confiscation regime. Non-conviction-based confiscation is a legal mechanism allowing authorities to seize assets derived from criminal activity without requiring a prior criminal conviction.

Initially the hub focused on converting financial intelligence reports from the FIC into admissible, legal evidence to facilitate asset forfeiture applications. The FIC plays a pivotal role in the Asset Recovery Hub, serving as the primary source of intelligence reports that to be converted into actionable evidence through collaborative investigations.

The AFU, SAPS and the FIC have allocated permanent resources to the Asset Recovery Hub, which is located at the FIC's offices. In addition to the function of identifying suitable suspicious and unusual transaction reports, providing intelligence reports, and other investigation-related services to the hub, the FIC also provides secretariat services.

The objectives of the hub include converting proactive financial intelligence reports into evidence that is admissible in court for purposes of asset recovery in terms of Chapter 5 and Chapter 6 of the Prevention of Organised Crime Act (POC Act).

Chapter 6 of the POC Act addresses the civil recovery of property, specifically focusing on the forfeiture of assets that are either the proceeds of unlawful activities or were used in the commission of a crime. This chapter allows for the state to seize and forfeit property without needing to prove criminal wrongdoing beyond a reasonable doubt in the same way as a criminal trial.

The Asset Recovery Hub is also aimed at fast-tracking matters towards asset recovery where the risk of assets being dissipated is high – including the monitoring and co-ordinating of matters forwarded to the regional hub. The analysis capabilities within the respective law enforcement agencies will continuously support prioritised investigations.

Working closely with the Asset Forfeiture Unit in the National Prosecuting Authority, and with the support of law enforcement partners, the hub initiated 11 investigations which resulted in the recovery of more than R33 million in proceeds of crime.

On 16 November 2023, FATF amended Recommendation 4 which required countries to place stronger emphasis on asset recovery and to periodically review their confiscation policies and operational frameworks.

The establishment of the Asset Recovery Hub also contributed to addressing Immediate Outcome 8 in South Africa's action plan to exit the FATF grey list. The action item required South Africa to "enhance its identification, seizure and confiscation of proceeds and instrumentalities of a wider range of predicate crimes, in line with its risk profile".



## VAT FRAUD

The FIC received a request for information, indicating that SARS had paid a VAT refund of R3 370 705.86 into the bank account of Company A. This was found to be a fraudulent VAT refund claim.

Analysis of bank statements indicated that shortly after the VAT refund had been paid into Company A's bank account, two large electronic transfers were made to accounts of two separate entities, Company B and Company C. Analysis of Company A's account showed that apart from the two disbursements to companies B and C, and a further VAT related debit, there were negligible credits in the bank account. This raised questions on what business activity was related to the VAT that was claimed, as there was no business activity reflected on the account.

SARS requested the FIC to freeze the amount of R1 685 000 which had been transferred to Company B's bank account. Analysis of Company B's account showed that other than the transfer from Company A, there were no other credits into this account. The account reflected a credit balance of R1 685 269.61, of which an amount of R1 685 000 was the direct proceeds of the transfer from Company A. SARS had retrieved the funds that had been paid into Company C's account.

Using a section 34 directive, the FIC instructed the bank to freeze the Company B account, and a preservation order was obtained for the frozen funds.

## Providing specialised forensic support

Born out of South Africa's pressing need for forensic capabilities to tackle complex and high-priority financial crimes, the Shared Forensic Capability (SFC) division was established within the FIC in May 2023.

The purpose of the SFC is to provide forensic service support to law enforcement, revenue authorities, intelligence services, and other competent authorities in terms of section 40 of the FIC Act. Forensic support includes specialised resources in forensic accounting, analysis and reporting, as well as producing forensic evidence and presenting such evidence in court.

The SFC provides an overarching capability to partners within South Africa's financial crime fighting ecosystem including the Directorate for Priority Crime Investigation (DPCI), Special Investigating Unit (SIU), South African Revenue Service (SARS), and National Treasury.

In its first year in operation, much of the SFC's focus was on laying the foundation through resourcing, developing the operating model and governance charter, as well as implementing a case management system. The SFC did this while enrolling matters, as well as issuing affidavits and forensic reports. The affidavits support agencies such as the AFU, SIU and SARS to obtain court orders to confiscate the proceeds of crime.

In the period under review, the SFC division stepped up a gear in building its human resource capacity, fostering relationships in the criminal justice value chain, and playing a critical role in safeguarding South Africa's economy. To that end, the SFC produced tangible results during the 2024/25 financial year, contributing to asset recoveries to the value of R14.37 million, enrolling 14 cases for forensic analysis and issuing 11 forensic products.

The unit has taken positive strides towards cultivating a highly qualified workforce equipped with the necessary skills to help law enforcement in identifying, preventing, and mitigating financial crimes through forensic investigations. These skills include forensic analysis, financial profiling, and the use of advanced analytical tools.

The FIC invested in technological advancements to help streamline the SFC's workflows, enhance collaboration, and improve overall efficiency.

SFC employees analyse and convert raw information collected from the regulatory reports the FIC receives from accountable institutions, as well as data from official records and publicly available open-source information into useful intelligence. Complex financial crimes would often require forensic techniques such as bank statement analysis, forensic auditing, financial flow analysis, and offender profiling.

The unit has further been bolstered by onboarding eight permanent employees while the Banking Association South Africa has funded three graduate positions. Three more graduate positions have been approved from within the FIC.

As the central hub for forensic service support in South Africa, the SFC is by its very nature geared to facilitate collaboration between members of its steering committee – the DPCI, NPA, SIU, SARS, National Treasury – and other competent authorities.

The spirit of co-operation was further formalised with the introduction of a five-week onboarding training programme for the dedicated capability counterparts. Through the training the SFC demonstrated and discussed analysis processes. Other dedicated agencies reciprocated by demonstrating and discussing their respective processes to encourage synergy when dealing with complex and high-priority financial crime cases.

The SFC also conducted extensive awareness sessions with various law enforcement agencies from across the country on the capability's place in providing financial forensic evidence, and the lines of communication.

Casting its net wider, the SFC hosted workshops as an introduction to various stakeholders, eliciting their expertise and opinions on a range of topics, including financial crime, and money laundering typologies.

“Our vision is to grow the SFC into a centre of excellence with an overarching capability to tackle high-priority cases and bring about a drastic reduction in serious financial crime in South Africa.”

- Pieter Alberts, acting executive head for the Shared Forensic Capability division

In the previous financial year, the SFC entered into a co-operation agreement with the Business School of North-West University. In effecting the agreement, the SFC leveraged the expertise of the university's Business Schools Unit for Corruption and Integrity Studies during 2024/25.

#### **Collaboratively gathering and sharing financial information**

An integrated, collaborative approach to the gathering and sharing of information and data is key to safeguarding the country's financial system. For this reason, the FIC plays a leading role in national initiatives, such as the Reformed Fusion Centre and the South African Anti-Money Laundering Integrated Task Force (SAMLIT).

Composed of multi-disciplinary role players, these initiatives focus on the timeous sharing of financial and other information to expedite the prevention, detection, investigation and resolution of criminal matters. At its core, these initiatives are premised on the effective use of financial intelligence provided by the FIC.

#### **South African Anti-Money Laundering Integrated Task Force Membership**

Established in December 2019 by the FIC, SAMLIT is a public-private financial information sharing partnership with domestic and international banks registered in South Africa, the South African Banking Risk Information Centre and The Banking Association South Africa and regulatory authorities including the FIC, and SARB's Prudential Authority and Financial Surveillance department.

#### **Purpose**

SAMLIT's formation is in step with the approach taken by financial intelligence units across the globe. This entails creating public-private partnerships, thereby building trust and enhancing the fight against financial crime. These partnerships are geared towards sharing financial information and improving the quality of the information exchanged.

SAMLIT's steering committee, which is chaired by the Director of the FIC, oversees the implementation of the partnership's strategic objectives and operational priorities.

Partners are drawn together on a case-by-case basis, which enables them to quickly identify and share details that can be analysed and passed on to law enforcement and prosecutorial authorities for investigation and asset forfeiture.

Through its work, SAMLIT identifies specific types of activities and behaviour associated with different types of crimes. These typologies are intended to increase knowledge on and possibly pre-empt some types of criminal behaviour.

SAMLIT shares knowledge mainly via meetings and webinars, and reports compiled by expert working groups.

#### **SAMLIT operational arrangements**

Various specialised groups, namely expert working groups and tactical operations groups, operationalise the work of SAMLIT.

#### **Tactical operations groups**

The role of SAMLIT tactical operations groups (TOGs) is to deal with unfolding crime swiftly and strategically. Made up of the FIC, various representatives of law enforcement and the banking sector, TOGs deal with matters where there is an intersect between the banking sector and crime.

During 2024/25, nine TOGs supported investigations by providing financial intelligence on matters related to the illicit drugs trade, illegal wildlife trade, illicit financial flows, fraudulent tax refunds and corruption. Successes achieved by various TOGs during 2024/25 include those mentioned in the case studies in this report.

A TOG was formed to address suspected fraud and complex money laundering, where criminal syndicates targeted a government fund. In four separate incidents, 42 bank accounts were identified to have received proceeds of crime.



## REFORMED FUSION CENTRE PRIORITY AREAS

**Corruption at all levels** – The investigation and prosecution of corrupt individuals and entities in public and private sectors. Recovering proceeds of crimes.

**Foreign bribery cases** – In compliance with international anti-corruption conventions and agreements.

**Money laundering** – Targeting and disrupting money laundering activities. Working closely with financial institutions to identify and prosecute those involved.

**Pattern of racketeering activity\*** – Investigating and dismantling organised criminal networks engaged in pattern racketeering activities such as drug trafficking, human trafficking, and other organised crimes.

**Proliferation financing** – Identifying and combating the financing of proliferation activities, especially those associated with weapons of mass destruction or other significant security threats.

**Terrorist financing** – Collaborating with relevant structures to detect and prevent the financing of terrorism, ensuring compliance with international counter-terrorism measures.

\* Pattern of racketeering activity is defined in the POC Act as a planned, ongoing, continuous, or repeated involvement in a series of criminal offences, including at least two that occurred within a 10-year period and are related. These offences must be listed in Schedule 1 of the POC Act, which includes a wide range of crimes like corruption, fraud, extortion, and murder.

The FIC issued section 34 directives on these accounts securing approximately R18 million while the Asset Forfeiture Unit (AFU) obtained preservation orders to secure these funds.

The speedy assistance of the banks in these matters was critical in tracking and securing the transactional flows of the proceeds of crime which were layered through multiple bank accounts.

Another TOG was formed to disrupt the operations of suspected pyramid and work-from-home schemes which contravened the Consumer Protection Act. The AFU obtained preservation orders on 24 bank accounts identified by the FIC and the National Consumer Commission for suspected use in the unlawful schemes. Approximately R4.4 million was secured in these bank accounts.

### Reformed Fusion Centre

At its inception in May 2020, the initial focus of the Fusion Centre was on investigating and prosecuting the misappropriation of funds set aside by government for social and economic relief during the COVID-19 pandemic.

In March 2023, the Fusion Centre began operating under a revised mandate, as approved by the National Priority Crimes Operational Committee (NPCOC). The multi-disciplinary hub has since been renamed as the Reformed Fusion Centre (RFC) to reflect its amended mandate.

Consequently, the focus shifted from investigations related to the misappropriation of funds allocated for COVID-19 disaster relief, to national priority crimes. The unit will continue to play a key role in finalising the remaining COVID-19 related cases.

The Reformed Fusion Centre is tasked with establishing an intelligence-driven platform and support mechanism dedicated to addressing illegal financial flows, money laundering and terrorist financing through collaboration among relevant agencies in South Africa.

The unit operates in alignment with focused and prioritised case selection criteria and is committed to fulfilling South Africa's international obligations by effectively addressing and responding to serious and national priority crimes.

### Membership

The Reformed Fusion Centre is a public-public crime-fighting alliance established by the Anti-Corruption Task Team, now known as the NPCOC, this multi-disciplinary initiative provides a national hub for dealing with matters related to corruption, fraud, abuse of power and maladministration in all regions and provinces of South Africa.

Collaborating institutions include the SFC, NPA, Investigating Directorate against Corruption (IDAC), AFU, SIU, SARS, DPCI, SAPS' Detectives and Crime Intelligence, the National Intelligence Co-ordinating Committee and the State Security Agency. Each entity operates within its own mandate and brings to the hub its expertise and experience.

As a provider of financial intelligence and financial support, the FIC plays a pivotal role in the Reformed Fusion Centre. Collaborating entities use the FIC's financial intelligence for their investigations and applications for forfeiture of assets. In this way, South Africa applies resources for parallel financial investigations alongside traditional criminal investigations into money laundering, terrorist financing and/or related offences.

#### Achievements

The collective work of the Reformed Fusion Centre resulted in the identification of fraud in the COVID-19 Temporary Employer/Employee Relief Scheme offered by government, and other related financial crimes. Some of the cases under the purview of the Reformed Fusion Centre since inception have been complex commercial crimes, involving networks of organised criminal syndicates. Four new cases were registered during the year under review.

The Reformed Fusion Centre is currently monitoring 35 cases related to COVID-19 matters that are in court while 68 cases are still at various phases of investigation.

The Reformed Fusion Centre focuses primarily on matters related to combating money laundering and terrorist financing. Of the 562 currently registered cases, 363 are under investigation, 100 are in court while 52 have been finalised resulting in guilty verdicts and 31 were closed. Five money laundering cases linked to COVID-19 are at various stages of investigation by the DPCI while one is in court.

Four foreign bribery cases were registered in partnership with the Organisation for Economic Co-operation and Development Foreign Bribery Working Group. Of these, two are under investigation, another is awaiting a prosecution decision. A fourth case is now being investigated for corruption as foreign bribery could not be proven.

#### Summary of the Reformed Fusion Centre's work

Matters registered  
with the Reformed  
Fusion Centre

**562**



**10**

acquittals



**363**

cases under  
investigation



**100**

cases in court

No of accused  
sentenced

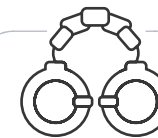
**51**

entities



**59**

natural  
persons



**52**

convictions obtained  
and

**31**

cases  
closed



## CORRUPTION

A municipality appointed a service provider, allegedly without the proper procurement procedure being followed.

Analysis showed that the service provider received payment but, the funds were used in ways that did not indicate any services or products had been purchased to fulfil the contract.

Other inflows were noted which may have been linked to other municipalities.

### Projects under investigation

Of the 562 universal cases, four main projects involving complex money laundering have been identified and approved by the NPCOC (National Priority Crime Operational Committee). Following a project-driven methodology, teams are designated to combat, prevent and investigate national priority offences or threats posed by a criminal group or syndicate.

### Money remitter operational task team

The task team convened bimonthly, and with discussions focusing on the identification of red flags and new trends. Several best practices were introduced, highlighting the need for information sharing among the members.

The sessions continued with the membership expanded to authorised dealers such as banks. During the previous financial year, the task team reported increased participation by law enforcement agencies as they draw insight from the red flags and trends presented by the FIC and money remitters.

### Domestic memoranda of understanding

The use and value of the FIC's intelligence products depend on the development and maintenance of strong partnerships with stakeholders who understand how these products can be used to help detect crime and support investigations. For this reason, the FIC enters into partnership with various domestic institutions and foreign partners via memoranda of understanding.

The FIC has 42 MoUs with domestic institutions which commit both parties to working together to ensure that the financial system is safe, stable and sustainable for all citizens.

### Stakeholder engagements

The FIC's reputation depends on the integrity, accuracy and reliability of financial intelligence it provides. In turn, the quality of financial intelligence the FIC produces are directly linked to the quality of reports received from accountable institutions.

The value of financial intelligence produced by the FIC is punctuated by its ability to assist law enforcement agencies and other competent authorities in asset recovery and conducting successful investigations to gather evidence for court proceedings.

The financial intelligence helps identify and track criminal proceeds, ultimately contributing to the recovery of stolen assets and helping to remove profitability from crime. The FIC evaluates how the financial intelligence reports it disseminates to stakeholders in the anti-financial crime ecosystem is used in support of investigations, prosecutions, and asset forfeiture.

To mitigate the risk of financial intelligence not being used, the FIC has undertaken actions to assist these stakeholders in understanding the financial intelligence products and how to effectively use it.

To that end, the FIC held 49 domestic stakeholder engagements against a target of 30 on the use of financial intelligence during 2024/25. Through these engagements, aimed mostly at law enforcement agencies, the FIC contextualised its mandate, and improved the understanding and use of its intelligence reports and related intelligence services.



## MONEY LAUNDERING

An investigation by the police led to the conviction of an individual on money laundering charges and the significant seizure of including luxury vehicles and substantial sums of money.

The FIC identified proceeds of unlawful activity following a financial flow analysis. This analysis resulted in section 34 interventions, effectively freezing several bank accounts linked to alleged illicit activity.

Approximately R1.4 million was blocked across multiple accounts. Further analysis revealed the purchase of several high-value vehicles, allegedly acquired with the laundered funds. Subsequently, an affidavit was deposited in support of the seizure of the vehicles under the Prevention of Organised Crime Act. Three luxury vehicles valued at a total of R1.6 million were seized.

Following the asset seizures, the FIC deposited to an affidavit leading to the registration of a criminal case for prosecution, focusing on charges related to money laundering. The FIC testified regarding the elaborate financial transactions that were uncovered which ultimately resulted in the individual's conviction. The testimony detailed the flow of funds, connecting the unlawful activity to the identified assets.

### Combating illegal movement of money across borders: Inter-Agency Working Group on Illicit Financial Flows

During the reporting period, the FIC continued to chair and provide secretariat support to the Inter-Agency Working Group on Illicit Financial Flows (IAWG: IFFs) which was established in 2017/18 to counteract the illegal movement of money out of South Africa.

There are nine different government bodies involved in this working group: FIC, SARS, SARB's PA and Financial Surveillance department, DPCI, SAPS, FSCA, AFU, NPA and SIU as well as any additional agency, upon invitation.

Through the work of the IAWG: IFFs, South Africa can identify, counter and eradicate illicit financial flows adequately, making it more difficult for criminals to exploit systemic weaknesses. The working group has, throughout the years, assisted law enforcement agencies in disrupting criminal activities, freezing assets and recovering monies. It also developed a cash declaration system and improved physical searches on cross-border goods and luggage to deter and mitigate against the threat of cash couriers in the country.

The framework further considers how to promote coherence in combating illicit financial flows through formal institutional mechanisms such as inter-agency bodies for co-ordination and discussion of policies within government or for liaison with non-government partners thereby enabling inter-agency co-operation.

The IDWG: IFFs is currently monitoring 10 cases of which two are in court. In addition, the working group has made considerable progress in the identification of illegal money

and value transfer services cases. Since September 2024, a cash declaration system has been rolled out in all ports of entry for sea, air and land by SARS.

Since inception, the working group has recovered R538.7 million up to 31 March 2025.

### First court order issued to help in fight against terrorist financing

In February 2025, South Africa issued its first court order in terms of section 23 of the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004) (POCDATARA Act).

Section 23 primarily deals with the freezing of terrorist-related property by an application to court for a freezing order. This is the first such freezing order since the amendment of the POCDATARA legislation in 2022. The notice was published on the targeted financial sanctions page on the FIC's website.

The South Gauteng High Court issued the prohibition upon two individuals and two entities (the designated persons). Accountable institutions must apply a "freeze" on the property of the designated persons held by them in terms of the POCDATARA Act and immediately comply with terrorist property reporting requirements in terms of section 28A of the FIC Act.

“As South Africa’s financial intelligence unit, the FIC’s domestic and international partnerships are geared to strengthen the country’s ability to fight financial crime.”

– Pieter Smit, executive head for the Legal and Policy division

### SUB-PROGRAMME 2.3:

#### **Delivery of intelligence on financial crime and FIC Act-related regulatory services – focusing on the AML and CFT framework**

##### **Purpose**

The sub-programme administers the FIC Act and provides advice on matters of strategy and policy relating to money laundering and financing of terrorism. It also engages on behalf of South Africa with international and regional inter-governmental bodies, which formulate and promote policies on combating money laundering and financing of terrorism and that set standards on these matters for countries.

##### **Strategic outputs**

Sub-programme 2.3 contributes to the following institutional strategic outcomes:

- Support to ESAAMLG member countries to improve compliance with international standards
- Policy and legislation that is aligned with international standards.

##### **Performance**

During 2024/25, the FIC achieved three of its four targets under this sub-programme.

Highlights for the year include the following:

- The FIC contributed to South Africa’s collective effort to strengthen the effectiveness of its AML and CFT regime and resolve deficiencies identified in the FATF mutual evaluation
- The FIC gave effect to all the United Nations Security Council targeted financial sanctions within 24 hours of the designations being made
- A FIC case study was included in the 2024 Best Egmont Case Award publication
- The FIC issued Directive 9 related to the travel rule for accountable institutions that engage in crypto asset transfers aligning with global AML and CFT standards
- Responded 100 percent to requests for technical assistance from ESAAMLG member countries.

**Table 20:** Outcomes, outputs, output indicators, targets and actual achievements of sub-programme 2.3

Delivery of intelligence on financial crime and FIC Act-related regulatory services									
Outcome	Outputs	Output indicators		Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Continuous improvement in the effectiveness of legal and institutional AML/CFT frameworks	Support to countries within the ESAAMLG region to improve compliance with international standards	3.1.1	Percentage response to requests for technical assistance from countries within the ESAAMLG region	100%	100%	Responded to each request for technical assistance	100%	0	Target achieved  100% (3/3)
	Effective and efficient operating environment	3.2.1	Number of policymaking Activities attended within regional and intergovernmental organisations per annum	Attended and participated in FATF meetings (6) and ESAAMLG meetings (2)	6 FATF and 1 ESAAMLG	Attended and participated in 6 FATF meetings and 2 ESAAMLG meetings	6 FATF, 2 ESAAMLG	0	Target achieved
		3.2.2	Timeous implementation of UNSC targeted financial sanctions	All 96 UNSCR designations were effected on the FIC TFS website within 24 hours of the designations made by the UNSC	All 169 UNSC sanctions regime amendments took place on the UNSCR consolidated list of TFS	New UNSC designations and changes to existing UNSC designations implemented within 24 business hours of changes being made to the UNSC Consolidated List <sup>4</sup>	All 30 new UNSC designations and changes to the existing UNSC designations were implemented within 24 business hours of changes being made to the UNSC consolidated list	0	Target achieved

<sup>4</sup> Implementation of UNSC targeted financial sanctions are done on a case-by-case basis. Each new UNSC designation and each change to existing UNSC designation is implemented within 24 business hours of the changes being made to the UNSC consolidated list.

**Table 20:** Outcomes, outputs, output indicators, targets and actual achievements of sub-programme 2.3 (continued)

Delivery of intelligence on financial crime and FIC Act-related regulatory services									
Outcome	Outputs	Output indicators		Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2024/25	Reasons for deviations
Continuous improvement in the effectiveness of legal and institutional AML/CFT frameworks	Effective and efficient operating environment	3.3.1	Monitoring policy implementation pursuant to Money Laundering/ Terror Financing/ Proliferation Financing (ML/TF/ PF) NRA	N/A	Not achieved	Report to AML/CFT IDC on implementation of policies emanating from the ML/TF/PF NRA Q2 and Q4	Q4 report on the implementation of policies emanating from the ML/TF/PF NRA was delivered to AML/CFT IDC in Q4	Q2 report on the implementation of policies emanating from the ML/TF/PF NRA was not delivered to AML/CFT IDC	Target not achieved
									Due to the half-year period being too short to generate sufficient data to develop a report by Q2 and the synchronisation with the schedule of AML/CFT IDC meetings, a report could not be generated within Q2 for submission to the AML/CFT IDC
									The Q2 draft content was subsequently included as in the report submitted in Q4

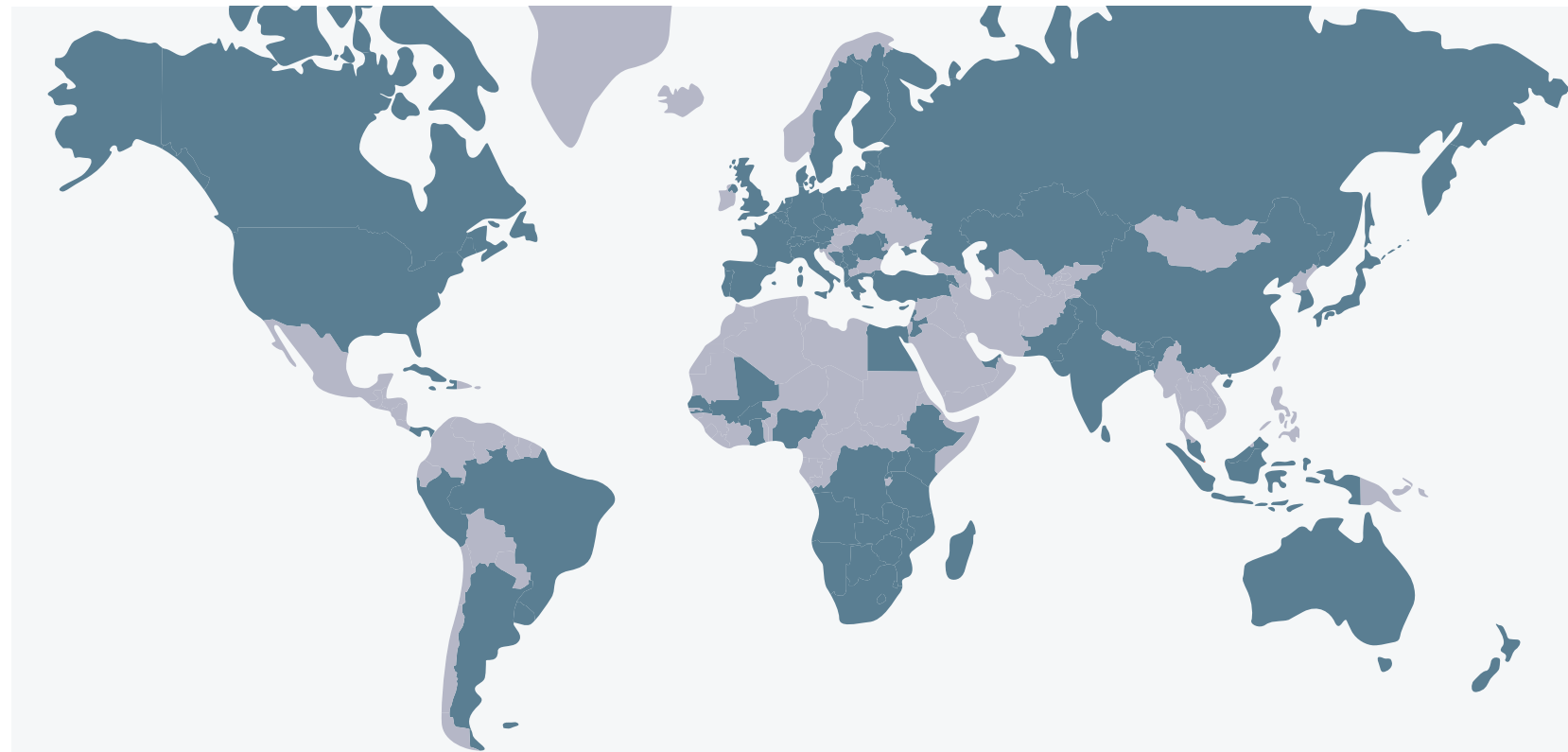
## Broadening international collaboration

South Africa is part of a global network of countries working to prevent money laundering and to combat financing of terrorism. The country is a member of FATF and ESAAMLG, and the FIC is a member of the Egmont Group of Financial Intelligence Units (Egmont Group) and various regional bodies across the globe.

As South Africa's financial intelligence unit, the FIC leads the South African delegation to ESAAMLG while it is a member of the country's delegation to FATF, led by National Treasury.

The FIC signs MoUs with peer financial intelligence units in other countries. These MoUs are geared at improving international co-operation and information sharing, thus strengthening South Africa's capability for assisting and requesting assistance from international partners in combating financial crime.

In 2024/25, the FIC had in place 102 memoranda of understanding with the financial intelligence units across the globe.



<b>A</b> Albania Angola Anguilla Argentina Armenia Australia	<b>D</b> Curaçao Cyprus Czech Republic Democratic Republic of Congo Denmark	<b>H</b> Hong Kong <b>I</b> India Indonesia Isle of Man Israel Italy	<b>M</b> Madagascar Malawi Malaysia Mali Malta Mauritius Moldova Monaco Montenegro Mozambique	<b>Q</b> Qatar <b>R</b> Romania Russia Rwanda <b>S</b> San Marino Senegal Serbia Seychelles Singapore Sint Maarten Slovenia South Korea Spain Sri Lanka Sweden Switzerland	<b>T</b> Tanzania Togo Trinidad and Tobago Türkiye Turks & Caicos Islands <b>U</b> United Arab Emirates Uganda United Kingdom Ukraine United States of America Uruguay <b>V</b> Vatican City State <b>Z</b> Zambia Zimbabwe
<b>B</b> Bahamas Bahrain Bangladesh Belgium Bermuda Botswana Brazil Burkina Faso	<b>E</b> Egypt Eswatini Ethiopia <b>F</b> Fiji Finland France <b>G</b> Germany Ghana Gibraltar Greece Guatemala Guernsey	<b>J</b> Japan Jersey Jordan <b>K</b> Kazakhstan Kenya <b>L</b> Latvia Lebanon Lesotho Liechtenstein Lithuania Luxembourg	<b>N</b> Namibia The Netherlands New Zealand Nigeria <b>P</b> Pakistan Panama Peru Poland Portugal		
<b>C</b> Cabo Verde Canada Cayman Islands China Cuba					

**Figure 8:** The FIC has signed memoranda of understanding with 102 countries



## DOMESTIC AND FOREIGN AGENCIES STYMIE CROSS-BORDER FINANCIAL CRIME

The Zimbabwean financial intelligence unit (FIU) alerted the FIC in South Africa about alleged fraudulent financial transactions of a Zimbabwean company that was purchasing agricultural products from a South African company.

The Zimbabwean company paid more than R26 million into the account of the criminals through a business e-mail compromise attack. The 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.

From its analysis the FIC identified that the suspects had accounts with banks in South Africa 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. The North West High Court granted the forfeiture orders 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. Both the criminal and financial investigations are ongoing because of the mutual legal assistance between South Africa and Zimbabwe.

*Source: FIC media release*

## Eastern and Southern Africa Anti-Money Laundering Group

The FIC provides support to member countries of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) to improve compliance and alignment with international standards.

ESAAMLG objectives are to implement the 40 Recommendations of FATF, apply anti-money laundering measures, implement measures to combat the financing of terrorism, and any other related measures.

The FIC co-operates with ESAAMLG countries on helping to stem cross-border criminal activities. It provides co-operation relating to exchange of information and other financial intelligence unit operations.

Most requests for assistance come from counterpart financial intelligence units in the region. As part of its obligations, the FIC responds to requests received from other FIUs where they are acting on behalf of their domestic institutions.

In some instances, the FIC brings authorities from requesting countries in contact with South African colleagues including supervisory bodies, investigating and prosecuting authorities, for a broader exchange of information and experiences that will benefit those authorities.

### Hands-on technical assistance

The systems and policies for combating money laundering and financing of terrorism in countries in the region are still at various developmental stages. Several ESAAMLG member countries are putting in place policies and building institutional capacity to implement anti-money laundering and combating of terrorist financing measures consistent with standards set by international bodies. In light of this, most technical support requests in 2024/25 from ESAAMLG member countries to the FIC related to:

- The development of operational capacity and capability for financial intelligence units
- Financial intelligence unit governance

- Building capacity for AML and CFT compliance supervision
- ICT matters, particularly regarding operationalisation or optimisation of reporting systems.

Many ESAAMLG member countries have received assistance from the FIC over the past, and it was no different in the financial year. During 2024/25, the FIC received requests from Kenya and Uganda for assistance on the implementation of Recommendation 15 of the FATF global standards. This Recommendation relates to mitigating money laundering and terrorist financing risks associated with new technologies, particularly crypto assets and crypto asset service providers.

The FIC also hosted delegates from the Zimbabwe Financial Intelligence Unit as part of a mentorship programme sponsored by the United Nations Office on Drugs and Crime. The initiative fostered knowledge-sharing, collaboration, enhanced analytical skills, and was aimed at improving the efficacy of financial intelligence operations in both countries. The FIC also visited the Zimbabwean financial intelligence unit to share expertise, best practices and guidance on the use of analytical tools.

The FIC provided technical assistance to the ESAAMLG secretariat in mapping out operational and administrative processes. The FIC also agreed to assist the secretariat in delivering technical assistance to the financial intelligence unit of South Sudan.

### Information exchange platform

The FIC is the lead technology agency in the development of a ground-breaking information exchange platform that will enable ESAAMLG members to share information swiftly. The multi-year project continued in the past financial year with a focus on registering users on the platform. Requests for support are registered on the FIC's ICT Service Management system.



## BECA CASE STUDY

An investigation by the Lesotho Mounted Police Service and the Lesotho Directorate of Corruption and Economic Offences uncovered a scheme by government officials to defraud the Lesotho government. The investigation revealed that government officials had siphoned about R50 million from state coffers.

More than R38 million of the R50 million had been transferred to South African bank accounts held in the names of shell companies registered in Lesotho's neighbouring country.

The Lesotho financial intelligence unit submitted requests for information to the FIC once it was discovered the funds had been transferred to bank accounts of front companies registered in South Africa.

Through analysis of bank statements, the FIC established the flow of proceeds of crime from Lesotho to South African banks. Furthermore, it traced other assets. The FIC's ability to secure funds for a period of 10 business days contributed extensively to the successful preservation of more than R23 million in proceeds of crime.

Lesotho authorities arrested and charged nine suspects, including seven government officials, for theft, fraud and money laundering. Eight of the nine suspects were granted bail. One of the eight died after being released.

Amounts of R23.7 million and a fixed property purchased for R2.34 million were preserved, and 11 motor vehicles were confiscated. More than R38 million was laundered from Lesotho to South Africa. The AFU is awaiting conclusion of the forfeiture process.

## Egmont Group of Financial Intelligence Units

The Egmont Group, of which the FIC is a member, is global forum of 177 financial intelligence units. A key objective of the Egmont Group is to encourage financial intelligence units to exchange information to assist in combating money laundering and financing of terrorism. The Egmont Group recognises financial intelligence sharing is central to the global fight against financial crime, and this has become the cornerstone of international efforts to counter money laundering and terrorist financing.

Egmont Group membership extends the FIC's ability to exchange information with counterparts around the world.

## FIC's contribution to the Egmont Group

During 2024/25, the FIC continued participating in the Egmont Group ICT Renewal Project, which was launched in 2021. The project is aimed at ensuring that the Egmont Group ICT system can fulfil the needs of the various financial intelligence units in terms of international information exchange.

The FIC is also involved in driving ongoing improvements in the Egmont Group's secure information exchange platform.

A FIC case study was selected among the top 24 cases out of 78 submissions for inclusion in the *Best Egmont Case Award (BECA)* publication which was published in July 2024. Launched in 2011, BECA is an annual contest that encourages Egmont Group members to contribute to the group's case study database for the benefit of all financial intelligence units and other AML and CFT stakeholders.

The publication included cases studies for the period 2021 to 2023. The FIC's BECA submission related to swift, effective work between the FIC and domestic or foreign law enforcement which assisted in tracking and tracing public funds stolen from the Kingdom of Lesotho, which were repatriated to South Africa. Most of the proceeds were returned, while nine accused, including seven officials, face charges of fraud and money laundering.

## Readiness assessments

Upon request, the FIC undertakes assessments of readiness for candidate financial intelligence units to become Egmont Group members. The FIC also provides mentorship to these countries. To assist these countries, the FIC co-sponsors these financial intelligence units, to assist them in their membership efforts.

During the year under review, the Kingdom of Eswatini passed all the Egmont membership criteria, which was a culmination of a multi-year assistance from the FIC. Egmont will decide on Eswatini's application at plenary in July 2025.

During the year under review, Mozambique's membership application was considered and approved by the Egmont Group. Mozambique's membership will be confirmed at plenary in July 2025.

The FIC is assisting Rwanda in its Egmont membership application, which has been delayed for the country to address legal deficiencies. Rwanda's application is expected to be a topic of discussion at the group's February 2026 plenary.

## Financial Action Task Force

South Africa is a member of the Financial Action Task Force (FATF), the international inter-governmental body that leads global action to tackle money laundering, terrorist and proliferation financing.

FATF conducts research on how money is laundered, how terrorism and proliferation is funded, sets and promotes global standards to mitigate the risks, and assesses whether countries are taking effective action.

The global anti-money laundering and combating of terrorist financing watchdog requires member countries to have the necessary frameworks in place, as well as to demonstrate the efficacy of the framework in its practical implementation.



## STATE-OWNED ENTERPRISE KICKBACKS

It was alleged that the subject, an employee of a state-owned enterprise, held influence over the organisation's procurement process and was behind the awarding of tenders to certain entities. The appointed companies would then pay kickbacks to the subject in the form of houses, vehicles, cash and school fees.

Regulatory reports reflected that the personal accounts linked to the directors of the implicated entities had transferred money to personal accounts linked to the subject's spouse. The FIC conducted analysis of the subject's bank accounts and noted that the subject received multiple funds from the account linked to his spouse.

There were also allegations that the subject received gratification in the form of school fees. Analysis of the business account linked to one of the entities reflected that school fee payments had been paid to multiple schools from that account. The analysis was sent to the SIU to assist with their ongoing investigation.

In assessing countries' compliance with its standards, FATF follows different processes such as regular mutual evaluations and enhanced follow-up processes. A mutual evaluation is an important opportunity for a country to have its AML, CFT and CFP framework reviewed by its peers.

The FIC participated in the mutual evaluation of India and Eritrea as members of the ESAAMLG assessment teams. The mutual evaluation report of India was adopted in June 2024 while that of Eritrea was adopted in April 2025.

### FATF mutual evaluation and grey listing of South Africa

A proactive and co-ordinated government response inched South Africa closer to being de-listed as a jurisdiction under increased monitoring, commonly known as 'being grey listed'.

In June 2021, the FATF plenary adopted the mutual evaluation report of South Africa and based on its technical compliance results, the country was placed in 'enhanced follow-up'. South Africa was rated non-compliant in terms of five FATF Recommendations and partially compliant with 15 others.

During 2022, South Africa made significant progress on many of the recommended actions specified in the FATF mutual evaluation. These actions included, among others, developing national AML and CFT policies to address higher risks and amending the legal framework for terrorism financing. After considering South Africa's 2022 progress report, FATF announced on 24 February 2023 the country would be placed on the grey list.

FATF adopted South Africa's second enhanced follow-up report which included technical compliance re-ratings in October 2023. The country submitted its third follow-up report to the FATF meeting a year later in which it sought re-ratings in the outstanding Recommendations. South Africa reached a significant milestone after exiting the enhanced follow-up process in November 2024 and

will only report back to FATF on progress achieved in improving the implementation of the country's AML and CFT measures in its fifth-round mutual evaluation scheduled for 2026-2027.

The plenary found that overall, South Africa had made progress in addressing most of the technical compliance deficiencies identified in its mutual evaluation report. FATF Recommendations 2, 6 and 15 have been upgraded from "partially compliant" to "largely compliant". However, the country remained partially compliant in terms of Recommendations 8 and 32, due to insufficient progress.

### Addressing strategic shortcomings

Running parallel to the enhanced follow-up process, South Africa was placed under review by the FATF International Co-operation Review Group (ICRG) which required specific steps according to the agreed action plan to remedy strategic shortcomings identified in the mutual evaluation report within a two-year period and report its progress to FATF at three-month intervals.

By February 2025, South Africa had addressed or largely addressed 20 of the 22 items in its action plan, leaving two items to be addressed in the next reporting period that runs from March to June 2025.

The FATF plenary of 21 February 2025 adopted the report and recommendations of the Africa Joint Group and noted South Africa's progress in its public statement, *Jurisdictions under Increased Monitoring – 21 February 2025*.

The South African government has given its commitment to resolve both outstanding action items by June 2025, to progress on the country exiting the grey list by October 2025. This was realised when FATF announced in June 2025, outside of the reporting period, that South Africa had substantially completed all 22 action items, which warranted an on-site assessment to verify that critical AML and CFT reforms have been implemented.



## FRAUDULENT PROPERTY TRANSACTION

A subject was flagged due to a property purchase transaction which would have taken place after obtaining a bond. However, the conveyancing law firm received three large cash payments from the subject. No explanation was provided for the change in payment option chosen by the subject.

Upon analysis of the subject's account, a large turnover was noted with no clear indication of the source of the funds. The activities were the indication of possible money laundering. The matter was referred to DPCI for further scrutiny.

## Aligning South Africa's regime with global standards

Further amendments to the legislative basket on anti-money laundering and combating of terrorism financing are on the horizon. Proposed changes would address some of the deficiencies in the legal framework, as identified during the remedial processes to exit grey listing and improve technical compliance with the FATF Recommendations.

These amendments have been developed with a view to further align South Africa's AML and CFT systems with FATF standards, which will be the basis for a more effective regime.

At the end of 2024, National Treasury invited written submissions from the public on the draft General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill, 2024 (Amendment Bill).

The draft Amendment Bill proposes amendments to the:

- Nonprofit Organisations Act, 1997 (Act 71 of 1997)
- Financial Intelligence Centre Act, 2001 (Act 38 of 2001)
- Companies Act, 2008 (Act 71 of 2008)
- Financial Sector Regulation Act, 2017 (Act 9 of 2017).

The proposed updates to the FIC Act include requiring the FIC Director to give notice pursuant to an order in terms of section 23 of the Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004 (POCDATARA Act).

An amendment to section 42 of the FIC Act will require accountable institutions to consider the risk that new delivery mechanisms and the use of new or developing technologies, may involve or facilitate money laundering activities, the financing of terrorist and related activities or proliferation financing activities.

## A new reporting stream

A process has been initiated to bring into operation section 30 of the FIC Act, which requires the reporting of cash or bearer negotiable instruments in excess of a prescribed amount across the borders of South Africa.

A bearer negotiable instrument is an instrument that is not legal tender, but which can be exchanged upon its presentation for an amount of money that is specified in the instrument, and which entitles the holder of the instrument to the funds it represents. Examples of bearer negotiable instruments include bills of exchange, letters of credit, money orders, postal orders, and promissory notes.

The requirement will apply to any person who conveys an amount of cash in any currency, or bearer negotiable instruments, that exceeds the prescribed threshold. It is proposed that the prescribed threshold amount that should trigger a cash conveyance report should be set at R25 000. The obligation also applies to the cross-border conveyance of bearer negotiable instruments where the combined value of such instruments exceeds the prescribed threshold.

Due to the potential money laundering and terrorist financing vulnerabilities posed by cross-border movements of cash or bearer negotiable instruments, it is prudent that countries should have mechanisms in place to trace such transfers. The objective of section 30 is to ensure that information relating to cross-border movements of cash or bearer negotiable instruments is made available to the FIC as soon as possible to enhance its ability to analyse information concerning financial flow. This in turn, strengthens the FIC's ability to detect possible suspicious or unusual activity and to disseminate the relevant information to investigating and prosecuting authorities.

During the 2023/24 financial year, the FIC assisted the South African Revenue Service (SARS) with the roll out of a technology platform to test the implementation of cash conveyance reporting at all ports of entry and exit. The pilot project was executed using the Customs and Excise Act, 1964 (Act 9 of 1964) and included testing the reporting process of the South African Traveller Management System in a live environment.



## CONTRACTS AND CORRUPTION

A government department supplier reportedly paid R3 million into an account possibly linked to a government employee who was involved in awarding the contract to the supplier.

The FIC analysed the account linked to the government employee and was able to glean the following information:

- R1.8 million was transferred to one entity
- 244 cheque card purchases totalling R1 801 416.74 were made
- Nine electronic banking payment were made totalling R179 310
- Two interbank transfers were made totalling R900 000, these two payments were made to one entity.

The account that received the R900 000 was analysed, and it was found that most of the funds were dispersed via point-of-sale purchases which were conducted outside the country. Law enforcement agencies are following up on the point-of-sale purchases and possible links between the government employee, the purchases and the supplier.

Travellers made cash conveyance declarations, regardless of the amount involved, to SARS via this system. SARS shared with the FIC reports relating to instances where amounts exceeding R24 999.99 were conveyed. This process confirmed that the FIC and SARS are ready to commence with the implementation of cash conveyance reporting under section 30.

Legally, section 30 of the FIC Act must be brought into operation by means of a proclamation by the President. The Minister of Finance must also make regulations for the reporting requirements in terms of section 30 of the FIC Act. The information required, the amounts involved and the time within which the report must be made will be prescribed in amendments to the Money Laundering and Terrorist Financing Control Regulations to the FIC Act.

In April 2024, the Minister of Finance, Enoch Godongwana, invited written public comments on draft amendments to the Regulations on the reporting of conveyance of cash or bearer negotiable instruments.

### Terrorist financing risk assessment of the non-profit sector

Non-profit organisations (NPOs) are vulnerable to being exploited by terrorists and terrorist organisations to raise or move funds, provide logistical support, encourage or facilitate recruitment, or otherwise support terrorist operations.

As a counter, FATF requires countries to identify NPOs that are at risk of having their resources diverted to fund terrorist activities. To that end, a broad range of South African government and private sector partners published a report in April 2024 on a terrorist financing risk assessment for the NPO sector in the country.

The risk assessment, which included academic research and a survey of 301 NPOs, found that these types of organisations are at varying degrees of risk of terrorist financing abuse by virtue of their types, activities or characteristics.

The majority of NPOs face no or low terrorist financing risk exposure and have adequate self-regulatory measures and related internal control measures to mitigate such risks, and/or may already be subject to adequate levels of legal and regulatory requirements, such that there may be no need for additional measures.

The risk assessment served as a valuable reference point to inform further policy development and played a significant role in remedying one of the action items in South Africa's follow-up process to exit the grey list.

In the 2019 mutual evaluation of South Africa, FATF found deficiencies in the country's measures to prevent the misuse of NPOs under Recommendation 8 of the global AML and CFT standards.

In its follow-up report in October 2024, FATF determined that South Africa was "partially compliant" regarding its implementation of Recommendation 8. FATF acknowledged that the assessment provided "a more in-depth assessment of TF risk relating to the NPO sector" and "the mitigation measures and policies in place". FATF also noted that the risk assessment identified five types of NPOs likely at risk of abuse, based on their activities or characteristics.

Although South Africa identified a small number of NPOs at high risk for terrorist financing abuse, FATF found that the country did not demonstrate that risk-based measures had been applied, and monitoring was taking place for vulnerable NPOs.

In 2023, FATF released amendments to Recommendation 8 aimed at protecting NPOs from potential terrorist financing abuse through the effective implementation of risk-based measures<sup>5</sup>.

South Africa will address the updated requirements as part of the preparation for the FATF fifth round mutual evaluation in the form of a post-sector risk assessment national action plan which is a collaborative effort between government partners.

5 FATF Best Practices on Combating the Abuse of Non-Profit Organisations (Recommendation 8), November 2023: <https://www.fatf-gafi.org/content/dam/fatf-gafi/guidance/BPP-Combating-TF-Abuse-NPO-R8.pdf.coredownload.inline.pdf>.



## FRAUD AND MONEY LAUNDERING

Criminal complaints were lodged against a KwaZulu-Natal business for allegedly running a fraudulent investment scheme.

More than 100 investors were identified, who had made deposits of R24 000 or more into bank accounts provided by the subjects. The estimated amount involved was R2.4 million. Bank statements were obtained from the identified bank accounts.

Through analysis, the FIC identified all the funds received from various individuals. The FIC identified the main bank accounts, held by two subjects, who had received the deposits. The analysis also showed cash deposits and electronic credit transfers that had been received from different banks, where names and surnames were used as references. The identified bank accounts indicated high turnovers over short periods. The bank accounts all showed similar transactional activity, while credit receipts comprised ATM cash deposits and instant EFT credit receipts.

During the 2024/25 financial year, the NPO Working Group under the leadership of the DSD has been re-activated with a focus on the following strategic areas:

- The establishment of a multi-stakeholder forum comprising of NPOs, government departments, regulators, the donor and funding community and banking sector to ensure South Africa can demonstrate compliance with Recommendation 8.
- Co-ordinated multi-sectoral delivery of awareness raising and capacity building on the terrorist financing risks and vulnerabilities within the sector.

Some of the above initiatives included information-sharing sessions such as webinars, workshops, roadshows and symposia for NPOs in general and others aimed at specific categories of NPOs. The working group also developed material for education and awareness aimed at NPOs at higher risk.

### Information sharing platform

A key capability for the FIC in achieving its objective is to “follow the money”. This means that it is of paramount importance to the success of the FIC’s work that it should be able to generate a view of how funds move from one person or institution to another.

The information that the FIC has at its disposal to reconstruct financial flows when it follows the money, comprises mainly information contained in the regulatory reports such as suspicious and unusual transaction reports (STRs) that accountable institutions submit in terms of the requirements of the FIC Act.

During the year under review, the FIC initiated discussions with various stakeholders on plans to launch a collaboration platform for accountable institutions to share information before submitting STRs.

The aim of the initiative is to enable collaboration and the sharing of information among participating accountable institutions on a common subject of interest. Participants will also be able to interact with each other on a real-time basis to provide quick responses and clarifications as necessary. The information sharing platform is envisioned to enhance the quality of the STRs made with the FIC,

providing a better picture of potential unlawful activities. Development of the information sharing platform is expected to start in 2025/26.

### OECD Foreign Bribery Working Group

South Africa is one of the 30 countries that belong to the Organisation for Economic Co-operation and Development (OECD).

The OECD adopted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (Anti-Bribery Convention) together with the 1997 Revised Recommendation of the Council on Combating Bribery in International Business Transactions.

South African acceded to the Anti-Bribery Convention in 2007 which is specific in its scope and focuses on the use of domestic law to outlaw the bribery of foreign public officials.

As a party to the convention, South Africa became a member of the OECD Working Group on Bribery. The working group is responsible for evaluating and monitoring members’ efforts to implement and enforce the convention, using an established peer review system assessing four distinct phases, with two countries chosen to evaluate a member country.

Since acceding to the convention, South Africa has successfully completed the first three assessment phases. Following the conclusion of phase 3 in December 2023, the South African government started preparing for the next assessment through the established OECD task team. The task team reports to the National Priority Crime Operational Committee (NPCOC). Foreign bribery cases have been prioritised as a focus area for the Reformed Fusion Centre as well for monitoring their progress.

The fourth phase of monitoring entailed an on-site visit by lead examiners from Hungary and Australia from 25 to 29 November 2024. The objectives were to measure the effectiveness of anti-bribery laws and regulations in South Africa. The assessment team conducted interviews with government officials, private-sector representatives and civil society organisations during their evaluation.



## MULTIPLICATION SCHEME

The FIC was informed that an entity and linked subjects were under investigation for unlawful activities and offences connected with a fraudulent multiplication scheme. The entity, including the owner, director and runners i.e. associates who promoted the scheme and received funds, were alleged to be involved in a grocery investment scheme.

An enquiry by the National Consumer Commission found that the scheme was operating across Gauteng. The subjects had used social media to advertise their service. Potential investors were lured to invest an amount of R300 which guaranteed them a grocery package for a period of 12 months. Furthermore, the scheme encouraged the public to recruit new members, incentivised by a R1 000 reward for their efforts, similar to a multiplication scheme\*.

Analysing the bank accounts, the FIC was able to identify all the funds received from various individuals, as well as the entity and main suspect's bank accounts that had received the proceeds.

The bank accounts showed high turnover over a short period. Activities on the bank accounts all showed similar transactional activity. The credit receipts comprised ATM cash deposits and electronic credit receipts in increments of R300 and more. The FIC was also able to identify other individuals who were linked to the scheme or conducting the same type of fraudulent activity. The analysis brought to light various bank accounts held at different institutions and how the funds were used. Some of the subjects involved in the scheme were linked via a religious institution which served as a channel to recruit new members.

The FIC issued 20 section 34 directives to the value of R5 818 586.19 and provided financial intelligence reports and affidavits in support of preservation orders obtained by the Asset Forfeiture Unit in Pretoria.

\* The Consumer Protection Act defines a multiplication scheme as "... exists when a person offers, promises or guarantees to any consumer, investor or participant an effective annual interest rate, as calculated in the prescribed manner, that is at least 20 per cent above the REPO Rate determined by the South African Reserve Bank as at the date of investment or commencement of participation, irrespective of whether the consumer, investor or participant becomes a member of the lending party."

For its role in preparing for the phase 4 on-site visit on regulatory perspectives on anti-money laundering measures for detecting and combating foreign bribery, the FIC provided training and awareness to banking institutions and industry bodies.

In addition, the FIC participated in the preparation workshop with relevant stakeholders, which was hosted by the Department of Public Service and Administration in October 2024, ahead of the on-site visit by the OECD.

The OECD assessment team published the first draft report in March 2025 for comments and follow-up questions by relevant stakeholders. The report will be discussed at the meeting scheduled to take place during June 2025 in Paris.

### United Nations Security Council targeted financial sanctions

The FIC hosts and maintains an updated list of proscribed persons and entities as identified by the resolutions of the United Nations Security Council (UNSC). The targeted financial sanctions (TFS) list must be updated within 24 hours of changes made by the UNSC.

The TFS list includes all persons and entities applicable to sections 26A, 26B and 26C of the FIC Act. Section 26B prohibits anyone from transacting with a person or entity associated with terrorism or proliferation or financing thereof, as identified in terms of a resolution of the UNSC, for example, Al-Qaida and Taliban. The prohibition extends to also include persons acting on behalf of, or at the direction of the designated person or entity. Accountable institutions must scrutinise their clients against the applicable list, freeze assets and stop all transactions. The FIC's website offers an online search tool designed to assist accountable institutions in finding possible matches between their clients' names and/or entity names on the TFS list.

During the year under review, the FIC gave effect to all 30 UN Security Council targeted financial sanctions within 24 hours of the UNSC designations being made.



## FRAUD AT GOVERNMENT DEPARTMENT

The subjects and related entities were allegedly involved in COVID-19 personal protection equipment fraud at a government department. The implicated individuals were related to local politically exposed persons and politically influential persons. The value of illicit benefit received by the subjects and related entities was estimated at R1.7 million.

The FIC searched its regulatory and statutory databases and requested information from accountable institutions on the subjects and related entities. It was found that suspicious and unusual transaction reports and cash threshold reports submitted to the FIC by accountable institutions regarding the subjects and related entities were valued at more than R30.5 million. The FIC had also received international funds transfer reports regarding the subjects and related entities valued at approximately R1 million.

Analysis indicated that amounts of R1 393 300 and R80 081 000 were transferred from the government department to accounts of the related entities. Bank statements revealed that some funds were transferred from entities' accounts to the subjects' accounts and between the subjects.

## Intergovernmental Fintech Working Group and Crypto Assets Regulatory Working Group

The FIC is a member of the Intergovernmental Fintech Working Group (IFWG) and contributes to the IFWG Crypto Assets Regulatory Working Group and the IFWG Innovation Hub. Established in 2016, the IFWG consists of the National Treasury, the South African Reserve Bank, the Prudential Authority, the Financial Sector Conduct Authority, the National Credit Regulator, South African Revenue Service, the Competition Commission, and the Financial Intelligence Centre.

The overall objective of the IFWG is to foster responsible fintech innovation by supporting the creation of an enabling regulatory environment and reviewing both the risks and the benefits of emerging innovations, thus adopting a balanced and responsible approach to such innovation.

In 2021 the IFWG published a Position Paper on Crypto Assets which made 25 recommendations to IFWG members aimed at mitigating the most prominent risks posed by crypto asset use cases at the time.

The recommendations were grouped into three overarching categories, namely:

- An anti-money laundering and combating the financing of terrorism framework
- A framework for monitoring cross-border financial flows
- The application of financial sector laws as an interim measure.

The position paper, which has served as the roadmap in South Africa's crypto policy and regulatory landscape, was updated to reflect on the progress made on the implementation of all 25 recommendations. The update also looks at other relevant developments related to crypto asset regulations and plots a way forward to continue monitor the crypto asset ecosystem.

In March 2025, the IFWG published a landscape diagnostic of existing rand-pegged stablecoin arrangements and investigates the risks they present, for the consideration of the regulators. Stablecoins are a type of crypto asset that attempts to maintain a stable value by backing and/or pegging their value to real-world assets such as fiat currencies, other crypto assets, commodities such as gold or algorithms. The paper identifies current gaps for further consideration to develop a comprehensive regulatory approach to stablecoin arrangements.

The FIC participates in the IFWG Innovation Hub, which is a centralised innovation capability shared by South African financial sector regulators. It is designed to facilitate policy responses to financial sector innovation through greater engagement between regulators and the market.

Since the publication of the position paper in 2021, South African regulators, policymakers and government has made serious strides towards bringing crypto assets and crypto asset service providers (CASPs) into the broader AML, CFT and CFP regime.

### Addressing threat of crypto-related financial

South Africa's policy and regulatory response to the threat of financial crime being perpetrated via crypto assets and CASPs has brought the country's AML, CFT and CFP measures in line with the FATF global standards.

Crypto assets offer significant economic opportunities, but they can also be easily misused for financial crime or the financing of terrorist and related activities due to their availability, ease of use, anonymity, and decentralised nature.

South Africa now boasts the full suite of AML, CFT and CFP measures to effectively tackle these threats after the FIC issued Directive 9 in relation to the 'travel rule' in November 2024. Directive 9 was published in the Government Gazette on 15 November 2024 and entered into force on 30 April 2025.

The 'travel rule' is the term used to describe the application of the FATF's Recommendation 16 requirements regarding wire transfers or electronic funds transfers to the mechanism and context of crypto asset transfers. The objective of Recommendation 16 is to prevent terrorists and other criminals from having unfettered access to electronic fund transfers to move their funds and for jurisdictions to detect such misuse when it occurs.

The travel rule relates to the transfer and/or receipt of crypto assets by accountable institutions for or on behalf of their customers, the information that must be provided alongside these transactions, and the related records that must be kept. This information, held by the ordering and beneficiary CASPs, must be made available to appropriate authorities upon request.

As a requirement, CASPs must collect and hold specific information of both the originator and the beneficiary involved in a crypto asset transaction. This customer data should be shared among the applicable CASPs and be made available on request to the appropriate regulatory and/or law enforcement authorities.

The issuing of Directive 9 was the most recent step taken by the FIC in line with FATF requirements and following consultation with South African policymakers and regulators, to close potential gaps that could be exploited by criminals to abuse crypto assets and CASPs for money laundering, terrorist financing and to fund the proliferation of weapons of mass destruction.

The Directive outlines obligations and information requirements of CASPs involved at the ordering, intermediary and recipient stage of crypto asset

transactions. A CASP that fails to comply with a provision of this Directive is non-compliant and is subject to an administrative sanction in accordance with section 45C of the FIC Act.

Further, crypto assets were declared a financial product by the Financial Sector Conduct Authority (FSCA) in October 2022, making it compulsory for CASPs to be licensed by FSCA, registered with the FIC and supervised by FSCA and the FIC.

Institutions that provide financial advice and/or intermediary services in respect of crypto assets are CASPs and fall within the scope of item 12 of Schedule 1 of the FIC Act. In December 2022, a separate Schedule 1 item (item 22) referring to the activities of CASPs was included in the list of accountable institutions in the FIC Act.

Legislative changes regarding CASPs resulted in the FIC and FSCA having dual oversight over CASPs in respect of compliance with AML and CFT obligations. The FIC and FSCA are collaborating and co-ordinating their supervisory efforts in this regard. This includes sharing registration databases and information relating to money laundering and terrorist financing risks.

With the Schedule 1 amendments in effect, having CASPs as accountable institutions and Directive 9 on the travel rule in force, South Africa is now largely compliant with FATF Recommendation 15 on new technologies.

“Ensuring that the organisation has an optimal operating infrastructure that uses cutting edge technology is pivotal to the FIC’s role in the fight against financial crime.”

– Macs Maboka, executive head for the Corporate Services division

### BUDGET PROGRAMME 3: Enablement of financial intelligence capabilities

#### Purpose

The primary purpose of this budget programme is to enhance the ability to deliver services to internal clients and other identified stakeholders, thus making it possible for the FIC to remain a sustainable and capable organisation.

The programme focuses on the enablement of business and day-to-day support in areas such as recruitment, procurement, funding, information and communication technology, as well as projects such as infrastructure enhancement.

The programme has various internal units that enable the efficient, effective and economical functioning of the FIC with good corporate governance.

The enabling units are co-ordinated through the Corporate Services division but are distinct from Administration in that the former provides delivery-related support, whereas the latter provides overall organisational support that enables service delivery.

#### Strategic outputs

The programme’s strategic outputs are:

- Good corporate governance
- Effective and efficient operating environment.

#### Performance

Under this programme, the FIC achieved five out of the six targets. Highlights for the year include:

- Successfully recruiting competent individuals to meet capacity requirements related to FATF grey listing and the FIC’s broadened mandate.
- Updating various systems, platforms and infrastructure to ensure the FIC’s ICT environment is secure and up to date and ensures optimal productivity.
- Establishing a cyber security team to identify and mitigate vulnerabilities and risk, thus ensuring that information under the FIC’s custody remains safe.
- Providing a digital, cyber-safe remote working environment for employees and access to the ICT infrastructure.
- Reaching end of development of three strategic ICT projects to improve efficiencies and effectiveness of the organisation.
- Exceeded performance targets related to employment equity, 61.90 percent of the workforce is female (against a target of 51 percent), and 84.98 percent is from designated race groups (against a target of 80 percent).

**Table 21: Outcomes, outputs, output indicators, targets and actual achievements of budget programme 3**

Enablement of financial intelligence capabilities									
Outcome	Outputs	Output indicators		Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2023/24	Reasons for deviations
Good corporate governance and an efficient and effective operating environment. that supports the FIC in delivering on its mandate	Good corporate governance.	4.1.1	Unqualified audit opinion without findings (Clean audit report)	Received unqualified audit opinion with no findings for 2020/21 (Clean audit report)	Received unqualified audit opinion with findings for 2021/22 (Not clean audit)	Unqualified audit opinion with no findings (Clean audit report)	Received unqualified audit opinion with no findings (Clean audit)	0	Target achieved
		4.1.2	Percentage of female employees in line with Employment Equity Act (EE Act)	Q1 - 55.45% (112/202) Q2 - 56.06% (111/198) Q3 - 56.91% (107/188) Q4 - 57.92% (106/183)	Q1 - 58.38% (108/185) Q2 - 59.55% (106/178) Q3 - 57.81% (111/192) Q4 - 62.90% (173/275)	≥51%	61.90%	0	Target achieved 61.90% (169/273)
		4.1.3	Percentage of designated racial groups in line with EE Act	Q1 - 81.19% (164/202) Q2 - 80.80% (160/198) Q3 - 80.31% (151/188) Q4 - 80.87% (148/183)	Q1 - 81.08% (150/185) Q2 - 81.46% (145/178) Q3 - 81.77% (157/192) Q4 - 84.73% (233/275)	≥80%	84.98%	0	Target achieved 84.98% (232/273)
		4.1.4	Percentage of disabled employees in line with the EE Act	Q1 - 1.98% (4/202) Q2 - 2.02% (4/198) Q3 - 2.13% (4/188) Q4 - 2.16% (4/183)	Q1 - 3.24% (6/185) Q2 - 2.81% (5/178) Q3 - 2.60% (5/196) Q4 - 2.1% (6/275)	≥2%	2.2%	0	Target achieved 2.2% (6/273)

**Table 21:** Outcomes, outputs, output indicators, targets and actual achievements of budget programme 3 (continued)

Enablement of financial intelligence capabilities									
Outcome	Outputs	Output indicators		Audited actual performance 2022/23	Audited actual performance 2023/24	Planned annual target 2024/25	Actual achievement 2024/25	Deviation from planned target to actual achievement 2023/24	Reasons for deviations
Good corporate governance and an efficient and effective operating environment. that supports the FIC in delivering on its mandate	Effective and efficient operating environment	4.2.1	Percentage of valid and compliant invoices paid within 30 days	Apr - 100% (102/102) May - 100% (74/74) Jun - 100% (130/130) Jul - 98.3% (113/115) Aug - 95.3% (101/106) Sep - 100% (106/106) Oct - 100% (96/96) Nov - 97.7% (85/87) Dec - 99.3% (152/153) Jan - 100% (59/59) Feb - 97.5% (156/160) Mar - 100% (133/133)	Apr - 87.61% (99/113) May - 90.17% (156/173) Jun - 91.67% (132/144) Jul - 99.19% (122/123) Aug - 100% (139/139) Sep - 100% (160/160) Oct - 99.20% (124/125) Nov - 99.28% (138/139) Dec - 100% (136/136) Jan - 52.86% (37/70) Feb - 95.60% (152/159) Mar - 99.52% (207/208)	100%	Apr - 100% (151/151) May - 100% (116/116) Jun - 100% (133/133) Jul - 99% (199/201) Aug - 97.84% (136/139) Sep - 100% (173/173) Oct - 100% (100/100) Nov - 100% (242/242) Dec - 100% (194/194) Jan - 100% (62/62) Feb - 98.73% (156/158) Mar - 99.55% (222/223)	Apr - 0 May - 0 Jun - 0 Jul - 1% Aug - 2.16% Sep - 0 Oct - 0 Nov - 0 Dec - 0 Jan - 0 Feb - 1.27% Mar - 0.45%	Target not achieved Invoices were paid late due to internal delays Due to the implementation of internal processes, compliance with invoice payments within 30 days improved from 92.93% in 2023/24 to 99.58%
		4.2.2	Percentage uptime <sup>6</sup> for external facing ICT system	99.55% Q1 - 98.81% Q2 - 99.93% Q3 - 99.90% Q4 - 99.94%	Jan - 99.99% Feb - 100% Mar - 99.98%	≥98%	Q1 - 99.92% Q2 - 99.98% Q3 - 100% Q4 - 99.57%	0	Target achieved

6 Uptime is calculated from monitoring applications that track whether the external facing ICT system was available when accessed by users over the period under review



## ONLINE TRADING FRAUD

The FIC was requested to freeze funds related to an online trading group, for potential violations of financial laws.

The scheme allegedly lured investors using deep fake advertisements featuring celebrities and business owners promising unrealistic returns. These advertisements were linked to a company flagged for fraud.

Following the FIC's analysis, funds to the value of R90 million were frozen across various financial institutions. The matter was subsequently challenged in the High Court where the preservation order was set aside. The court ordered that the online trading group could not withdraw or allow the withdrawal of any funds in the bank accounts, other than to migrate clients to an alternate authorised financial services provider.

The FIC's analysis found that most of the funds from investors were co-mingled, with other operational funds while personal expenses such as purchases at retail stores were made from their operational account.

## Enabling a forward-thinking organisation

Corporate Services is charged with providing an efficient and effective operating environment to enable the FIC to contribute towards safeguarding of South Africa's economy.

The division's primary functions are financial and administrative management, supply chain management, facilities management, human resources, information and communications technology and enterprise architecture, and project management.

The FIC continues to enhance its business operating infrastructure to ensure the organisation is forward thinking and adopts technologies that will help maximise its impact in the broader anti-financial crime ecosystem.

During the year under review, the FIC started the exercise of using artificial intelligence and machine learning technologies to improve productivity and optimise production efficiencies with the aim of improving the quality of financial intelligence products it produces for the use of competent authorities in their investigations, prosecutions and applications for asset forfeiture.

The use of these technologies has been made possible by foundational work the FIC did in preceding years culminating in the successful completion of the "data lake" or common data platform in 2023/24. The platform optimises the way the organisation uses data in the production of financial intelligence products. Going forward, the FIC will continue investing in and deploying artificial intelligence and machine learning technologies along with cross-skilling of employees to maximise the use of these technologies.

The FIC, in partnership with the South African Revenue Service rolled out the cash conveyance reporting system at land, air and seaports of entry to South Africa. This

is to ensure that declaration of a prescribed amount of cash or bearer negotiable instruments conveyed when an international traveller enters or leaves the country. The declaration will be required in terms of section 30 of FIC Act which awaits promulgation. This capability will further buttress the South African economy by stemming the illicit flow of cash and other related instruments through the country's ports of entry.

Corporate Services is continuously enabling the deployment of tools required for implementation of risk-based compliance and enforcement regime to meet the requirements of FATF in its mutual evaluation report.

The FIC remains vigilant and alive to cyber security risk to protect the organisation and its data assets. During the year under review various security enhancement software applications were deployed to further shore up the security of the FIC's ICT systems.

The FIC is committed to investing in enhancing its human resource capacity and skills, as well as ICT capability through various initiatives.

## An efficient, effective and equitable workforce

A key focus of the division in the year under review has been ensuring that the organisation has the human capital it needs to achieve its objectives and targets.

During the reporting year, 55 new employees were recruited, bringing the FIC employee complement to 275 on 31 March 2025 (2023/24: 257). The FIC also promoted existing employees and invested in developing their expertise to capacitate the organisation in the areas that the FATF found lacking during its mutual evaluation.

Keeping the FIC capacitated requires considerable effort and capital. This is because the FIC's work is highly specialised, often requiring employees with scarce skills, qualifications and expertise.

A total of 61.90 percent of the FIC workforce is female. This against an employment equity target of 51 percent. Furthermore, 84.98 percent of the FIC's workforce is from designated race groups (against a target of 80 percent). This demonstrates the FIC's resolve to maintaining a transformed and equitable workforce. More detail is provided in Part D of this report.

### Information and communications technology

In progressing the fight against financial crime, ICT plays a critical role as it enables the FIC to fulfil its mandate by receiving, processing and storing vast amounts of sensitive data every day.

Throughout the reporting period, the FIC continued updating systems, platforms and infrastructure to ensure the ICT environment was secure and up to date, enabling the organisation to function as efficiently and effectively as possible. For improved speed and performance, a high-speed data network was procured.

Many aspects of the FIC's work, even the traditionally 'non-digital' such as meetings, seminars, training and inspections, have been adapted to the virtual environment. The FIC follows a hybrid work model enabling remote and in-office work. While this digitalisation has increased productivity, it also necessitated the upgrading of laptops and software, as well as the training of all employees on, among other aspects, cloud technologies and cyber security.

### Cyber security

The FIC continued monitoring the ICT environment and security protocols. The FIC implemented a robust cyber security awareness programme, essential for safeguarding the ICT environment. The programme combined online videos, comprehension testing, and targeted phishing campaigns to effectively reinforce crucial cyber security messages.

The strategies for disaster recovery and back-up services have undergone significant updates to enhance protection against data loss and human error. The revamped approach is designed to minimise downtime, ensuring that systems can be restored swiftly. It emphasises scalability, allowing the FIC to adjust resources based on needs without excessive investment in infrastructure. This strategic shift safeguards critical data and optimises operational efficiency while keeping costs manageable.

A data breach prevention solution that actively identifies and blocks unauthorised data transfers has been implemented. This prevents sensitive information from leaving the FIC and ensures access is granted only on a need-to-know basis. Furthermore, the solution automatically enforces data protection policies, which reduces the need for manual intervention and minimise the potential for human error.

### Enhanced ICT infrastructure

The FIC continues with its programme to modernise ICT infrastructure. The multi-year line of business solutions modernisation programme provides a technology roadmap for the FIC to remain efficient and effective and transition into the future landscape.

## Strategy to overcome areas of under performance

### 1. KPI 3.3.1

#### Action plan:

The Q2 report served as an interim target in finalising a comprehensive report for the entire financial year. Consequently, the report submitted in Q4 is a composite document that covers the full financial year, including the information from the first two quarters that would have been addressed in the Q2 report. As a corrective action, the impact of the deviation was mitigated by including a review of the implementation of AML and CFT policies for the full financial year in the Q4 report.

### 2. KPI 4.2.1:

#### Action plan:

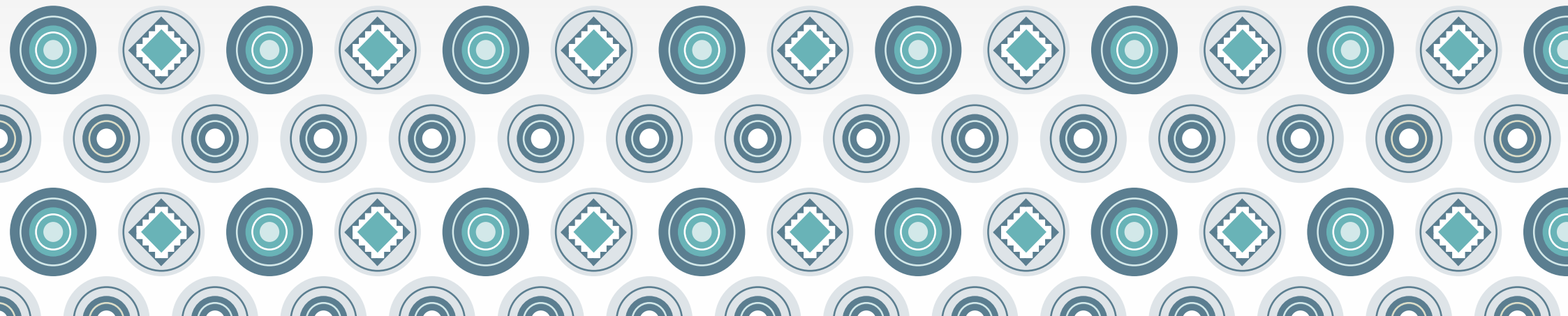
- Communication was circulated to ensure adherence to payment processes
- New creditor clerks were advised on how to handle internal administration issues to avoid delayed payments. Due to the implementation of internal processes, compliance with invoice payments within 30 days improved from 92.93 percent in 2023/24 to 99.58 percent.

## Changes to planned targets

No in-year changes were made to 2024/25 indicators and targets.

# REVENUE COLLECTION

The FIC is a statutory body established to give effect to the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). It is listed in the PFMA as a Schedule 3A public entity. As such, the FIC uses public funds to fulfil its legislated mandate and does not collect revenue from other sources. It follows that no measures were instituted during the year to raise revenue or to ensure revenue collection.



# GOVERNANCE

The FIC follows best practice in corporate governance through its oversight structures.

## Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance with regard to public entities such as the FIC is applied through the precepts of the Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA) and run in tandem with the principles contained in the King IV Code of Corporate Governance.

The FIC corporate governance model is underpinned by values of authenticity, ethics, integrity and accountability.

The FIC follows best practice in corporate governance through its oversight structures. These structures and/or committees are tasked with ensuring that the FIC meets its strategic objectives and operates in line with its mandate:

- Accounting Authority
- Executive management committee
- Management forum
- Audit and risk committee
- Human resources and remuneration committee
- Information and communications technology steering committee.

An automated risk and compliance management tool, which is in place at the FIC, helped ensure that the organisation remained fully compliant during the year under review.

## Portfolio committees

Parliament exercises its role through evaluating the performance of the FIC by interrogating the FIC's annual financial statements and other relevant documents which are required to be tabled, as well as any other documents tabled from time to time.

The Standing Committee on Finance reviews the FIC's strategic plan, the annual performance plan, annual financial statements and the audit reports of the external auditor. The Committee exercises oversight over the service delivery performance of the FIC, reviews the non-financial information contained in the annual reports, and is concerned with service delivery and enhancing economic growth.

The FIC, along with other entities of National Treasury, participated in a Standing Committee on Finance oversight meeting in August 2024.

There were also two engagements with the Joint Standing Committee on Intelligence. At the first meeting in the financial year, the FIC presented its annual report for the prior year while the second engagement was an oversight visit by the Joint Standing Committee on Intelligence.

## Accounting Authority

The Acting Director of the FIC is the Accounting Authority and reports directly to the Minister of Finance and to Parliament. The FIC does not have a board.

The executive management committee exercises day-to-day oversight responsibilities, and the management forum is responsible for resolving findings of the Auditor-General of South Africa. The composition and meeting details of the FIC committees are summarised in the table below.

**Table 22: The FIC's committees during 2024/25**

Committees		Number of meetings held	Number of members
<b>Executive management committee</b>		6	6
<b>Names of members</b>			
Pieter Smit	Chairperson and Acting Director of the FIC		
Macs Maboka	Executive Manager: Corporate Services		
Pieter Smit	Executive Manager: Legal and Policy		
Christopher Malan	Executive Manager: Compliance and Prevention		
Pieter Alberts	Acting Executive Manager: Shared Forensic Capability		
Priya Biseswar	Executive Manager: Monitoring and Analysis		
<b>Management forum</b>		10	15
<b>Names of members</b>			
Pieter Smit	Chairperson and Acting Director of the FIC		
Macs Maboka	Executive Manager: Corporate Services		
Pieter Smit	Executive Manager: Legal and Policy		
Christopher Malan	Executive Manager: Compliance and Prevention		
Priya Biseswar	Executive Manager: Monitoring and Analysis		
Aaron Shongwe	Head: Information and Communications Technology		
Ettiene Cronje	Head: Programme Management Office (until 30 June 2024)		
Grace Madilonga	Head: Human Resources		
Makgabo Modishane	Head: Programme Management Office (from 1 July 2024)		
Marine Burdette	Senior Operations Manager: Monitoring and Analysis		
Nomsa Mashigo	Head: Enterprise Architecture (from 1 October 2024)		
Oniel Rajnund	Senior Operations Manager: Compliance and Prevention		
Panna Kassan	Head: Communications		
Philemon Mashapa	Head: Planning, Monitoring and Evaluation		
Pieter Alberts	Acting Executive Manager: Shared Forensic Capability		
Veronica MarshSmit	Chief Financial Officer		

**Table 22: The FIC's committees during 2024/25 (continued)**

Committees		Number of meetings held	Number of members
<b>Audit and risk committee</b>		5	5
<b>Names of members</b>			
Bongani Mbewu	Member (until 31 July 2024)		
Precious Sibiya	Chairperson (until 31 July 2024)		
Protas Phili	Member (until 31 July 2024)		
Sphiwe Mayinga	Member (until 30 April 2024)		
Dr Mduduzi Zakwe	Chairperson (from 23 October 2024)		
Adv Thato Moeeng	Member (from 23 October 2024)		
Suren Maharaj	Member (from 23 October 2024)		
Tshepo Mofokeng	Member (from 23 October 2024)		
Dr Prittish Dala	Member (from 22 January 2024)		
<b>Human resources and remuneration committee</b>		4	3
<b>Names of members</b>			
Bryan Chaplog	Chairperson		
Thandiwe January-McClean	Member		
Michael Olivier	Member		
<b>Information and communications technology steering committee</b>		4	11
<b>Names of members</b>			
Macs Maboka	Chairperson and Executive Manager: Corporate Services		
Aaron Shongwe	Head: Information and Communications Technology		
Carina Arpin	Manager Detection, Systems and Planning and Geographic Information Systems – Intelligence Support		
Ettiene Cronje	Head: Programme Management Office		
Grace Madilonga	Head: Human Resources		
Marine Burdette	Senior Operations Manager: Monitoring and Analysis		
Matodzi Tshidzumba	Risk Manager: Office of the Director		
Miliswa Sasha	Senior Corporate Legal Specialist		
Oniel Rajnund	Senior Operations Manager: Compliance and Prevention		
Philemon Mashapa	Head: Planning, Monitoring and Evaluation		
Veronica MarshSmit	Chief Financial Officer		

This management framework codifies how risk is identified, measured, analysed, managed, reported and monitored across the organisation.

## Risk management

The FIC subscribes to the public sector's risk management framework and other international best practices to identify, analyse, assess, treat, monitor and communicate risks internally. This approach ensures that risks are identified and assessed every year, and details are shared with relevant stakeholders.

### Objectives

The objectives of the risk management function are to:

- Integrate risk concerns into the FIC's daily decision-making and implementation processes.
- Identify and manage risks within the risk appetite and risk tolerance parameters, which coincide with the FIC's strategy and objectives.
- Improve the FIC's ability to prevent, detect, correct, escalate and respond to critical risk issues by executing risk management action plans and recommendations, and monitoring them effectively.
- Comply with appropriate risk management practices in terms of the Committee of Sponsoring Organisations of the Treadway Commission framework and ISO 31000 standards, corporate governance guidelines and King IV.
- Create a risk awareness culture and embed risk-based approaches to decision-making at operational, tactical and strategic levels of the FIC.
- Promote good ethical conduct, integrity management and anti-fraud/corruption within the FIC.

The FIC has an enterprise-wide risk management framework which codifies how risk is identified, measured, analysed, managed, reported and monitored across the organisation. The FIC recognises that in the complex financial sector environment in which it operates, risk management processes and strategies must evolve. The framework is therefore reviewed and modified on an ongoing basis, considering the risk appetite and risk tolerance of the organisation.

The FIC also performs risk assessments annually to identify new and emerging risks. In fulfilling its enterprise-wide risk management responsibilities, the FIC uses both top-down and bottom-up approaches to

risk identification, assessment, mitigation, monitoring, and reporting. The top-down approach entails risk processes to be reviewed by its management forum as the operational risk committee, executive management, the Audit and Risk Committee and the Accounting Authority.

### Activities

Key activities in mitigating strategic risks during the 2024/25 financial year, included the following:

- The FIC dedicated considerable resources during the year as part of whole-of-government efforts to exit the FATF grey list.
- The FIC re-prioritised and focused its outreach through awareness activities to address the FATF mutual evaluation recommended actions.
- The FIC actively continued its engagements with FATE, ESAAMLG and Egmont Group.
- The FIC continues to ramp up its efforts to protect the integrity of South Africa's financial system and the fight against crime by responding to requests to block funds, streamline cross-border information sharing, and issuing financial intelligence reports to stakeholders.
- The FIC shared cross-border information and issued proactive reports to jurisdictions and also responded to international requests for information.
- The FIC timeously effected all the new UNSC designations on targeted financial sanctions.
- Providing and conducting awareness sessions, guidance, monitoring, and ensuring ongoing maintenance and enhancement of the systems linking information sources with the FIC.
- The FIC also performed a strategic assessment on proceeds of crimes in various geographical areas and shared this with relevant law enforcement agencies.
- The FIC met regularly with collaborative partners in the Reformed Fusion Centre to focus on matters identified for appropriate action by relevant agencies. In some of these matters the FIC assisted with section 34 directives resulting in preservation orders.

## STRATEGIC RISKS IDENTIFIED IN 2024/25

- Inadequate collection of information may result in non-compliance with the FIC Act
- Inadequate production and utilisation of the FIC products and services by stakeholders
- Inadequate promotion of national interests in maintaining the integrity of the South African financial system
- Inadequate operating environment (safety of employees or protection, business continuity and management of information, records, communication, and FIC work environment) may result in the FIC not achieving its mandate
- Inadequate resources and governance may result in the FIC not achieving its mandate (information technology and financial resources)
- Loss of scarce, critical skills may result in the FIC not achieving its mandate (National Treasury has provided funds to increase capacity at the FIC)
- Inadequate business continuity management and ICT disaster recovery planning.

- The FIC participated in key national forums of anti-money laundering and financing of terrorism in the country.
- The FIC continued to implement the line of business project completing the compliance monitoring and analysis system, business intelligence reporting and analysis, and the common data platform.
- Business continuity management plans and recovery plans were strengthened to ensure that the business operations of the FIC could continue.
- The combined assurance providers have provided assurance on the internal controls and risk mitigations to be effective and adequate.
- The FIC conducted the governance and quality assurance reviews for the internal audit in the previous year. All these reviews are expected to be implemented during the current financial year.

### Major risk categories

The enterprise risk management framework is continuously enhanced and updated to respond to risks. The framework ensures that the management of risks are embedded in the FIC's overall corporate governance structures, strategy and strategic planning, annual performance plan, reporting processes, policies, values and culture. The FIC has identified the following principal risk categories that are significant to the FIC, namely (i) strategic, (ii) regulatory and legal, (iii) operational, and (iv) reputational.

### Risk profile

The FIC's corporate risk profile is a function of the inherent and residual risks of all the process level business risks identified and assessed in the various business units. The corporate risk profile gives an overview of the performance and rating of the FIC's principal risks and risk landscape.

### Risk governance and combined assurance

The FIC has a combined assurance model and risk maturity framework to determine the effectiveness of risk management within the entity, and in line with King IV, to ensure a more integrated approach to managing risks.

This methodology is carried out through a collaboration of functions between management, risk management, compliance, and internal and external audit. These

assurance providers participate in the annual review of the enterprise risk management framework and the development and assessment of the single risk universe of the FIC.

### Internal audit

The FIC subscribes to risk-based audit methodology. The FIC appointed an external service provider to manage the internal audit function for the five-year period from August 2023 to August 2028.

The service provider submits a three-year rolling plan to the FIC through the Audit and Risk Committee for each financial year. Findings are tracked quarterly by management and reported to the Audit and Risk Committee.

### Compliance with laws and regulations

The FIC's governance and compliance follows a three-pronged approach which is informed by its operations. These are: (i) the regulatory universe, which deals with compliance with legislation, (ii) the external reporting obligations, which deals with all the FIC's reporting obligations to external stakeholders, and (iii) policy compliance, which ensures all organisational policies are in place in terms of the FIC's policy and procedure development framework.

Two quarterly reviews were conducted during the financial year in all three areas and the outcomes were reported in all relevant governance committees internally and the Audit and Risk Committee for external and independent assurance. The FIC was found to be compliant in all areas against which it was assessed.

As required by its business continuity management strategy, the FIC has a crisis management team.

During the year under review, the FIC conducted workshops to keep employees abreast of business continuity management and plans for business impact analysis. The FIC performed 13 ICT disaster recovery test exercises to assess readiness to respond to ICT systems, data and operations disruptions.

## Fraud and corruption

The FIC implemented an ethics, integrity management and anti-fraud and corruption framework, together with a fraud and corruption risk register. Awareness sessions were held to inform employees about the prevention of fraud and corruption.

The FIC has a policy in place to enable whistle-blowers to report any misconduct or unethical behaviour anonymously. The FIC uses the National Anti-Corruption Hotline operated by the Public Service Commission for reporting misconduct or unethical behaviour.

The Public Service Commission communicates reported matters to the FIC within a week, following which, each matter is reviewed and investigated (if deemed necessary) within 40 days. On each matter received, the FIC in turn reports back to the Public Service Commission within 40 days as mandated by the MoU between the FIC and the Public Service Commission.

Those who report to the hotline keep their anonymity. Reference numbers are issued so they can follow-up on reported matters should they wish to do so. No FIC-related corruption matters were reported to the hotline during the period under review.

## Minimising conflict of interest

Each employee signs a code of conduct agreement. The supply chain management unit also implements terms of reference. The declaration of the conflict of interest has been embedded in supply chain processes, including at the bid adjudication and evaluation committees' level.

All employees are required to adhere to the FIC's policy and procedure on gifts, donations and sponsorships. The policy is geared to preventing internal fraud and corruption.

During the period under review, the FIC organised awareness sessions on conflict of interest and conducting business with the state. All employees are required to declare their interests, irrespective of whether these generate regular income or not.

The FIC continues to update and align its policies and procedures to comply with the Public Administration Management Act, 2014 (Act 11 of 2014).

## Code of ethics and conduct

The FIC's code of ethics and conduct requires all employees to observe the highest standards of integrity in carrying out the FIC's legal mandate. The code sets down common ethical standards that FIC employees must adhere to on a consistent basis to ensure that their actions comply with the FIC's primary values and standards.

Although the code was developed to be as comprehensive as possible, it is not an exhaustive set of rules regulating standards of conduct. The Accounting Authority has a duty to ensure that the conduct of employees conforms to the basic values and principles governing public administration and the norms and standards prescribed by the relevant government legislation and policies. The Accounting Authority should also ensure that employees are acquainted with these measures, and that they accept and abide by them. Breaches of the code are dealt with swiftly and decisively.

## Health, safety and environmental issues

The FIC is committed to complying with the provisions of the Occupational Health and Safety Act, 1993 (Act 85 of 1993) (OHS Act) general safety regulations and the Compensation for Occupational Injuries and Diseases Act, 1997 (Act 61 of 1997) (COIDA Act) to enable a high level of protection for the health and safety of the FIC's employees, contractors, customers, the public and the environment.

Furthermore, the FIC is required to comply with the provisions of the Disaster Management Act, 2002 (Act 57 of 2002) (DMA) when the need arises.

The FIC's Health and Safety Committee has a charter, policy and procedures and appointed evacuation officers, fire fighters, incidents investigators, health and safety representatives, and first aid officer. The FIC's Health and Safety Committee's responsibilities include:

- Making recommendations to the FIC or, where the recommendations fail to resolve the matter, to an inspector in terms of the OHS Act regarding any matter affecting the health or safety of persons at the workplace or any section thereof.
- Discussing any incident at the workplace or section thereof in which or in consequence of which any person was injured, became ill or died, and may in writing report on the incident to an inspector from the Department of Labour.
- Performing other health and safety functions as may be prescribed.
- Keeping records of each recommendation made to the FIC in terms of subsection (1) (a) and of any report made to an inspector in terms of subsection (1) (b) of the OHS Act.

During the 2024/25 financial year, there were no incidents of employees or visitors being injured on the FIC premises.

# REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2025.

## Introduction

The Audit and Risk Committee (ARC) is an independent statutory committee appointed by the Accounting Authority. It derives its duties from section 77 of the PFMA read together with National Treasury Regulations 27.1. Further duties are delegated to the ARC by the Accounting Authority. This report includes both these sets of duties and responsibilities.

## ARC terms of reference

The ARC has adopted formal terms of reference that have been approved by the Accounting Authority. The ARC has conducted its affairs in compliance with its terms of reference and has discharged all its responsibilities contained therein.

## ARC members and meeting attendance

The ARC consists of five independent, appropriately qualified members. The committee meets at least four times a year as per the approved terms of reference.

The composition of members during the year under review was as follows:

Name	Qualifications	Contract commencement date	Contract end / termination date
Precious Sibiya (Chairperson)	B Acc; Postgraduate Diploma in Accountancy; CA(SA)	1 August 2021	31 July 2024
Bongani Mbewu	MPhil (Int Audit); BCom Hons (Acc); Adv Cert in Tax; CIA; CCSA; CGAP; CRMA	1 August 2021	31 July 2024
Protas Phili	BCom (Acc); Postgraduate Diploma in Accountancy; Advanced Certificate in Auditing; M.Com (Taxation), CA(SA)	1 August 2021	31 July 2024
Sphiwe Mayinga	MBA (GIBS); LLM; LLB; B. Proc; PG Dip BM; SLDP; MAP; Admitted Attorney	31 December 2021	30 April 2024
Mduduzi Zakwe (Chairperson)	CA(SA); CBCI; PhD; MBA (IT & E-Commerce)	23 October 2024	22 October 2027
Prittish Dala	PhD (IT); M.IT; BSc (Hons) (Computer Science); BIT; CD(SA); CISA; CISM CISSP; LA ISO 27001; CGEIT; CRISC; CEH; CHFI	22 January 2025	22 October 2027
Suren Maharaj	BCom; B Compt (Hons); CA(SA); CGFO; MBA; RGA	23 October 2024	22 October 2027
Thato Moeeng	MBL; LLB; B. LURIS	23 October 2024	22 October 2027
Tshepo Mofokeng	BCom; B Acc (Wits); CA(SA); CIA; CRMA	23 October 2024	22 October 2027

The meetings held and attendance at the meetings during the year under review were as follows:

#### Audit and Risk Committee meetings held in 2024 and 2025

Members	2024					2025
	26 April	27 May	29 May	26 July	6 November	13 February
Precious Sibiya	✓	✓	✓	✓	–	–
Bongani Mbewu	✓	✓	✓	✓	–	–
Protas Phili	✓	✓	✓	✓	–	–
Sphiwe Mayinga	✗	✗	–	–	–	–
Mduduzi Zakwe	–	–	–	–	✓	✓
Prittish Dala	–	–	–	–	–	✓
Suren Maharaj	–	–	–	–	✓	✓
Thato Moeeng	–	–	–	–	✓	✓
Tshepo Mofokeng	–	–	–	–	✓	✓

✓ Present      ✗ Absent with an apology      – Not a member

#### ARC roles and responsibilities

The ARC reports that it has complied with its responsibilities arising from section 77 of the PFMA and National Treasury Regulation 27.1. The ARC also reports that it has adopted appropriate formal terms of reference as its ARC charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The ARC is responsible for, and fulfilled the following responsibilities, among others:

- Reviewed the accounting policies adopted by the entity and proposed changes in accounting policies and practices, and recommended any changes considered appropriate.
- Reviewed and recommended disclosed financial information.

- Considered the processes introduced to improve the overall governance and ethics of the entity and reviewed reports from management and the internal auditors relating to governance, risk and control processes.
- Monitored ethical conduct by the entity, its executive and senior management.
- Monitored the entity's compliance with applicable legislative requirements.
- Ensured that any fruitless, wasteful and irregular expenditure is reported and disclosed in terms of the PFMA.
- Ensured co-operation between internal and external auditors by clarifying and overseeing the appropriateness and implementation of the combined assurance plan.

- Considered the King Code of Governance recommendations and their applicability to the entity.
- Assisted management in carrying out its risk management and ICT responsibilities.
- Received and dealt appropriately with any complaints and/or allegations of wrongdoing, including fraud. No such complaints were received during the year under review or to the date of this report.

The internal and external auditors had direct access to the Chairperson of the ARC and its members.

#### **The effectiveness of internal controls**

The internal audit function is outsourced, and the outsourced internal audit representatives attended all ARC meetings.

Based on the assessment of the work done during the year under review, the ARC believes that while the internal audit function has provided professional, independent and objective assurance that the internal controls are adequate and effective to assist the organisation to achieve its goals and objectives, there were some areas of development. The ARC requested the internal auditors and management to discuss these further and table a documented plan to the ARC for concurrence and monitoring.

#### **Enterprise risk management**

The ARC reviewed and recommended for Accounting Authority approval, various risk management policies and plans. The ARC has also reviewed the strategic risk register and is generally satisfied with how risks are being managed within the FIC. Based on the processes and assurances obtained, we believe that the risk management processes are generally adequate.

#### **Quarterly reporting**

The ARC has had sight of the quarterly reports submitted to National Treasury and the Executive Authority during the year under review and can confirm that the entity reported on a quarterly basis as is required by the PFMA.

#### **Evaluation of annual financial statements**

The ARC has reviewed the accounting policies and the annual financial statements of the entity and is satisfied that they are appropriate and comply with the standards of Generally Recognised Accounting Practice (GRAP). The ARC noted that the annual financial statements submitted for the external audit were free of any material misstatements, as there were no material adjustments resulting from the external audit.

#### **Evaluation of the finance function**

The ARC is satisfied that the chief financial officer has the appropriate qualifications and experience. Moreover, the ARC is satisfied with the overall skills and competence within the finance function.

#### **External auditor's report**

We reviewed the entity's implementation plans for audit issues raised in the prior years and we are satisfied that the matters have been adequately resolved.

The ARC reviewed the external auditors' management report and management's responses thereto.

The ARC concurs and accepts the conclusions of the Auditor-General of South Africa on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the audit report of the Auditor-General of South Africa.



**Dr Mdu Zakwe**  
CA (SA), MBA, PhD  
Chairperson of the Audit and Risk Committee

31 July 2025

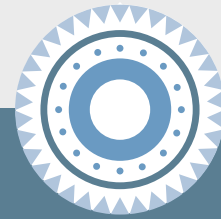
### B-BBEE compliance performance information

The following table was completed in accordance with the compliance to the B-BBEE requirements as required by the Broad-based Black Economic Empowerment Act, 2003 (Act 53 of 2003) (B-BBEE Act) and as determined by the Department of Trade, Industry and Competition.

Has the public entity applied any relevant code of good practice (B-BBEE Certificate Levels 1- 8) with regard to the following:

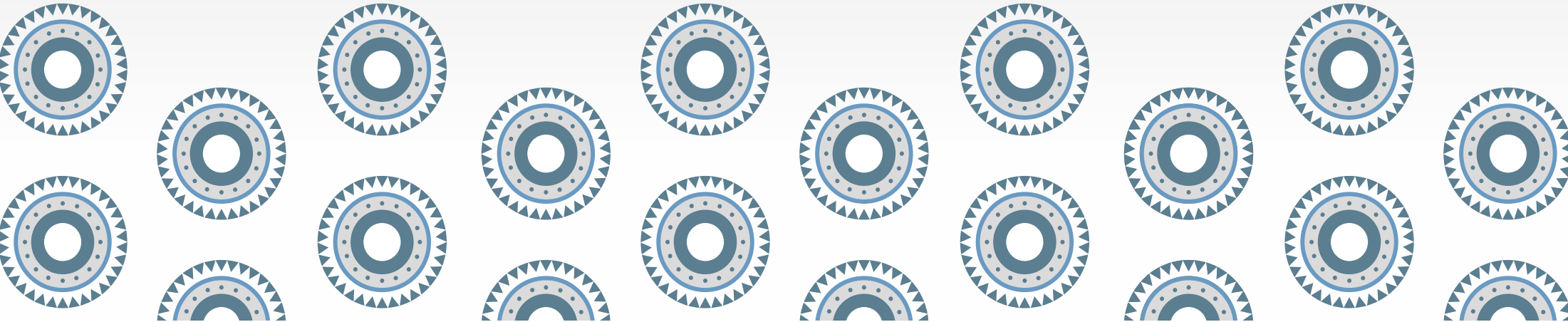
**Table 23:** B-BBEE compliance performance information 2024/25

Criteria	Response Yes/No	Discussion (measures taken/not taken to comply)
1 Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Not applicable	The FIC's mandate and work does not extend to issuing of licences, concessions or authorisations.
2 Developing and implementing a preferential procurement policy?	Yes	The FIC has in place SANAS accredited B-BBEE verification.
3 Determining qualification criteria for the sale of state-owned enterprises?	Not applicable	Selling of state-owned enterprises does not fall within the scope of the work of FIC.
4 Developing criteria for entering into partnerships with the private sector?	Not applicable	FIC does not enter into partnerships with the private sector.
5 Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad-Based Black Economic Empowerment?	Not applicable	FIC does not award grants, incentives or investment schemes.

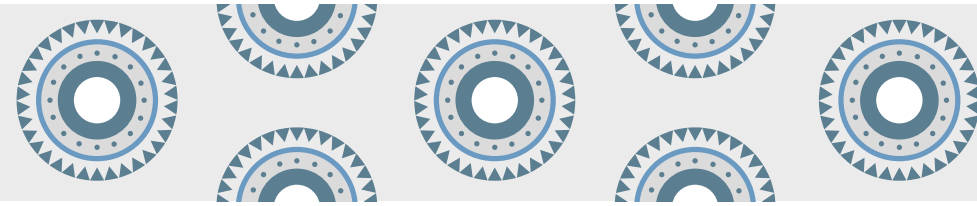


# PART D

Human resource  
management



# HUMAN RESOURCE MANAGEMENT



## Introduction

During the 2024/25 financial year, the FIC continued the implementation of its talent management strategy to ensure the sustainability of the organisation. This was conducted through a phased approach focusing on priority areas including building management capability, employee development, reviewing retention measures, designing the FIC employee value proposition, and the succession planning framework.

There continues to be a high rate of voluntary resignations, as compared to previous financial years. However, the stabilising labour market after the COVID-19 pandemic and the FIC's ability to implement some of its retention approaches has seen the employee turnover rate remain relatively steady at 11 percent during the year under review, as compared to 10.5 percent during the 2023/24 financial year.

The FIC was able to recruit 55 personnel during the year under review and achieve a 100 percent retention rate for all new personnel employed during the year under review.

This has resulted in a five percent decrease in the overall vacancy rate to 17 percent as compared to 22 percent as at the end of the 2023/24 financial year. The vacancy rate is calculated against the active vacancies on the total funded establishment. Although the FIC's closing headcount increased from 257 as at 31 March 2024 to 275 at close of the financial year under review, voluntary resignations continued to impact on recruitment efforts.

As part of its commitment to maintaining a transformed and equitable workforce, the FIC exceeded all three of its employment equity targets.



### Employees from designated race groups

**233** employees out of a total of 275 are African, Coloured, and Indian

**84.73%**  
of employees  
Target: 80%



### Female employees

**173** employees out of a total of 275 are female

**62.90%**  
of employees  
Target: 51%



### Employees with disabilities

**Six** employees out of total 275 employees are employees currently living with a disability

**2.1%**  
of employees  
Target: 2%

The FIC surpassed its employment equity targets as part of its commitment to a diverse and fairly represented workforce.

During 2024/25, the Human Resources business unit remained responsive to the FIC's organisational needs and people management priorities by focusing on the following interventions:

- Employee value proposition: The FIC finalised the definitions of the core employee value proposition (EVP) elements and produced a framework that will play a vital role in the attractiveness of the organisation to current and prospective employees, and the retention of its talent. The focus during the 2025/26 financial year will be on the activation and implementation of the EVP.
- Management development: The FIC requires a thriving, highly adaptable and agile leadership team to deliver a compelling value proposition to its current and prospective employees. During the year under review, the FIC concluded the facilitation of leadership dialogue sessions as a means of commencing the process of building its leadership capability. The focus during the 2025/26 financial year will be on further developing management delivery capability.
- Remuneration: The FIC has assessed its remuneration framework to ensure that its offerings remain relevant and competitive in the labour market. This will be an ongoing exercise to ensure that it remains fit for purpose for the near- and long-term future.
- Talent reviews: Employee career development and growth remains an acute focus in relation to the retention of critical skills, while offering employees opportunities to accomplish their career aspirations. Talent reviews continue to provide essential insights on the composition of the FIC's talent pool in relation to its strategic and operational demands. For effective succession planning purposes, through talent reviews, the FIC has 37 critical positions across all divisions with succession cover at 19 percent. This area of focus in the next financial year will be on introducing the organisation's succession management framework.

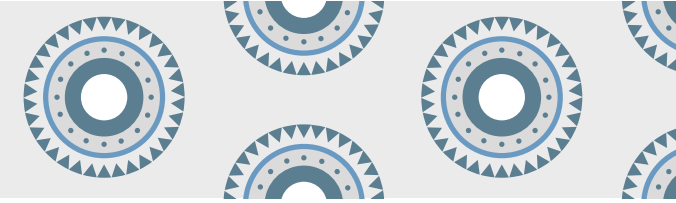
- Learning and development: A total of 129 employees attended various skills development interventions of which 68 percent were technical skills development initiatives. The FIC is undoubtedly dedicated to long-term development of its employees. This was realised through the granting of 32 bursaries (2023/24: 30 bursaries were granted) for employees to further their studies in areas of interest relevant to the operations of the FIC, and in line with their career aspirations. In addition, 10 graduates were taken on board at the FIC, to gain workplace experience, and to develop technical expertise and knowledge relating to AML and CFT during the year under review.

Talent management remains a key strategic focus for the organisation, supported by its talent management strategy.

Central to this is ensuring that the FIC continues to have a credible management corps, builds management and leadership capabilities and effectively develops current and future critical skills. Together these will ensure organisational sustainability in both the short and long term. The current talent management initiatives, which are in progress, are summarised as part of the HR strategic priorities:

- Analysis of job roles with forensic accounting, data management and data analytics competencies, to help address critical skills gaps, followed by the re-skilling and upskilling of employees occupying these roles.
- Reviewing of the remuneration framework
- Ongoing review of the FIC's employee retention strategies, framework and practices
- Introduction of the succession planning framework
- Accelerating the development of employees occupying professional or functional roles with aspirations towards management positions through deliberate developmental programmes
- Building delivery management capability through the implementation of psychometric assessments to inform developmental efforts.

# HUMAN RESOURCES OVERSIGHT STATISTICS



**Table 24: Personnel cost by programme**

Programme	Total expenditure for the entity (R'000)	Personnel expenditure (R'000)	Personnel expenditure as a percentage of total expenditure	No of employees	Average personnel cost per employee (R'000)
<b>Total expenditure</b>	<b>418 003</b>	<b>252 043</b>	<b>60.30%</b>	<b>323</b>	<b>780</b>

\* Personnel expenditure includes terminations during the reporting period but excludes year-end accrual adjustment and compensation for occupational injury and disease.

**Table 25: Personnel cost by salary band**

Level	Personnel expenditure (R'000)	Percentage of personnel expenditure to total personnel cost	No of employees	Average personnel cost per employee (R'000)
Top management	11 974	5%	4	2 994
Senior management	24 289	10%	12	2 024
Professional qualified	35 425	14%	25	1 417
Skilled	157 858	63%	207	763
Semi-skilled	22 496	9%	75	300
Unskilled	-	0%	-	-
<b>Total</b>	<b>252 042</b>	<b>100%</b>	<b>323</b>	

\* Reflects the number of active and terminated employees paid during the reporting period.

## Performance rewards

No performance rewards were granted in the 2024/25 financial year.

**Table 26: Training costs**

Programme	Personnel expenditure (R'000)	Training expenditure (R'000)	Training expenditure as a percentage of personnel cost	No of employees trained	Average training cost per employee (R'000)
Employee training	252 043	R1 122	0.45%	121	9
Bursaries		R851	0.34%	32	27
<b>Totals</b>		<b>R1 973</b>	<b>0.78%</b>	<b>153</b>	<b>R13</b>

**Table 27: Employment and vacancies**

Programme	Number of employees 2023/24	Approved posts 2024/25	Number of employees 2024/25	Vacancies 2024/25	Percent of vacancies
Top management	4	5	4	1	2%
Senior management	10	14	10	4	8%
Professional qualified	20	26	23	3	11.5%
Skilled	167	221	182	39	18%
Semi-skilled	56	59	56	3	6%
Unskilled	0	0	0	0	0%
<b>Total</b>	<b>257*</b>	<b>325</b>	<b>275**</b>	<b>50</b>	<b>18%</b>

Note: The FIC vacancy rate has decreased during the period under review compared to the last financial year. FIC has a retention measure which are being implemented on ongoing basis.

\* Opening balance as at 1 April 2024

\*\* Closing balance as at 31 March 2025

**Table 28: Employment changes**

Salary band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top management	4	0	0	4
Senior management	10	2	2	10
Professional qualified	20	4	2	23
Skilled	167	42	22	182
Semi-skilled	56	7	3	56
Unskilled	0	0	0	0
<b>Total</b>	<b>257</b>	<b>55</b>	<b>29</b>	<b>275</b>

**Table 29: Reasons for employees leaving**

Reason	Number	Percentage of total employees leaving
Death	1	3.4%
Resignation	26	89.7%
Dismissal	1	3.4%
Retirement	1	3.4%
Ill health	0	0
Expiry of contract	0	0
Other	0	0
<b>Total</b>	<b>29</b>	<b>100%</b>

Note: The main reasons for employees leaving the FIC include pursuing opportunities for career growth and/or better earning opportunities. The FIC's HR framework is reviewed on an ongoing basis to address turnover.

**Table 30: Labour relations: Misconduct and disciplinary action**

Nature of disciplinary action	Number
Verbal warning	0
Written warning	3
Final written warning	4
Dismissal	1

**Table 31: Equity target and employment equity status (male)**

MALE								
Levels	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	1	1	1	1	0	0	1	1
Senior management	2	4	0	0	1	1	2	2
Professional qualified	7	8	1	1	1	1	4	4
Skilled	61	86	2	2	4	5	11	11
Semi-skilled	6	5	0	0	0	0	0	0
Unskilled	-	-	-	-	-	-	-	-
<b>Total</b>	<b>77</b>	<b>104</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>17</b>	<b>19</b>

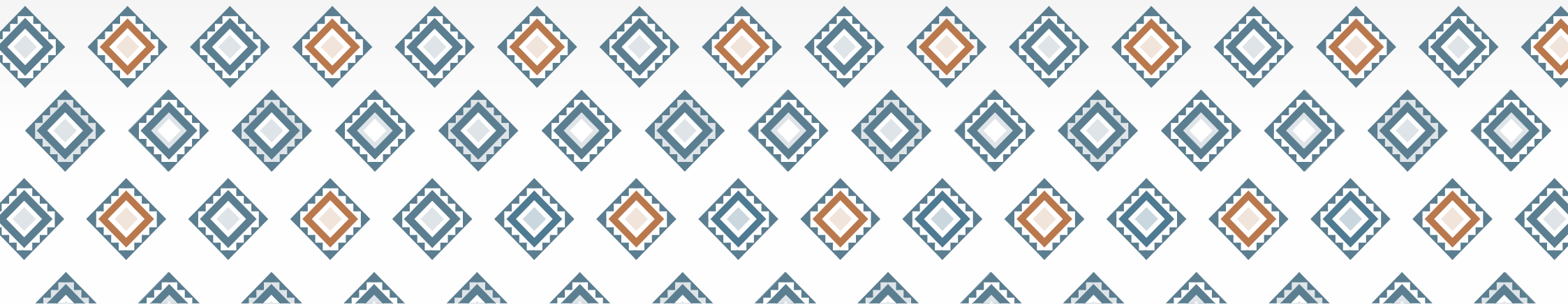
**Table 32: Equity target and employment equity status (female)**

FEMALE								
Levels	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top management	0	1	0	0	1	1	0	0
Senior management	2	4	0	0	1	1	2	2
Professional qualified	7	8	1	1	1	1	4	4
Skilled	81	89	2	8	6	6	13	15
Semi-skilled	46	51	1	1	1	1	6	4
Unskilled	-	-	-	-	-	-	-	-
<b>Total</b>	<b>136</b>	<b>153</b>	<b>4</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>25</b>	<b>25</b>

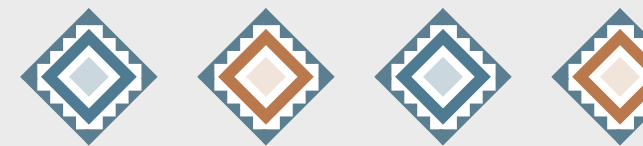
**Table 33: Equity target and employment equity status (people with disabilities)**

DISABLED EMPLOYEES				
Levels	Male		Female	
	Current	Target	Current	Target
Top management	0	0	0	0
Senior management	0	0	0	0
Professional qualified	1	1	1	1
Skilled	2	1	1	1
Semi-skilled	0	2	1	3
Unskilled	0	0	0	0
<b>Total</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>5</b>

Note: Ongoing effort is being made to attract people with disabilities. The equity targets are for 1 October 2023 to 30 September 2024 as submitted to the Department of Labour.



# INFORMATION ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES



**Table 34:** Irregular expenditure

Irregular and fruitless and wasteful expenditure	2024/25 R'000	2023/24 R'000
<b>Detail</b>		
Irregular expenditure	-	1 082
Fruitless and wasteful expenditure	-	-
<b>Total</b>	-	<b>1 082</b>

There were no new cases of irregular expenditure or fruitless and wasteful expenditure identified during the year.

## Reconciliation of irregular expenditure

### Description

Confirmed irregular expenditure	-	1 082
Less irregular expenditure condoned	-	(4 042)
Less irregular expenditure not condoned, and removal approved	(47)	-
Less irregular expenditure written off – not recoverable	(6)	-
<b>Net balance</b>	<b>(53)</b>	<b>(2 960)</b>

There were no new cases of irregular expenditure identified during the year.

**Irregular and fruitless and wasteful expenditure** *(continued)***2024/25**  
**R'000****2023/24**  
**R'000****a) Reconciling notes to the annual financial statements disclosure****Irregular expenditure**

Irregular expenditure that was  
under assessment in 2023/24 confirmed in current year

- 6

Irregular expenditure that relates to 2023/24 and identified in 2024/25

- -

Irregular expenditure – identified and confirmed in the year

- -

Payment made on multi-year contract

- 1 076

**Total**

- **1 082**

Irregular expenditure of R77 209 that was under determination at the end of the prior year, was increased by a further R5 700, resulting in a total of R82 909 being under investigation. This amount was reduced to R5 614, after securing an insurance refund for the items. As the loss of R5 614 is irrecoverable, the Accounting Authority approved the write off of the loss.

**b) Details of current and previous year irregular expenditure (under assessment, determination and investigation)****Description**

Irregular expenditure under assessment

- -

Irregular expenditure under determination

60 60

Irregular expenditure under investigation

- -

**60 60**

An incident amounting to R60 247.28 was discovered during the prior year and is under determination.

**c) Details of current and prior year irregular expenditure condoned****Description**

Irregular expenditure condoned

- (4 042)

- **(4 042)**

Irregular and fruitless and wasteful expenditure <i>(continued)</i>		2024/25 R'000	2023/24 R'000
<b>d) Details of current and prior year irregular expenditure removed - not condoned</b>			
<b>Description</b>			
Irregular expenditure not condoned and removed		(47)	-
<b>Total</b>		<b>(47)</b>	<b>-</b>
During the year, National Treasury rejected two requests for condonement, amounting to R47 320.91 and recommended that they be referred to the Accounting Authority to be written off. The Accounting Authority approved the write off of both items, since it complied with all the requirements of the National Treasury instruction note.			
<b>e) Details of current and prior year irregular expenditure recovered</b>			
<b>Description</b>			
Irregular expenditure recovered		-	-
		-	-
<b>f) Details of current and prior year irregular expenditure written off (irrecoverable)</b>			
<b>Description</b>			
Irregular expenditure written off		(6)	-
		<b>(6)</b>	<b>-</b>
<b>g) Not applicable</b>			
<b>h) Not applicable</b>			
<b>i) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure</b>			
<b>Disciplinary steps taken</b>			
During the year, disciplinary action was instituted against four employees.			

**Table 35: Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure	2024/25 R'000	2023/24 R'000
<b>Description</b>		
Fruitless and wasteful expenditure incurred and confirmed in prior year	-	-
Less fruitless and wasteful expenditure written off	-	(16)
Less fruitless and wasteful expenditure recoverable	-	-
<b>Closing balance</b>	<b>-</b>	<b>(16)</b>

There were no new cases of fruitless and wasteful expenditure identified during the year.

**a) Reconciling notes to the annual financial statements disclosure**

**Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure that was under assessment in 2022/23 confirmed in current year

Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24

Fruitless and wasteful expenditure for the current year  
- identified and confirmed in that year

**Total**

-	-
-	-
-	-
-	-

**b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination and investigation)**

**Description**

Fruitless and wasteful expenditure under assessment

Fruitless and wasteful expenditure under determination

Fruitless and wasteful expenditure under investigation

**Total**

-	-
110	45
-	-
<b>110</b>	<b>45</b>

Fruitless and wasteful expenditure of R45 327 was under determination in the prior year. During the current year, another incident, amounting to R64 393, was added, resulting in a total of R109 720 being under determination for the current year.

**Reconciliation of fruitless and wasteful expenditure** *(continued)***2024/25**  
**R'000****2023/24**  
**R'000****c) Details of current and prior year fruitless and wasteful expenditure recovered****Description**

Fruitless and wasteful expenditure recovered

-	-
-	-

**d) Details of current and prior year fruitless and wasteful expenditure written off****Description**

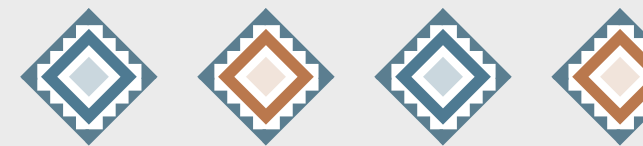
Fruitless and wasteful expenditure written off

-	16
-	16

**e) Details of current and prior year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure****Disciplinary steps taken**

Not applicable

# INFORMATION ON SUPPLY CHAIN MANAGEMENT



**Table 36:** Information on late and/or non-payment of suppliers

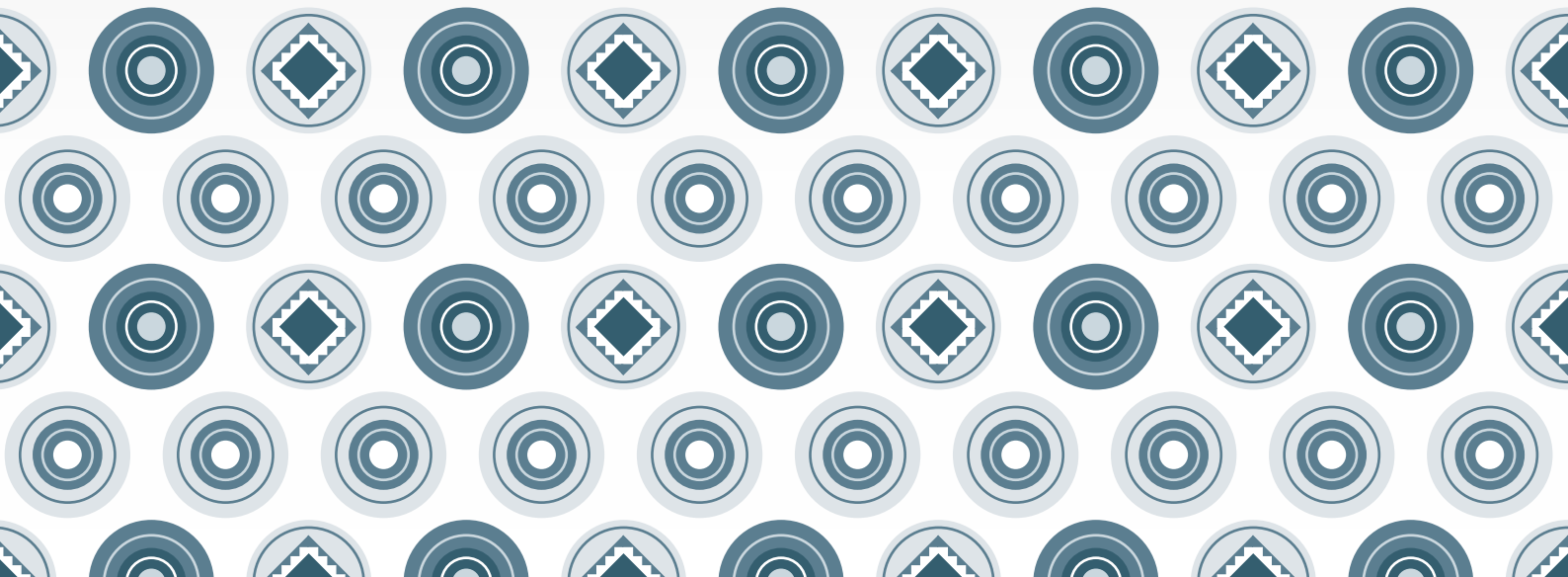
Description	Number of invoices	Consolidated value (R'000)	Reasons for non-compliance
Valid invoice received	1 907	158 869	
Invoices paid within 30 days or agreed period	1 899	148 803	
Invoices paid after 30 days or agreed period	8	10 066	<p>Two invoices were accidentally omitted from payment. This omission was picked up when reconciliations were made for the following month's payments.</p> <p>One invoice was received without the relevant paperwork resulting in a delay in payment.</p> <p>Three invoices were loaded and released for payment by Finance management on 30 July 2024. However, on 5 August 2024, it was discovered that the payment was still not reflected in the FIC bank statement. Upon enquiry with the bank, they indicated that the bank had not released payment. The FIC therefore reloaded the rejected invoices on 7 August 2024 for payment.</p> <p>In one invoice the contract for an Audit and Risk Committee member had expired, and there was no contract in place at the time the service was rendered. Finance waited for approval of this expenditure from the business unit.</p> <p>Payment was held back on one invoice due to funds having been depleted on an existing purchase order.</p>
Invoices older than 30 days or agreed period (unpaid and without dispute)	0	0	
Invoices older than 30 days or agreed period (unpaid and in dispute)	3	345	<p>Two invoices awaiting credit notes due to services not being rendered.</p> <p>One invoice remains under query with the supplier. It appears that a duplicate invoice was submitted.</p>

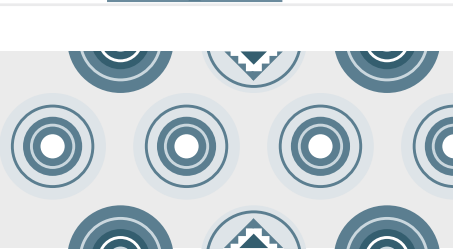
**Table 37: Procurement by other means**

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract (R'000)
Office renovation project at FIC head office. Update of estimated amount previously reported.	Centurion Vision Development (Pty) Ltd	Single source	FIC-2023/24-0361 FIC-2023/24-0403	R168
TRM Labs paid subscription services for a period of three years.	Forensic Worx (Pty) Ltd	Sole source	FIC-2024/25-0424	R3 059
Casewise software annual maintenance and on-site support services for a period of three years.	Casewise South Africa (Pty) Ltd	Sole source	FIC-2024/25-0441	R1 772
Support services on custom-built compliance monitoring and assessment system, common data platform and business intelligence software solutions for a period of one year.	Altron Digital Business, a division of Altron TMT (Pty) Ltd	Single source	FIC-2024/25-0483	R2 081
Publications identified for placement of compliance related advertisements, editorials, advertorials and articles for a period of three years.	Various Suppliers	Single source	N/A	R3 755
Renewal of the i2 Analyst Notebook and iBase software licences and support services for a period of three years.	Hidden Links (Pty) Ltd	Sole source	FIC-2024/25-0501	R2 859
Gartner HR subscription licences for a period of two years.	Gartner South Africa (Pty) Ltd	Sole source	FIC-2024/25-0496	R3 129
Renewal of BarnOwl GRC software rich annual support and maintenance licenses with the inclusion of 10 additional licences for a period of three years.	IDI Technology Solutions (Pty) Ltd	Sole source	FIC-2024/25-0500	R1 632

**Table 38: Contract variations and expansions**

Project description	Name of supplier	Contract modification type (expansion or variation)	Contract number	Original contract value (R'000)	Value of previous contract expansions or variations (if applicable) (R'000)	Value of current contract expansion or variation (R'000)
Ninety additional nFront password filter user licences, with support and maintenance	MJL Technologic Consulting (Pty) Ltd	Expansion	FIC-2024/25-0418	R46	R0	R18
Payroll services	Mondtes Holdings (Pty) Ltd	Expansion	FIC-2024/25-0439	R505	R0	R342
Labour relations services	Specialised Skills Institute of South Africa trading as Meridian Training CC	Expansion	FIC-2024/25-0461	R550	R0	R400
Travel management services	Travel with Flair (Pty) Ltd	Expansion	FIC-2021/22-0155	R16 337	R2 084	R3 845
Physical security services	Prime African Security (Pty) Ltd	Expansion	FIC-2024/25-0498	R7 386	R0	R6 023



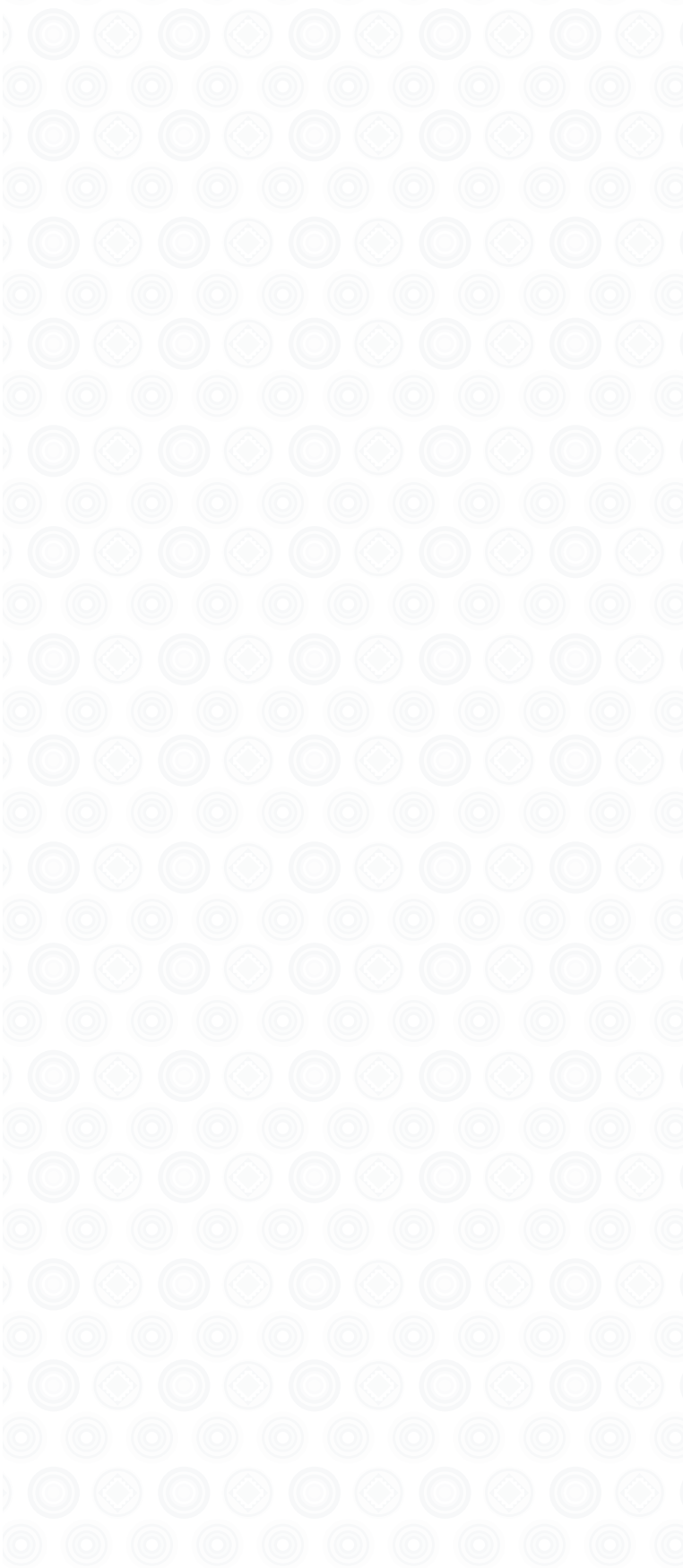


# ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2025

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# REPORT OF THE EXTERNAL AUDITOR

## Report of the auditor-general to Parliament on the Financial Intelligence Centre

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Financial Intelligence Centre (FIC) set out on pages 123 to 148, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Financial Intelligence Centre (FIC) as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

#### Responsibilities of the auditor-general for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 120, forms part of my auditor's report.

#### Report on the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof; I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to the delivery of intelligence on financial crime and Financial Intelligence Centre (FIC) Act-related regulatory services programme presented in the annual performance report for the year ended 31 March 2025. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest. The following are the indicators selected for audit:
  - Number of risk and compliance awareness initiatives conducted
  - Number of risk-based compliance review reports issued

- Number of FIC risk-based inspection reports issued
  - Percentage success rate of matters referred for administrative sanctions
  - Number of proactive high-priority financial intelligence reports issued to stakeholders per annum
  - Number of proactive medium to lower priority financial intelligence reports issued to stakeholders per annum
  - Percentage of reactive financial intelligence reports issued to stakeholders
  - Number of elevated financial intelligence reports issued to stakeholders on illicit financial flows per annum
  - Number of conducted stakeholder engagements to improve the understanding and utilisation of FIC products and services per annum
  - Percentage response to requests to block funds
  - Percentage response to requests for technical assistance from countries within the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) region
  - Timely implementation of United Nations Security Council (UNSC) targeted financial sanctions
  - Monitoring policy implementation pursuant to Money Laundering / Terror Financing/ Proliferation Financing (ML / TF / PF) National Risk Assessment (NRA).
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using this criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
13. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
  - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
  - the indicators are well defined to ensure that they are easy to understand and can be applied

consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements

- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
  - the reported performance information is presented in the annual performance report in the prescribed manner
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
14. I performed the procedures to report material findings only; and not to express an assurance opinion or conclusion.
15. I did not identify any material findings on the reported performance information for the selected indicators.

#### **Other matter**

16. I draw attention to the matter below.

#### **Achievement of planned targets**

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under-achievements.
18. The table that follows provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any under-achievement are included in the annual performance report on pages 25, 53, 69 to 70 and 82 to 83.

## Delivery of intelligence on financial crime and FIC Act-related regulatory services

Targets achieved: **90%**  
Budget spent: **98%**

Key indicator not achieved	Planned target	Reported achievement
3.3.1 Monitoring policy implementation pursuant to Money Laundering/ Terror Financing/ Proliferation Financing (ML/TF/PF) National Risk Assessment (NRA)	Reports to AML/CFT IDC on implementation of policies emanating from the ML/TF/ PF NRA in Q2 and Q4.	Q4 report on the implementation of policies emanating from the ML/TF/ PF NRA was delivered to AML/CFT IDC in Q4.

### Report on compliance with legislation

19. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
20. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
21. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
22. I did not identify any material non-compliance with the selected legislative requirements.

### Other information in the annual report

23. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected material indicators in the scoped-in programme presented in the annual performance report that have been specifically reported on in this auditor's report.

24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

### Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
28. I did not identify any significant deficiencies in internal control.

*Auditor - General*

**Pretoria**  
31 July 2025



# ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

## Auditor-general's responsibility for the audit

### Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected material performance indicators and on the public entity's compliance with selected requirements in key legislation.

### Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made

- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56; 57(b); 66(3)(c); 66(5)
Treasury Regulations, 2005	Regulation 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 31.1.2(c); 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 31.2.7(a); 31.3.3; 32.1.1(a); 32.1.1(b); 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); 45(4); 46(1)(a); 46(1)(b); 46(1)(c); 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
National Treasury Instruction No. 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
Second Amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
National Treasury Practice Note 5 of 2009/10	Paragraph 3.3
National Treasury Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8; 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

# ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Accounting Authority of the Financial Intelligence Centre (FIC) is pleased to submit this report, together with the FIC's annual financial statements, for the year ended 31 March 2025.

The Accounting Authority acknowledges responsibility for the preparation and integrity of the annual financial statements and related information included in the annual report. For the Accounting Authority to discharge these responsibilities, as well as those bestowed on the Accounting Authority in terms of the Public Finance Management Act, 1999 (Act 1 of 1999) and other applicable legislation, the Accounting Authority has developed and maintains a system of internal controls, designed to provide reasonable assurance regarding the achievement of objectives.

## 1. Establishment, mandate and operations of the FIC

The FIC is established in terms of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). The mandate of the FIC is to identify the proceeds of crime and assist in combating money laundering, the financing of terrorism and proliferation financing.

The FIC Act works in concert with the Prevention of Organised Crime Act, 1998 (Act 121 of 1998), the Protection of Constitutional Democracy Against Terrorist and Related Activities Act, 2004 (Act 33 of 2004).

The FIC Act established the FIC and placed obligations on financial institutions and other businesses deemed vulnerable to money laundering and terrorist financing. The Prevention of Organised Crime Act introduced the crime of money laundering. The Protection of Constitutional Democracy Against Terrorist and Related Activities Act introduced measures to address the financing of acts of terrorism.

## 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

## 3. Internal controls

Internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with best business practice, as well as policies and procedures established by the Accounting Authority and independent oversight by the Audit and Risk Committee. The system contains self-monitoring mechanisms and actions are taken to correct deficiencies as they are identified.

## 4. Accounting policies

The annual financial statements are prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as per the prescribed framework by National Treasury, and directives issued by the Accounting Standards Board.

## 5. Corporate governance

### General

The Accounting Authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Accounting Authority supports the highest standards of corporate governance and the ongoing development of best practice.

### Audit and Risk Committee

The Audit and Risk Committee comprised of five members for the year ended 31 March 2025 and had five operational meetings during the year, in accordance with its approved charter that requires a minimum of four meetings.

### Internal audit

The FIC has outsourced its internal audit function, which reports functionally to the Audit and Risk Committee.

## 6. Review of the financial statements

The financial results are contained in the annual financial statements. In my opinion, the annual financial statements fairly reflect the operations of the FIC for the financial year ended 31 March 2025 and its financial position as at that date.

## 7. Subsequent events

The Accounting Authority is not aware of any matter or circumstance arising between 31 March 2025 and the date of this report, not dealt with in the annual financial statements, which would significantly affect the operations or results of the FIC.

## 8. Bankers

Standard Bank of South Africa Limited.

## 9. Auditors

Auditor-General of South Africa.



**P Smit**

Accounting Authority  
Financial Intelligence Centre

31 July 2025

# STATEMENT OF FINANCIAL POSITION

as at 31 March 2025

	Notes	2025 R '000	2024 R '000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	86 872	96 366
Prepayments	4	24 398	17 141
Receivables from exchange transactions	5	383	471
Inventories	6	291	84
		<b>111 944</b>	<b>114 062</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	50 782	41 738
Intangible assets	8	33 287	40 571
Deposits	9	824	626
		<b>84 893</b>	<b>82 935</b>
<b>Total assets</b>		<b>196 837</b>	<b>196 997</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables from exchange transactions	10	19 749	20 841
Third party deposits	12	70	10
Finance lease obligation	13	810	720
		<b>20 629</b>	<b>21 571</b>
<b>Non-current liabilities</b>			
Finance lease obligation	13	546	1 356
Operating lease liability	14	16 459	6 385
		<b>17 005</b>	<b>7 741</b>
<b>Total liabilities</b>		<b>37 634</b>	<b>29 312</b>
<b>Net assets</b>		<b>159 203</b>	<b>167 685</b>
Accumulated surplus		159 203	167 685
<b>Total net assets</b>		<b>159 203</b>	<b>167 685</b>

# STATEMENT OF FINANCIAL PERFORMANCE

as at 31 March 2025

	Notes	2025 R '000	2024 R '000
<b>Revenue</b>			
<b>Non-exchange revenue</b>			
Government grant	15	400 871	385 730
Criminal Assets Recovery Account (CARA) funds	11	-	20 134
<b>Total revenue from non-exchange transactions</b>		<b>400 871</b>	<b>405 864</b>
<b>Exchange revenue</b>			
Interest received	16	8 597	9 034
Other income		241	211
<b>Total revenue from exchange transactions</b>		<b>8 838</b>	<b>9 245</b>
<b>Total revenue</b>		<b>409 709</b>	<b>415 109</b>
<b>Expenditure</b>			
Depreciation and amortisation	17	(21 073)	(14 126)
Employee related costs	18	(247 736)	(210 382)
Finance costs	19	(206)	(102)
General expenses	20	(148 730)	(104 025)
Impairment of financial assets	21	(258)	(1 186)
<b>Total expenditure</b>		<b>(418 003)</b>	<b>(329 821)</b>
Loss on disposal of assets	22	(188)	(901)
<b>(Deficit) surplus for the year</b>		<b>(8 482)</b>	<b>84 387</b>

# STATEMENT OF CHANGES IN NET ASSETS

as at 31 March 2025

	Accumulated surplus / deficit R '000	Total net assets R '000
<b>Opening balance as previously reported</b>	83 298	83 298
Surplus for the year	84 387	84 387
<b>Total changes in net assets</b>	<b>84 387</b>	<b>84 387</b>
<b>Balance at 1 April 2024</b>	<b>167 685</b>	<b>167 685</b>
Deficit for the year	(8 482)	(8 482)
Total changes in net assets	(8 482)	(8 482)
<b>Balance at 31 March 2025</b>	<b>159 203</b>	<b>159 203</b>

# CASH FLOW STATEMENT

as at 31 March 2025

	Notes	2025 R '000	2024 R '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Cash receipts from grants		400 871	385 730
Interest income		8 582	8 837
Other income		236	357
		<b>409 689</b>	<b>394 924</b>
<b>Payments</b>			
Suppliers		(395 237)	(337 015)
Finance costs		(206)	(102)
		<b>(395 443)</b>	<b>(337 117)</b>
<b>Net cash flows from operating activities</b>	23	<b>14 246</b>	<b>57 807</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(21 700)	(15 876)
Proceeds from sale of property, plant and equipment		375	24
Purchase of other intangible assets		(1 695)	(24 926)
<b>Net cash flows from investing activities</b>		<b>(23 020)</b>	<b>(40 778)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(720)	(376)
Cash repaid to National Treasury		-	(13 866)
<b>Net cash flows from financing activities</b>		<b>(720)</b>	<b>(14 242)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(9 494)</b>	<b>2 787</b>
Cash and cash equivalents at the beginning of the year		96 366	93 579
<b>Cash and cash equivalents at the end of the year</b>	3	<b>86 872</b>	<b>96 366</b>

# SIGNIFICANT ACCOUNTING POLICIES

## 1. Significant accounting policies

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

### 1.1 Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 91(1) of the Public Finance Management Act, 1999 (Act 1 of 1999). Management used assessments and estimates in preparing the annual financial statements, based on the best information available at the time of preparation. The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention as the basis of measurement, unless specified otherwise and are presented in South African rand.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

### 1.2 Offsetting

Assets, liabilities, revenue and expenses have not been offset except where offsetting is required or permitted by GRAP.

### 1.3 Materiality

In determining materiality for the preparation of the annual financial statements, consideration is given to the nature of the activities of the FIC and the areas where significant judgment is exercised.

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the annual financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of financial statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

## Non-financial materiality

The non-financial materiality is derived from legislation that requires the FIC to report certain incidents, or alternatively legislation requires disclosure in the annual report.

## Financial materiality

In determining financial materiality, the FIC applies National Treasury's Practice Note and adjusts the financial statements for any errors identified during the external audit process, irrespective of the amount.

### 1.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life of the asset.

The carrying amount of an item in property, plant and equipment is recognised on disposal or when no future economic benefits or service potential is expected from its use. The gain or loss arising from the derecognition is included in the surplus or deficit when the item of property, plant and equipment is derecognised.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

The FIC recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, if it is probable that additional future economic benefits or service potential embodied within the part that will flow to the FIC and the cost of such item can be measured reliably. All other costs are recognised in the statement of financial performance as and when the expense is incurred.

At each financial position date, the FIC assesses whether there is any indication or aspect about the residual value and useful life of an asset that has changed since the preceding reporting period. If any such indications exist, the expected useful life and/or residual value is revised accordingly.

The recoverable service amount of property, plant and equipment is the greater of an asset's fair value, less costs to sell and its value in use. Value in use is the present value of the assets' remaining service potential determined by the depreciated replacement cost approach.

An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of financial performance.

# SIGNIFICANT ACCOUNTING POLICIES

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to its recoverable service potential, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit.

The review of the estimated useful life, residual value and depreciation method is performed annually. The estimated useful lives are as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight-line	5 to 30 years
Motor vehicles	Straight-line	10 to 15 years
Office equipment	Straight-line	3 to 30 years
Computer hardware	Straight-line	3 to 30 years
Leasehold improvements	Straight-line	Over the lease period
Security equipment	Straight-line	10 to 20 years

## 1.5 Intangible assets

Intangible assets comprise identifiable, non-monetary assets without physical substance. An intangible asset is recognised when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the FIC and the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Subsequent to initial recognition, intangible assets shall be carried at their respective costs, less any accumulated amortisation and any accumulated impairment losses. The cost of intangible assets with finite useful lives are amortised over the estimated useful lives. All other licences are amortised over the underlying contract period.

The review of the estimated useful life, residual value and amortisation methods are performed annually.

Amortisation is calculated on a straight-line basis to allocate the depreciable amount of the intangible asset on a systematic basis over the useful life. Amortisation commences when the asset is ready for its intended use. Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

The estimated useful lives are as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	3 to 25 years
Computer licences	Straight-line	1 to 7 years

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits or service potential embodied in the specific assets to which it relates. All other expenditure is expensed.

An intangible asset is derecognised when the asset is disposed of or when there is no further economic benefit or further service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying amount and is recognised as a surplus or deficit in the statement of financial performance.

## 1.6 Financial instruments

### Classification

The financial instruments recognised in the statement of financial position and in the notes thereof consist of:

- **Financial assets**
  - Cash and cash equivalents
  - Receivables from exchange transactions
- **Financial liabilities**
  - Financial lease obligation
  - Payables from exchange transactions

### Initial recognition and measurement

Financial instruments are recognised in the statement of financial position when the FIC becomes a party to the contractual provisions of a financial instrument. Financial instruments are initially recognised at fair value that includes transaction costs.

### Subsequent measurement

Subsequent to initial measurement, financial instruments are measured at amortised costs using the effective interest rate method according to the following:

- **Amortised cost**

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation, using the effective interest method of the difference between that initial amount and the maturity amount minus any reduction for impairment or uncollected amounts.

# SIGNIFICANT ACCOUNTING POLICIES

- **Effective interest rate method**

The effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability and by allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

## **Receivables**

Receivables are stated at amortised cost, which due to their short-term nature, closely approximate their fair value.

## **Long-term receivables**

Long-term receivables are initially recorded at fair value and subsequently measured at amortised cost.

## **Trade and other payables**

Trade payables are initially measured at fair value and subsequently measured at amortised cost which, due to their short-term nature, closely approximate their fair value.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash with banks that are readily convertible to a known amount of cash and are stated at amortised cost, which, due to their short-term nature, closely approximate their fair value.

## **1.7 Taxation Tax expenses**

The FIC is exempt from income tax in terms of the provisions of section 10(1)(cA) of the Income Tax Act, 1962 (Act 58 of 1962).

## **1.8 Leases**

Leases are classified as either finance or operating leases.

### **Finance leases - lessee**

Finance leases are leases that substantially transfer all risks and rewards associated with ownership of the asset to the FIC. Title may or may not transfer.

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The cash equivalent cost is the lower of the fair value of the asset and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability, using the effective interest rate method. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets subject to finance lease agreements are capitalised at their cash cost and depreciated on the straight-line basis over the duration of the lease contract.

### **Operating leases - lessee**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised on a straight-line basis as a reduction of the lease payments over the term of the lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

## **1.9 Inventory**

Inventory is stated at cost on initial recognition and measured at the lower of cost or current replacement costs, and comprises mainly printing and stationery supplies and corporate promotional items consumed or distributed in the rendering of services.

## **1.10 Employee benefits**

### **All short-term employee benefits**

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

The cost of short-term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to salaries, performance bonuses and annual leave represent the amounts that the FIC has a present obligation to pay as a result of services provided by employees. Providing for employee benefits has been calculated at undiscounted amounts based on the current salary rates, because of their short-term nature.

### **Other long-term employee benefits**

#### **Retirement benefits**

The FIC contributes to a defined contribution fund in respect of employees. The contributions are included in employee costs in the year to which they relate.

#### **Termination benefits**

Termination benefits are recognised as an expense when the FIC is committed, without a realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the FIC has made an offer encouraging voluntary redundancy; it is probable that the offer will be accepted, and the number of acceptances can be reliably estimated.

# SIGNIFICANT ACCOUNTING POLICIES

## 1.11 Provisions

Provisions are recognised when:

- The FIC has a present obligation as a result of a past event.
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.
- A reliable estimate can be made of the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If the effect is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## 1.12 Exchange revenue

Exchange revenue comprises finance income and other income.

## 1.13 Non-exchange revenue

A transfer is recognised as revenue to the extent that there is no further obligation arising from the receipt of the transfer payment.

## 1.14 Transfer from the National Treasury

The transfer from the National Treasury is recognised when the resources that have been transferred meet the criteria for recognition as an asset.

## 1.15 Finance income

Finance income comprises interest received on funds invested. Interest is recognised on a time proportion basis as it accrues, using the effective interest rate method.

## 1.16 Finance cost

Finance cost comprises interest expenses on borrowings, changes in fair value of financial assets at fair value through profit and loss, and impairment losses recognised on financial assets. All borrowing costs are recognised in the statement of financial performance using the effective interest rate method.

## 1.17 Translation of foreign currencies foreign currency transactions

Transactions in foreign currencies are converted into South African rand at the rate of exchange ruling at the date of such transaction. Balances outstanding on the foreign currency monetary items at the end of the reporting period are translated into South African rand at the rates ruling at that date.

Foreign exchange differences on settlement of foreign currency monetary liabilities during the reporting period are recognised in the statement of financial performance.

## 1.18 Comparative figures

Comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements, unless another Standard of GRAP requires or permits otherwise. Comparative information is reclassified when the presentation or reclassification of current period items are amended, disclosing the nature, amount and reason for the reclassification.

## 1.19 Accounting for non-exchange transactions

Recognition of revenue from non-exchange transactions. An inflow of resources from a non-exchange transaction, recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As a present obligation of a recognised liability, in respect of an inflow of resources from a non-exchange transaction recognised as an asset, is satisfied, the carrying amount of the liability is reduced and an amount equal to the reduction is recognised as revenue.

A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when:

- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and
- A reliable estimate can be made of the amount of the obligation not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

Non-exchange transactions are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Non-exchange transactions that become receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised as income of the period in which it becomes receivable.

## 1.20 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

# SIGNIFICANT ACCOUNTING POLICIES

Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

Fruitless and wasteful expenditure for previous financial years (comparative amounts) must be recognised in the period in which they occurred as follows:

- Fruitless and wasteful expenditure incurred and confirmed in the previous financial year.
- Fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year.
- Fruitless and wasteful expenditure that was not discovered in the previous financial year and was identified and confirmed in the current financial year.

## 1.21 Irregular expenditure

Irregular expenditure is expenditure incurred in contravention of, or not in accordance with a requirement of any applicable legislation. The expenditure must have been recognised in the statement of financial performance or the liability recognised in the statement of financial position.

Irregular expenditure, when incurred and confirmed, is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis. Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- Irregular expenditure incurred and confirmed in the previous financial year.
- Irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year.
- Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- Irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

## 1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the ventures).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity but, is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with an entity.

An entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client or recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances, and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate. A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

## 1.23 Contingent liabilities

A contingent liability is:

- A possible obligation, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event(s) not wholly within the control of the FIC or
- A present obligation that is not recognised because, the outflow of economic benefits or service potential is not probable or
- A real present obligation, that may not be recognised, either because either the timing or measurement is not known.

Contingent liabilities are not recognised as liabilities because they are either:

- Possible obligations, as it has yet to be confirmed whether the FIC has a present obligation that could lead to an outflow of resources embodying economic benefits or service potential or
- Present obligations that do not meet the recognition criteria of a liability.

Contingent liabilities are continuously reviewed to determine if the outflow of resources have become probable. A provision is raised in the financial statements in the period in which the outflow of resources becomes probable.

# SIGNIFICANT ACCOUNTING POLICIES

## 1.24 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date) and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

### Adjusting events

The FIC will adjust the amount recognised in the annual financial statements to reflect adjusting events after the reporting date.

### Non-adjusting events

The FIC shall not adjust the amounts recognised in its annual financial statements to reflect non-adjusting events after the reporting date. Should the non-adjusting event after the reporting date be material and the non-disclosure could influence the economic decisions of users taken on the basis of the financial statements, the FIC will disclose the following for each material category of non-adjusting events after the reporting date:

- The nature of the event
- An estimate of its financial effect, or a statement that such an estimate cannot be made.

## 1.25 Critical accounting estimates and judgments

Management makes estimates and assumptions concerning the future in applying its accounting policies. The resulting accounting estimates may, by definition, not equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are detailed in the notes to the financial statements, where applicable. Management continually evaluates estimates and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 R'000	2024 R'000
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## 2. New standards and interpretations

### 2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 1 April 2025 or later periods:

- GRAP 104 (as revised): Financial Instruments

## 3. Cash and cash equivalents

Cash on hand	6	8
Cash at bank - Standard Bank	26 695	40 782
Call deposit - Corporation for Public Deposits	60 171	55 576
	<b>86 872</b>	<b>96 366</b>

In terms of National Treasury Regulation 31.3.3 the FIC opened a cash call account with the Corporation for Public Deposits for the placing of surplus funds. The cash in this call account amounts to R60 171 503 (2024: R55 576 115).

## 4. Prepayments

Office rental	-	3 316
Computer licences and support	18 970	12 242
Insurance	311	214
Membership and professional fees	4 936	1 220
Motor vehicle repairs and maintenance	1	2
Employee training	74	79
Subscriptions	106	68
	<b>24 398</b>	<b>17 141</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 R'000	2024 R'000
<b>5. Receivables from exchange transactions</b>		
Sundry receivables	12	379
Payroll receivables	502	509
Staff and previous employees	75	59
Accrued interest	316	392
Impairment of receivables	(522)	(868)
	<b>383</b>	<b>471</b>

## Reconciliation of impairment

Opening balance	(868)	(379)
Bad debts written off	379	-
Increase in provision for bad debts	(33)	(489)
	<b>(522)</b>	<b>(868)</b>

During the year, debt of R378 702 that was confirmed as irrecoverable, was written off.

## 6. Inventory

Consumables on hand	98	84
Corporate gifts and promotional items	193	-
	<b>291</b>	<b>84</b>

Consumables comprise stationery on hand.

	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value

## 7. Property, plant and equipment

Office furniture	11 711	(8 056)	<b>3 655</b>	9 916	(7 623)	<b>2 293</b>
Motor vehicles	3 976	(588)	<b>3 388</b>	4 616	(834)	<b>3 782</b>
Office equipment	15 581	(10 632)	<b>4 949</b>	14 785	(8 610)	<b>6 175</b>
Computer hardware	65 394	(46 683)	<b>18 711</b>	62 603	(49 288)	<b>13 315</b>
Fixtures and fittings	6 069	(5 282)	<b>787</b>	5 960	(5 091)	<b>869</b>
Security equipment	332	(309)	<b>23</b>	332	(306)	<b>26</b>
Leasehold improvements	52 026	(32 757)	<b>19 269</b>	46 627	(31 349)	<b>15 278</b>
<b>Total</b>	<b>155 089</b>	<b>(104 306)</b>	<b>50 782</b>	<b>144 839</b>	<b>(103 101)</b>	<b>41 738</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 7. Property, plant and equipment (continued)

	Opening balance	Additions	Disposals	Depreciation	Total
<b>Reconciliation of property, plant and equipment – 2025</b>					
Office furniture	2 293	1 795	-	(433)	<b>3 655</b>
Motor vehicles	3 782	-	(231)	(163)	<b>3 388</b>
Office equipment	6 175	837	(26)	(2 036)	<b>4 949</b>
Computer hardware	13 315	13 409	(445)	(7 568)	<b>18 711</b>
Fixtures and fittings	869	109	-	(191)	<b>787</b>
Security equipment	26	-	-	(3)	<b>23</b>
Leasehold improvements	15 278	6 077	(386)	(1 700)	<b>19 269</b>
	<b>41 738</b>	<b>22 227</b>	<b>(1 088)</b>	<b>(12 094)</b>	<b>50 782</b>

	Opening balance	Additions	Disposals	Depreciation	Total
<b>Reconciliation of property, plant and equipment – 2024</b>					
Office furniture	1 917	743	(13)	(354)	<b>2 293</b>
Motor vehicles	1 769	2 158	-	(145)	<b>3 782</b>
Office equipment	4 141	4 017	(459)	(1 524)	<b>6 175</b>
Computer hardware	10 126	8 933	(846)	(4 898)	<b>13 315</b>
Fixtures and fittings	1 180	-	(36)	(275)	<b>869</b>
Security equipment	29	-	-	(3)	<b>26</b>
Leasehold improvements	10 892	5 647	(8)	(1 253)	<b>15 278</b>
	<b>30 054</b>	<b>21 498</b>	<b>(1 362)</b>	<b>(8 452)</b>	<b>41 738</b>

	2025 R'000	2024 R'000
<b>Assets subject to finance lease (included in property, plant and equipment)</b>		
Office equipment	<b>1 177</b>	<b>2 017</b>

The leased office equipment is encumbered as set out in note 13.

### Disposals

The net disposal of R1 088 593 includes assets with a net carry value of R91 115 which were stolen from employees during various robbery incidents. The cost of stolen assets was claimed from the insurance company. During the year the FIC also disposed of old assets by donating to the Department of Basic Education for distribution to needy schools. Carry value of these assets was R2 992.

### Reassessment of property, plant and equipment

The useful life of certain assets has been reassessed, including zero valued assets with an initial cost of R46 524, resulting in a decrease in the carrying value of property plant and equipment of R9 973. Refer to note 28.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025			2024		
	Cost/ valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost/ valuation	Accumulated amortisation and accumulated impairment	Carrying value
<b>8. Intangible assets</b>						
Computer software	85 109	(52 267)	<b>32 842</b>	84 279	(44 354)	<b>39 925</b>
Computer licences	1 449	(1 004)	<b>445</b>	2 271	(1 625)	<b>646</b>
<b>Total</b>	<b>86 558</b>	<b>(53 271)</b>	<b>33 287</b>	<b>86 550</b>	<b>(45 979)</b>	<b>40 571</b>

	Opening balance	Additions	Amortisation	Total
<b>Reconciliation of intangible assets – 2025</b>				
Computer software	39 925	829	(7 912)	<b>32 842</b>
Computer licences	646	866	(1 067)	<b>445</b>
	<b>40 571</b>	<b>1 695</b>	<b>(8 979)</b>	<b>33 287</b>

## Reconciliation of property, plant and equipment – 2024

Computer software	21 150	23 468	(4 693)	39 925
Computer licences	169	1 458	(981)	646
	<b>21 319</b>	<b>24 926</b>	<b>(5 674)</b>	<b>40 571</b>

	2025 R'000	2024 R'000
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## 9. Deposits

Rental – Byls Bridge Office Park	737	443
Municipal – Byls Bridge Office Park	87	183
	<b>824</b>	<b>626</b>

Refundable deposits were paid for electricity usage and rental of the office. These deposits will be refunded at the end of the lease term and are disclosed at amortised values. Refer to note 21 for the present value adjustment.

## 10. Payables from exchange transactions

Trade payables	9 136	11 764
Accrued leave payables	10 613	9 077
	<b>19 749</b>	<b>20 841</b>

The FIC manages the risks associated with its financial instruments as detailed in note 30.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS



	2025 R'000	2024 R'000
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## 11. Income received in advance

### Criminal Asset Recovery Account (CARA)

Opening balance		
Funds utilised during the year	-	20 134
	-	<b>(20 134)</b>

CARA funding received for the funding of the line of business solutions modernisation programme was fully utilised by 31 March 2024.

## 12. Third party deposits

Opening balances	10	10
Additions	90	10
Paid to National Revenue Fund	(30)	(10)
	<b>70</b>	<b>10</b>

In terms of the FIC Act, the FIC and each supervisory body may impose administrative sanctions on the accountable institutions which it supervises. An accountable institution may appeal to the Appeal Board, established under the FIC Act, against the imposed sanction after paying a prescribed fee of R10 000. The FIC, as secretariat of the Appeal Board, receives and holds the fee received on deposit pending the outcome of the appeal.

If the Appeal Board sets aside an administrative sanction, the appeal fees must be refunded to the appellant and if the Appeal Board varies the administrative sanction, the whole or any part of the appeal fees must be refunded to the appellant. If the Appeal Board upholds the administrative sanction, the appellant forfeits the appeal fees, and the FIC pays the fee into the National Revenue Fund.

Three appeal cases were heard and upheld by the Appeal Board, resulting in the appeal fees having been sacrificed by the appellant. The R30 000 will be paid over to the National Revenue Fund during Q1 of the 2025/26 financial year.

## 13. Finance lease obligation

### Minimum lease payments due

- Within one year	926	926
- In second to fifth year inclusive	569	1 495
	1 495	2 421
<b>Less: Future finance charges</b>	<b>(139)</b>	<b>(345)</b>

### Present value of minimum lease payments

	<b>1 356</b>	<b>2 076</b>
Non-current liabilities	546	1 356
Current liabilities	810	720
	<b>1 356</b>	<b>2 076</b>

Finance leases are secured over the leased assets – refer to note 7. The annual effective interest rate for the lease was 11.75 percent.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS



	2025 R'000	2024 R'000
<b>14. Operating lease asset (liability)</b>		
Non-current liabilities	16 459	6 385
Within one year	34 148	28 645
Within two to five years	160 279	130 963
Five years plus	186 715	200 625
	<b>381 142</b>	<b>360 233</b>

## 14.1 Centurion leased premises

The FIC entered into a new lease agreement during the prior year for its office premises in Centurion and acquired additional space from the adjacent building. The terms for the rental agreements are as follows:

- Main building: Commenced on 1 December 2023 and terminates 30 November 2033.
- Fifty percent of the additional space in the adjacent building: Commenced 1 August 2023 and terminates 30 November 2033.
- The remaining 50 percent of the additional space in the adjacent building: Commenced 1 April 2024 and terminates 30 November 2033.

A lease incentive of R2 852 129 was received and is recognised on a straight-line basis over the period of the lease as a reduction of the lease payments.

## 14.2 Cape Town leased premises

The FIC exercised the option to renew the rental agreement for its Cape Town offices for a further 60 months. The lease commenced on 1 November 2024 and terminates on 31 October 2029. No lease incentive was received.

## 15. Non-exchange revenue

Transfer from National Treasury	400 871	385 730
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The FIC relies partly on a government grant received from National Treasury. The grant is determined and allocated to the FIC during the annual MTEF budgeting processes and ultimately approved by Parliament during the governance processes. The grant is allocated to assist the FIC with exercising its mandate, and in so doing, defray operational and capital expenditure incurred by the FIC.

There are no conditions attached to the grant except for it being utilised in the execution of the FIC's mandate.

## 16. Interest received

Interest bank	8 506	8 943
Interest financial assets – refer to note 9	91	91
	<b>8 597</b>	<b>9 034</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 R'000	2024 R'000
<b>17. Depreciation and amortisation</b>		
Property, plant and equipment	12 093	8 452
Intangible assets	8 980	5 674
	<b>21 073</b>	<b>14 126</b>
<b>18. Employee related costs</b>		
Salary cost	204 834	179 523
Gratuity	14 951	8 264
Unemployment insurance fund	568	491
Compensation for Occupational Injuries and Diseases	298	96
Provident fund	19 501	16 037
Group life	7 584	5 971
	<b>247 736</b>	<b>210 382</b>
<b>19. Finance costs</b>		
Finance leases	206	102
Total interest expense was calculated using the effective interest rate at 11.75 percent. Refer to note 13.		

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Notes	2025 R'000	2024 R'000
<b>20. General expenses</b>			
Advertising		922	925
Audit and Risk Committee member fees		814	542
Auditors' remuneration		3 089	3 232
Bank charges		122	112
Cleaning		1 791	1 592
Computer expenses		34 351	33 455
Conferences and seminars		482	242
Consumables		595	605
Contractors and temporary workers		3 926	2 795
Corporate gifts		-	59
Employee training		1 841	1 550
Internal audit		1 055	983
Insurance		343	457
Legal fees	20.1	13 784	13 690
Marketing		1 575	487
Media, subscriptions and publications		3 400	2 886
Membership fees		4 699	3 679
Motor vehicle expenses		145	162
Parking cost	20.2	4 466	3 589
Personal protection equipment		19	23
Postage and courier		14	7
Printing and stationery		204	247
Professional fees		9 231	5 836
Recruitment and placement fees		1 825	2 244
Refurbishment costs		806	360
Remuneration committee member fees		339	296
Rent and operating cost	20.4	46 310	9 150
Repairs and maintenance	20.3	599	805
Security		3 039	3 002
Subsistence and accommodation – international		1 638	2 942
Subsistence and accommodation – local		713	454
Telephone and internet		1 871	2 258
Travel - international		1 388	2 394
Travel – local		1 324	995
Training academy – interns		2 010	1 970
		<b>148 730</b>	<b>104 025</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 R'000	2024 R'000
<b>20. General expenses (continued)</b>		
<b>20.1 Legal fees</b>		
Appeal Board	923	71
Corporate legal	12 861	13 619
	<b>13 784</b>	<b>13 690</b>
<b>20.2 Parking</b>		
Parking paid	3 435	3 115
Lease smoothing straight-lining	1 031	474
	<b>4 466</b>	<b>3 589</b>
<b>20.3 Repairs and maintenance</b>		
Payments made to service providers	401	630
Material purchased for general upkeep of assets	198	175
	<b>599</b>	<b>805</b>
<b>20.4 Rent and operating cost</b>		
Rental and operating cost paid	29 934	29 100
Municipal charges	7 334	6 475
Lease smoothing straight-lining	9 318	4 536
Lease smoothing incentive	(276)	(184)
Derecognition of straight-lining – refer to note 14.	-	(30 777)
	<b>46 310</b>	<b>9 150</b>
<b>21. Impairment of financial assets</b>		
Trade and other receivables – refer to note 5	33	489
Financial instrument adjustments – refer to note 9	225	697
	<b>258</b>	<b>1 186</b>
<b>22. Gain / (Loss) on disposal of assets</b>		
Profit / (loss) on disposal of property, plant and equipment	<b>(188)</b>	<b>(901)</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	2025 R'000	2024 R'000
<b>23. Cash generated from operations</b>		
(Deficit) surplus	(8 482)	84 387
<i>Adjustments for:</i>		
Depreciation and amortisation	21 073	14 126
Loss / (gain) on sale of assets	188	901
Income amortised	(91)	(91)
Allowance for impairment	33	489
Impairment of financial assets	225	697
Income amortised – CARA	-	(20 134)
Net interest	76	(106)
Other income – movement in debtors	(5)	146
Operating lease – smoothing	10 073	(25 951)
Prepayment releases	66 345	47 939
<i>Changes in working capital:</i>		
Inventories	(207)	(12)
Receivables other (refund of expenses)	(16)	(59)
Prepayments paid	(73 602)	(49 503)
Deposits paid – premises	(332)	(329)
Increase / (decrease) in trade and other payables	(1 092)	5 307
Deposit received - third parties	60	-
	<b>14 246</b>	<b>57 807</b>

## 24. Employee benefit obligations

### Defined contribution plan

Employees of the FIC as well as certain contract workers and interns are members of Liberty Life Umbrella Provident Fund. This is a defined contribution fund and it is governed by the Pension Fund Act, 1956 (Act 24 of 1956) as amended. Employees are able to elect the rate at which they contribute towards the provident fund. The current contribution rates available for selection are as follows: 10 percent, 15 percent, 17.5 percent and 20 percent.

The FIC contribution to scheme	<b>27 319</b>	<b>22 204</b>
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# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 25. Related parties

Related party transactions

### 25.1 National executive

The FIC has been established by National Treasury in terms of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001). The Minister of Finance is the Executive Authority and the FIC is ultimately controlled by the national executive.

Non-exchange transfer	Opening balance	Funds received	Funds recognised	Closing balance
National Treasury	-	400 871	(400 871)	-

The FIC received a non-exchange transfer from National Treasury for its activities to identify the proceeds of crime and combat money laundering and the financing of terrorism. There were no amounts owing to or by the FIC to National Treasury. Refer to note 15.

### 25.2 State controlled entities

As a national public entity fully funded by government, any other entity of national government is a related party. All the FIC's transactions with such entities are at arm's length and on normal commercial terms, except where employees of national departments or national public entities participate in the FIC's processes and did not recover any costs from the FIC for services rendered, and the FIC did not recover any costs for services provided.

	2025 R'000	2024 R'000
Services rendered at no cost		
South African Police Service	-	96

During the year under review no related party services were received and/or provided. Members of the South African Police Service vacated the office space at the FIC head office in the prior year.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 25. Related parties (continued)

### 25.3 Remuneration of management

#### Key management personnel

Name	Position	Notes	Cash component R'000	Gratuity R'000	Provident fund R'000	Total R'000
<b>2025</b>						
C Malan	Executive Manager: Compliance and Prevention		1 997	199	660	<b>2 856</b>
P Smit	Executive Manager: Legal and Policy	25.3.1	2 736	205	510	<b>3 451</b>
P Biseswar	Executive Manager: Monitoring and Analysis		2 165	189	365	<b>2 719</b>
P Alberts	Acting Executive Manager: Shared Forensic Capability	25.3.2	2 057	168	416	<b>2 641</b>
M Maboka	Executive Manager: Corporate Services		2 252	203	451	<b>2 906</b>
V MarshSmit	Chief Financial Officer		1 794	171	487	<b>2 452</b>
			<b>13 001</b>	<b>1 135</b>	<b>2 889</b>	<b>17 025</b>

25.3.1 P Smit acted as Director from 1 April 2024 till 31 March 2025. An acting allowance of R510 924 for the 12 months have been included in the cash component of R2 736 139.

25.3.2 P Alberts acted as Executive Manager: Shared Forensic Capability from 1 April 2024 till 31 March 2025. An acting allowance of R224 883 for the 12 months has been included in the cash component of R2 056 527.

Name	Position	Notes	Cash component R'000	Gratuity R'000	Provident fund R'000	Total R'000
<b>2024</b>						
Adv XJ Khanyile	Director	25.3.3	1 557	-	-	<b>1 557</b>
C Malan	Executive Manager: Compliance and Prevention		2 188	127	342	<b>2 657</b>
P Smit	Executive Manager: Legal and Policy	25.3.4	2 494	130	466	<b>3 091</b>
P Biseswar	Executive Manager: Monitoring and Analysis		2 070	120	336	<b>2 526</b>
P Alberts	Acting Executive Manager: Shared Forensic Capability	25.3.5	2 039	107	294	<b>2 440</b>
M Maboka	Executive Manager: Corporate Services		2 162	129	412	<b>2 703</b>
V MarshSmit	Chief Financial Officer		1 721	108	448	<b>2 277</b>
			<b>14 231</b>	<b>721</b>	<b>2 298</b>	<b>17 250</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS



## 25. Related parties (continued)

- 25.3.3 Adv XJ Khanyile's contract came to an end on 31 August 2023. Included in the cash component of R1 556 675 was a cost-of-living adjustment of R102 775 for the 2022/23 financial year and leave paid to the value of R150 154.
- 25.3.4 P Smit acted as Director from 1 September 2023 till 31 March 2024. An acting allowance of R359 696 for the seven months was included in the cash component of R2 494 007.
- 25.3.5 P Alberts acted as Executive Manager: Shared Forensic Capability from 1 May 2023 till 31 March 2024. An acting allowance of R196 327 for the 11 months was included in the cash component of R2 038 649.

## 26. Contingencies

### 26.1 Accumulated surplus

In terms of Section 53(3) of the PFMA, a public entity may not accumulate surplus funds without written approval from National Treasury. The calculation of the surplus has been defined in National Treasury instruction No.12 of 2020/2021 and amounts to R66 626 000. This surplus has to be declared to National Treasury during the period 1 August to 30 September and a formal request to retain these funds has to be submitted to National Treasury during the same period. National Treasury requested entities to submit by 15 of September for this year. The FIC will submit a request to retain the calculated surplus during this this period.

On 29 October 2024, National Treasury granted approval for the retention of R75 526 000 reported surplus for the year ended 31 March 2024.

### 26.2 Litigation and claims

During the 2024/25 financial year the FIC joined proceedings in the following matters where the status of the cases are at various stages

- 26.2.1 The FIC is opposing an appeal launched at the Pretoria High Court against the decision of the Appeal Board upholding a sanction issued by the FIC. The matter is yet to be set down for hearing.
- 26.2.2 An application was brought before the Equality Court and subsequently the High Court and other interlocutory applications. The FIC's legal team lodged a misjoinder application to be removed from these proceedings. The matter was heard on 17 November 2023 and judgement was handed down on 13 February 2024, granting the application with costs. The FIC's legal team filed a notice of appeal to the Supreme Court of Appeal on 7 March 2025.

	2025 R'000	2024 R'000
<b>27. Capital commitments</b>		
Approved and committed capital expenditure	484	5 548

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 28. Change in estimate: Useful life of assets reviewed

	Initial estimate for 2025	Revised estimate for 2025	Increase / (decrease) current year	Increase / (decrease) future years
	R'000	R'000	R'000	R'000
<b>Property, plant and equipment</b>				
Computer hardware	2 012	2 591	573	(573)
Office equipment	485	248	(243)	243
Furniture	210	82	(128)	128
Fixtures and fittings	145	52	(93)	93
Cellphones	11	8	(3)	3
Leasehold improvements	107	10	(96)	96
	<b>2 970</b>	<b>2 991</b>	<b>10</b>	<b>(10)</b>

The useful life of certain assets has been reassessed, resulting in a decrease in the carrying value of property plant and equipment of R9 973 and an increase in the depreciation of R9 973 for the current year. The effect of the change in future years will be a decrease in depreciation of R9 973 reversing the debit of R9 973 created in the current year. Included in the reassessed assets were zero value assets with an initial cost of R46 524.

## 29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the FIC will have enough funds available to fund its short-to-medium term operations.

The ability of the FIC to continue as a going concern is mainly dependent on government, as the shareholder, continuing funding its operations in the future through National Treasury.

Based on the published 2025/26 Estimate of National Expenditure, the FIC will be a going concern over the Medium-Term Expenditure Framework, as long as National Treasury continues to make funds available.

	2025 R'000	2024 R'000
<b>30. Financial instruments</b>		
<b>Financial assets</b>		
Cash and cash equivalents	86 872	96 366
Receivables from exchange transactions - interest accrual	316	392
	<b>87 188</b>	<b>96 758</b>
<b>Financial liabilities</b>		
Payables from exchange transactions	19 749	20 841
Finance lease obligation	1 356	2 076
	<b>21 105</b>	<b>22 917</b>

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS



## 31. Risk management

### Liquidity risk

The FIC's risk to liquidity is a result of the funds available to cover future commitments. The FIC manages liquidity risk through an ongoing review of future commitments and credit facilities. The FIC ensures that adequate funds are available to meet its expected and unexpected financial commitments.

The table below analyses the FIC's financial liabilities based on the remaining period at the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>At 31 March 2025</b>				
Trade and other payables	19 749	-	-	-
<b>At 31 March 2024</b>				
Trade and other payables	21 338	-	-	-

### Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligations resulting in a financial loss to the FIC. The FIC's exposure to credit risk to loans and receivables is limited.

### Market risk

The FIC's activities expose it primarily to the risks of fluctuations in interest rates and foreign currency risk. Interest rate risk refers to the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

### Interest rate risk

The FIC's interest rate profile consists of fixed and floating rate loans and bank balances which exposes the FIC to fair value interest rate risk and cash flow interest rate risk and can be summarised as follows:

### Cash flow interest rate risk

Cash at the bank earns interest at a rate linked to the prime interest rate. Management accepts the risk exposure on receivables due to the amounts being negligible.

# NOTES TO THE ANNUAL FINANCIAL STATEMENTS

## 31. Risk management (continued)

Fair value interest rate risk

	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Due in three to four years	Due after five years
<b>Financial instruments</b>						
Finance leases	11.75 %	926	569	-	-	-

Finance lease payments are fixed, resulting in no risk exposure.

### Foreign exchange risk

Management accepts the risk as a result of changes in rate of exchange and therefore has not hedged foreign currency risk. These transactions are not of a material nature.

	2025 R'000	2024 R'000
<b>32. Irregular and fruitless and wasteful expenditure</b>		
Irregular expenditure	-	1 082
Fruitless and wasteful expenditure	-	-
<b>Closing balance</b>	<b>-</b>	<b>1 082</b>

32.1 Irregular and fruitless and wasteful expenditure for the current financial year include:

- Amounts incurred and confirmed in that financial year and/or
- Payments made as it relates to multi-year contracts

32.2 Irregular and fruitless and wasteful expenditure for the previous financial year include:

- Amounts confirmed in that financial year
- Amounts that were under assessment in that financial year and confirmed in the current financial year
- Amounts that were not identified and are identified and confirmed in the current financial year.

## 33. B-BBEE performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

## 34. Subsequent events

The FIC is not aware of any information or material event that occurred after the reporting date about conditions that existed at the reporting date, that may significantly affect the position of the FIC or the results of its operations, that require adjustments or disclosure in the annual financial statements.



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