Tuesday, 31 March 2026]

No 56—2026] THIRD SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

TUESDAY, 31 MARCH 2026

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism (JTM)

(1) The JTM in terms of Joint Rule 202(6) classified the following Bills as section 76 Bills:

(a) **Gas Bill** [B6–2026] (National Assembly – sec 76).

The JTM further classified the Bill as falling within the ambit of section 39(1) of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019).

Bill to be referred to National House of Traditional and Khoi-San Leaders.

(b) **Public Procurement Amendment Bill** [B7–2026] (National Assembly – sec 76).

2. Late submission of Annual Performance Plans for 2026

(1) A letter dated 30 March 2026, has been received from the Minister of Land Reform and Rural Development, requesting an extension for the submission of the annual performance plan of the KwaZulu-Natal Ingonyama Trust Board.

TABLINGS

National Assembly and National Council of Provinces

1. The Speaker and the Chairperson

(a) Annual Performance Plan of the Financial and Fiscal Commission for 2026/27.

(b) Strategic Plan of the Financial and Fiscal Commission for 2025 – 2030.

(c) Annual Performance Plan of the Electoral Commission for 2026/27.

2. The Minister of Communications and Digital Technologies

(a) Annual Performance Plan of the Department of Communications and Digital Technologies for 2026/27.

(b) Annual Performance Plan of the National Electronic Media Institute of South Africa for 2026/27.

(c) Strategic Plan of the National Electronic Media Institute of South Africa for 2025 – 2030.

(d) Annual Performance Plan of the Film and Publication Board for 2026/27.

(e) Annual Performance Plan of the State Information Technology Agency for 2026/27.

(f) Strategic Plan of the State Information Technology Agency for 2026 – 2030.

(g) Corporate Plan of the Broadband Infraco for 2026/27 – 2030/31.

(h) Corporate Plan of Sentech for 2026/27 – 2028/29.

(i) Corporate Plan of the South African Post Office for 2026/27 – 2028/29.

(j) Annual Performance Plan of the Independent Communications Authority of South Africa for 2026/27.

(k) Annual Performance Plan of Universal Service and Access Fund for 2026/27.

(l) Strategic Plan of Universal Service and Access Fund for 2025/26 – 2029/30.

(m) Annual Performance Plan of Universal Service and Access Agency of South Africa for 2026/27.

(n) Strategic Plan of Universal Service and Access Agency of South Africa for 2025/26 – 2029/30.

(o) Corporate Plan of the Postbank for 2026/27 – 2028/29.

3. The Minister of Electricity and Energy

(a) Annual Performance Plan of the Department of Electricity and Energy for 2026/27.

(b) Strategic Plan of the Department of Electricity and Energy for 2025 – 2030.

4. The Minister of Employment and Labour

(a) Annual Performance Plan of the Department of Employment and Labour for 2026/27.

(b) Annual Performance Plan of the Department of Commission for Conciliation, Mediation and Arbitration for 2026/27.

(c) Annual Performance Plan of Productivity SA for 2026/27.

(d) Annual Performance Plan of the National Economic Development and Labour Council for 2026/27.

(e) Revised Strategic Plan of the National Economic Development and Labour Council for 2025/26 – 2029/30.

(f) Annual Performance Plan of the Unemployment Insurance Fund for 2026/27.

(g) Annual Performance Plan of the Compensation Fund for 2026/27.

5. The Minister of Finance

(a) Corporate Plan of the Public Investment Corporation for 2027 – 2029.

(b) Corporate Plan of SASRIA for 2026/27 – 2028/29.

6. The Minister of Higher Education

(a) Annual Performance Plan of the Department of Higher Education and Training for 2026/27.

(b) Strategic Plan of Agricultural Sector Education and Training Authority (AGRI-SETA) for 2025/26 – 2029/30.

(c) Annual Performance Plan of Agricultural Sector Education and Training Authority (AGRI-SETA) for 2026/27.

(d) Annual Performance Plan of the Banking Sector Education and Training Authority (BANKSETA) for 2026/27.

(e) Annual Performance Plan of the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA) for 2026/27.

(f) Annual Performance Plan of the Construction Sector Education and Training Authority (CETA) for 2026/27.

(g) Strategic Plan of the Education Training and Development Practices Sector Education and Training Authority (ETDP) for 2025 – 2030.

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(i) Annual Performance Plan of the Energy and Water Sector Education and Training Authority (EW-SETA) for 2026/27.

(j) Annual Performance Plan of the Financial and Accounting Services Sector Education and Training Authority (FASSET) for 2026/27.

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(m) Strategic Plan of the Food and Beverages Manufacturing Sector Education and Training Authority (FOODBEV-SETA) for 2025/26 – 2029/30.

(n) Annual Performance Plan of the Food and Beverages Manufacturing Sector Education and Training Authority (FOODBEV-SETA) for 2025/26.

(o) Annual Performance Plan of the Health and Welfare Sector Education and Training Authority (HW-SETA) for 2026/27.

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(q) Annual Performance Plan of the Insurance Sector Education and Training Authority (INSETA) for 2026/27.

(r) Annual Performance Plan of the Local Government Sector Education and Training Authority (LG-SETA) for 2026/27.

(s) Annual Performance Plan of the Manufacturing, Engineering and Related Services Seta (MER-SETA) for 2026/27.

(t) Strategic Plan of the Media, Information and Communication Technologies Sector Education and Training Authority ("MICT SETA") for 2025 – 2030.

(u) Annual Performance Plan of the Media, Information and Communication Technologies Sector Education and Training Authority ("MICT SETA") Plan for 2026 – 2027.

(v) Strategic Plan of the Mining Qualifications Authority (MQA) for 2025/26 - 2029/30.

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(x) Strategic Plan of the Public Service Sector Education and Training Authority (PSETA) for 2025/26 – 2029/30.

(y) Annual Performance Plan of the Public Service Sector Education and Training Authority (PSETA) for 2026/27.

(z) Strategic Plan of the Safety and Security Sector Education and Training Authority (SAS SETA) for 2025/26 – 2029/30.

(aa) Annual Performance Plan of the Safety and Security Sector Education and Training Authority (SAS SETA) for 2026/27.

(bb) Annual Performance Plan of the Services Sector Education and Training Authority for 2026/27.

(cc) Annual Performance Plan of the Transport Education Training Authority (TETA) for 2026/27.

(dd) Annual Performance Plan of the Wholesale and Retail Sector Education and Training Authority (W&R-SETA) for 2026/27.

(ee) Annual Performance Plan for the Council on Higher Education (CHE) for 2026/27.

(ff) Annual Performance Plan of the National Skills Fund (NSF) for 2026/27.

(gg) Annual Performance Plan of the National Student Financial Aid Scheme (NSFAS) for 2026/27.

(hh) Annual Performance Plan of the Quality Council for Trades & Occupations for 2026/27.

(ii) Annual Performance Plan of the South African Qualifications Authority (SAQA) for 2026/27.

7. The Minister of Human Settlements

(a) Annual Performance Plan of the Department of Human Settlements for 2026/27.

(b) Annual Performance Plan of the National Housing Finance Corporation for 2026/27.

(c) Annual Performance Plan of the Property Practitioners Regulatory Authority for 2026/27.

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8. The Minister of Justice and Constitutional Development

(a) Annual Performance Plan of the Department of Justice and Constitutional Development for 2026/27.

(b) Annual Performance Plan of the Office of the Chief Justice for 2026/27.

(c) Annual Performance Plan of Legal Aid South Africa for 2026/27.

(d) Strategic Plan (Review 2026/27) of Legal Aid South Africa for 2025 – 2030.

(e) Annual Performance Plan of the Special Investigating Unit for 2026/27.

9. The Minister of Land Reform and Rural Development

(a) Annual Performance Plan of the Department of Land Reform and Rural Development for 2026/27.

(b) Annual Performance Plan of the Office of the Valuer-General for 2026/27.

(c) Annual Performance Plan of the Commission on Restitution of Land Rights for 2026/27.

10. The Acting Minister of Police

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(b) Technical Indicator Descriptions: South African Police Service Annual Performance Plan for 2026/27.

11. The Minister of Sport, Arts and Culture

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13. The Minister of Water and Sanitation

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(b) Annual Performance Plan of the Breede-Olifants Catchment Management Agency for 2026/27 – 2028/29.

(c) Strategic Plan of the Breede-Olifants Catchment Management Agency for 2025/26 – 2029/30.

(d) Annual Performance Plan of the Inkomati-Usuthu Catchment Management Agency for 2026/27.

(e) Strategic Plan of the Inkomati-Usuthu Catchment Management Agency for 2026 – 2031.

(f) Annual Performance Plan of the Limpopo-Olifant Catchment Management Agency for 2026/27 – 2028/29.

(g) Strategic Plan of the Limpopo-Olifant Catchment Management Agency for 2026/27 – 2030/31.

(h) Annual Performance Plan of the Mzimvubu-Tsitsikamma Catchment Management Agency for 2026/27 – 2028/29.

(i) Strategic Plan of the Mzimvubu-Tsitsikamma Catchment Management Agency for 2025/26 – 2029/30.

(j) Annual Performance Plan of the Pongola-Umzimkulu Catchment Management Agency for 2026/27 – 2028/29.

(k) Strategic Plan of the Pongola-Umzimkulu Catchment Management Agency for 2025/26 – 2029/30.

(l) Annual Performance Plan of the Pongola-Umzimkulu Catchment Management Agency for 2026/27 – 2028/29.

(m) Strategic Plan of the Pongola-Umzimkulu Catchment Management Agency for 2025/26 – 2029/30.

(n) Corporate Plan of the Trans Caledon Tunnel Authority for 2026 – 2029.

(o) Annual Performance Plan of the Vaal-Orange Catchment Management Agency for 2026/27 – 2028/29.

(p) Strategic Plan of the Vaal-Orange Catchment Management Agency for 2025/26 – 2029/30.

(q) Annual Performance Plan of the Water Research Commission for 2026/27.

National Assembly

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(a) Annual Performance Plan of the Public Service Commission for 2026/27.

COMMITTEE REPORTS

National Assembly and National Council of Provinces

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1. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTEREST ON THE ALLEGED CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: HONOURABLE OSCAR MATHAFA, MP

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Oscar Mathafa, MP reports as follows.

INTRODUCTION

Honourable Ashley Sauls, MP ("the Complainant"), a Member of the Patriotic Alliance (PA), lodged a complaint against Honourable Oscar Mathafa, MP ("the Member"). The Office of the Registrar of Members' Interests received the complaint on 28 August 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant states that he received a WhatsApp call from the Member on 12 August 2025. He was unable to take the call and requested that the Member send him a WhatsApp text message. He then received a WhatsApp text message from the Member, which read as follows:

"Hi Hon Sauls, please call me as soon as you get a chance. Need to run something by you, it's about Grootman (Minister Gayton McKenzie)." – parentheses inserted.

The Complainant states that he received another WhatsApp text message from the Member stating:

"I am in Cape Town, if you are here as well."

The Complainant states that he replied to the WhatsApp text:

"Will call soonest Hon."

The Complainant states that he returned the Member's call the same day. The Member informed him that a Commissioner at the South African Human Rights Commission ("the SAHRC") was planning to publish a letter in which the SAHRC will find Minister McKenzie guilty of racist utterances. He asked whether Minister McKenzie would want that, or whether Minister McKenzie would want an opportunity to appear at a hearing to state his side. The Complainant states that the Member also asked him if he knew Mr Chris Nissen.

The Complainant states that he responded with surprise and indicated that it is due process for Minister McKenzie to be heard and to state his side before a judgment can be made and published. The Complainant informed the Member that he would not even put the options to Minister McKenzie. The Complainant states that the Member agreed with him and then undertook to inform Mr Nissen of the SAHRC accordingly. Furthermore, he stated that it is wrong for the Commissioner to follow a different process.

The Complainant states that he saw the media statement by the SAHRC dated 15 August 2025 on 16 August 2025. In the statement, the SAHRC was of the view that the utterances made by Minister McKenzie are prima facie violations of the provisions of the Equality Act. The Complainant states that he immediately remembered the telephonic conversation he had with the Member where he stated that this is what the SAHRC was planning to do.

The Complainant states that he felt that this act on the part of the SAHRC renders the whole process questionable in that the SAHRC is not being impartial. He also sent the press statement to the Member via WhatsApp on 16 August 2025, accompanied by a message stating that they must hold the Commissioner, who wanted to give a verdict of guilty before the right of reply, accountable. The Complainant states that in the WhatsApp message, he stated that when reading the letter, he realised that the outcome was already predetermined, so this was just a tick box exercise.

The Complainant states that he subsequently received a call from the Member and repeated his earlier sentiment. The Complainant states that he and the Member spoke at length, but the Member essentially informed the Complainant that if asked about their conversation, he would deny it.

The Complainant states that despite the possibility of such denial, he still deemed it necessary to take remedial action as the above-mentioned renders the SAHRC process questionable, unfair and discriminatory.

The Complainant requested that the Registrar formally investigate a possible breach of Item 5 of the Code of Ethical Conduct.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 6 September 2025.

The Member states that he will not confirm or deny the alleged conversations or exchanges described by the Complainant. The Member states that he will confine his response to the principles of law, parliamentary ethics, and the institutional independence that govern Members of Parliament.

The Member states that the allegations the Complainant made are premised almost entirely on alleged private conversations and are uncorroborated by any evidence.

The Member states that he never sought to undermine the SAHRC, nor does he have the power to influence or direct its constitutional mandate. He states that he rejects any suggestion, implicit or explicit, that he has acted in a manner inconsistent with his oath of office, the Constitution or the Code.

The Member further states that the SAHRC is established under Section 181(2), Chapter 9 of the Constitution as an independent institution subject only to the Constitution and the law. The Member states that no Member of Parliament, Member of the Executive, or political figure may interfere in or predetermine the processes of the SAHRC.

The Member states that it is essential for Parliament to prevent its ethics processes from being weaponised to discredit Members over speculative or private exchanges that do not relate to their official conduct.

The Member states that the complaint must also be viewed in its broader political context. He states that it appears that the complaint is less concerned with actual ethical misconduct and more with creating a diversion from serious allegations Minister McKenzie is facing.

The Member states that the complaint is vague, speculative and does not allege any concrete act of impropriety. Furthermore, the complaint fails to demonstrate how any of the provisions of Item 5 of the Code were breached and that the complaint relies on hearsay and conjecture rather than verifiable facts. He states that no nexus has been established between the alleged exchanges and any purported "predetermined outcome" by the SAHRC.

The Member requests that, in light of the above, he respectfully requests that the Registrar:

- Dismiss the complaint in its entirety for lack of substance;
- Affirm the constitutional independence of the SAHRC to conduct its work without interference;
- Protect the Office of the Registrar and the Committee from being used for political diversions or vendettas.

The Member states that he deposed to the affidavit not only in defence of his own integrity but also in defence of the principles underpinning Parliament's ethics framework and the independence of constitutional institutions. The Member requests that, for the reasons he set out above, he submits that the complaint lodged against him is unfounded and should be dismissed.

THE PROVISIONS OF THE CODE

Item 5(1) of the Code provides as follows:

"(1) A Member must-

(a) abide by the principles, rules and obligations of this Code;

(b) uphold the oath or affirmation taken by the Member in terms of Schedule 2, item 4 of the Constitution;

(c) act on all occasions in accordance with the public trust placed in her or him;

(d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;

(e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and

COMMITTEE DELIBERATIONS

1. The Committee noted that the Member did not deny of affirm the allegation against him.
2. The Committee will not engage in the process of the SAHRC against the Honourable Minister McKenzie.
3. The Committee resolved that there is no impropriety committed by the Member.

FINDING

The Committee found that the complaint is unfounded.

REPORTED FOR INFORMATION

MS. L.S. MAKHUBELA, MP **MR. J.H.P. BRITZ, MP**
THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS

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2. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE ALLEGED CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: THE HONOURABLE VELENKOSINI HLABISA, MP: MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Velenkosini Hlabisa, MP the Minister of Co-operative Governance and Traditional Affairs ("COGTA") reports as follows.

INTRODUCTION

HM King Khoekhoe De Goringhiacona, (the Complainant"), lodged a complaint against the Honourable Velenkosini Hlabisa, MP ("the Member"). The Office of the Registrar of Members' Interests received the complaint on 11 August 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant states that under the Traditional and Khoi-San Leadership Act (TKLA), the Minister of Cooperative Governance and Traditional Affairs is constitutionally mandated to receive recommendations from the Khoi-San Commission, investigate valid applications, and facilitate recognition of Indigenous committees and leaders. This duty includes procedural fairness, archival deposit and sovereign inclusion. The Complainant referred to matters that relate to the time when Ms Dlamini-Zuma was the Minister of COGTA.

The Complainant said he submitted a formal application for recognition and ceremonial remedy within the lawful window prescribed by the TKLA, and it was made in accordance with constitutional principles and sovereign authorship.

The Complainant highlighted the following:

1. MINISTERIAL DEFIANCE AND STAFF COMPLICITY

The Minister, Dr Nkosazana Dlamini Zuma, failed to act on sovereign recommendations, obstructed rescheduling, and refused to archive sovereign submissions. This constitutes ministerial defiance.

Her staff – including recognition officers and administrative personnel-have ignored sovereign correspondence, failed to investigate valid applications, and perpetuated procedural sabotage. Their actions violate the TKLA, the Constitution, and the principles of administrative justice.

2. COMMISSIONS PROCEDURAL VIOLATION

The Khoi-San Committee, though seated until August 2026, has failed to reschedule mandate engagements, defied parliamentary directives, and obstructed sovereign remedy. Its continued operation under procedural defect constitutes coordinated exclusion and ceremonial erasure.

3. BREACH OF CONSTITUTIONAL COURT JUDGEMENT

The Constitutional Court's Mogale Judgment declared the TKLA unconstitutional due to a lack of public participation. The Minister's continued operation under this defective mandate, without a transitional remedy of sovereign inclusion, is a breach of constitutional duty and contempt of Court.

4. INTERNATIONAL VIOLATION AND UNDRIP

South Africa is bound by international law, including the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). The Minister's failure to facilitate remedy, recognition, and archival deposit violates Articles 1,5, and 18 of UNDRIP. This matter is now escalated to international forums, including the ICC.

The Complainant states that he therefore demands immediate Ministerial remedy, including rescheduling of sovereign engagements, archival deposit of all submissions, and constitutional recognition of the Goringhaicona First Nation. He further demands a parliamentary review of ministerial conduct and administrative accountability of all staff involved in procedural harm.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond, but no response was received by the Office of the Registrar.

THE PROVISIONS OF THE CODE

Item 4(3)(e)- The Codes does not apply to a member who ceases to be a Member for any reason, with effect from the date of the reason taking effect.

Item 5(1) of the Code provides as follows:

"(1) A Member must-

(a) abide by the principles, rules and obligations of this Code;

(b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;

(c) act on all occasions in accordance with the public trust placed in her or him;

(d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;

(e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and

(f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination."

COMMITTEE DELIBERATIONS

1. The Committee noted that the complaint clearly relates to matters that emanate during the tenure of the former Minister of COGTA, Ms Nkosozana Dlamini-Zuma, who is no longer a Member of Parliament. Even though the Complainant stated that the complaint is against the Member, the time of the matters identified in the complaint does not support this.

2. The other matters listed in the complaint fall within the operation of the law, to which the Speaker of the NA has responded in a letter dated 26 August 2024.

3. The ongoing matters in relation to the recognition of the Khoi-San is currently being attended to by Parliament, considering that the Constitutional Court declared the Traditional and Khoi-San Leadership Act No. 3 of 2019, unconstitutional.

FINDING

The Committee found that it does not have jurisdiction to consider the complaint.

REPORTED FOR INFORMATION

MS. L.S. MAKHUBELA, MP **MR. J.H.P. BRITZ, MP**
THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS

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3. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE ALLEGED CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: THE HONOURABLE GAYTON MCKENZIE, MP: THE MINISTER OF SPORT, ARTS AND CULTURE:

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Gayton McKenzie, MP, the Minister of Sport, Arts and Culture reports as follows.

INTRODUCTION

HM King Khoekhoe De Goringhiacona, (the Complainant"), lodged a complaint against the Minister of Sports, Arts and Culture, the Honourable Gayton Mckenzie, MP ("the Member"). The Office of the Registrar of Members' Interests received the complaint on 17 September 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

1. Familial Acquisition within Ministerial Jurisdiction

The Complainant alleged that the Member publicly affirmed that his son, acquired Super Sport United Football Club, rebranded it to Siwelele FC, and thereby invoked the legacy of Bloemfontein Celtic.

The Complainant said that the Member described the transaction as emotionally significant, linking it to personal memories of his late father. This embeds private legacy into a public sector portfolio under his governance. The complainant added that, despite claims of non-involvement, the transaction aligns with the Member's political pledge to revive Celtic, suggesting indirect benefit and potential fronting through familial proxies.

2. Fiscal Misuse and Absenteeism

The Complainant alleged that the member undertook a publicly funded trip to Paris costing approximately R800 000,00. The Complainant added that no documentation confirms the separation of this expenditure from club-related matters. The Complainant also states that the Member's absence from key portfolio committees raises concerns of fiscal impropriety.

3. Intellectual Property and Cultural Appropriation

The Complainant states that Mr Eddie Modise, legal holder of the Bloemfontein Celtic trademark, publicly objected to the rebranding. "*they cannot bring back the club without the name. What they are doing is not honourable".*

The Complainant added that the objection signals a potential breach of intellectual property and cultural custodianship.

- Unauthorised use of heritage symbols
- Disregard for lawful ownership
- Damage to Indigenous legacy through privatised appropriation

4. First Nation Authority and Constitutional Symbolism

The Complainant stated that as a Sovereign of the Khoi Nation, he holds procedural legitimacy under the Traditional and Khoi-San Leadership Act, CSKM No.01/70/2023. The National Coat of Arms, featuring Khoisan figures and the */Xam motto !k e:/xarra//ke,* affirms the foundational primacy of First Nations in the Republic's symbolic DNA. He added that the rebranding of Celtic, a cultural symbol revered by marginalized Free State Communities, without First Nation Consultation, constitutes symbolic privatisation and exclusionary control over heritage capital – violating principles of *jus soli* and *jus sangunis.*

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 27 September 2025.

1. **Familial Acquisition within Ministerial Jurisdiction**

The Member stated that a familial relationship does not in itself constitute a conflict under the code. A conflict arises where a member uses a position for improper advantage or fails to declare a pertinent interest.

The Member states that his son is a private business owner and managed the transaction for the acquisition of SuperSport United Football Club in his private capacity. The Member added that he sought no advantage and did not exercise influence over any Organ of State, league, regulator, or public entity in relation to the transaction.

The Member added that upon becoming aware of the media speculation around this issue, he took care to avoid any engagement that could create a perception of influence by instructing his staff not to authorise, request, or act on, or facilitate any aspect of the transaction.

2. Fiscal Misuse and Absenteeism

The Member stated that the Paris Olympics trip was an authorised official engagement, unrelated to any club matters, and was not contemporaneous with the acquisition. The member added that this has already been ventilated in the Portfolio Committee, and in a reply to the Public Protector, with no wrongdoing found on his part.

The Member stated that where he could not attend parliamentary meetings, formal apologies were submitted. He added that he attended numerous meetings and rejects any insinuation that he is not willing to account to Parliament, as he has always made himself available to do so. The Portfolio Committee attendance register can confirm this.

3. Intellectual Property and Cultural Appropriation

The Member stated that allegations concerning Bloemfontein Celtic's trademark/naming are private-law questions between two parties. He did and could not intervene via CIPC, PSL, SAFA, or any organ of state.

He added that the Complainant does not allege, much less prove, that he used his office to pressure the CIPC, influence PSL licensing, or direct SAFA. Any rights holder remains free to enforce whatever rights they believe they hold, in the appropriate forum.

4. First Nation Authority and Constitutional Symbolism

The Member stated that the Code regulates members' ethical conduct, not cultural or symbolic contests between two parties, and that the Complainant's reliance on cultural symbolism does not convert into a breach of the Code.

The Member, therefore, respectfully requested that the complaint be dismissed on the *points in limine,* alternatively that the complaint be dismissed on the merits for want of evidence of any breach of the Code.

THE PROVISIONS OF THE CODE

Item 5(1) of the Code provides as follows:

"(1) A Member must-

(a) abide by the principles, rules and obligations of this Code;

(b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;

(c) act on all occasions in accordance with the public trust placed in her or him;

(d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;

(e) maintain public confidence and trust in the integrity of Parliament an thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and

(f) in the performance of her or his duties and responsibilities, be committed to the eradication of all forms of discrimination."

COMMITTEE DELIBERATIONS

1. The Committee noted that the acquisition of a football club by the Members' son, does not automatically mean that the Member used his ministerial position to influence the purchase. Further, there is no evidence to support the allegation that the Member used his ministerial position to influence the transaction.

2. The matter concerning the use of intellectual property rights and cultural association is a matter that does not fall within the jurisdiction of the Committee but within the ambit of private law.

3. The Committee noted that the +-R800 00.00 (eight hundred thousand rand) expenditure was reported as expenditure for the international trip to Paris for the Olympics. That this expenditure had nothing to do with international travel related to football club matters.

4. The matter of the allegation of absenteeism by the Member from Portfolio Committee meetings does not fall within the jurisdiction of the Committee to determine. However, the Committee noted that the Member indicated that he did communicate the necessary apologies when it was required.

5. The Committee noted that the name "Celtic" is not a cultural symbol of the Free State Communities.

FINDING

The Committee found that the Complaint is unfounded. The Committee also found that some aspects of the complaint does not fall within the jurisdiction of the Committee to determine.

REPORTED FOR INFORMATION

MS. L.S. MAKHUBELA, MP **MR. J.H.P. BRITZ, MP**
THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS

PARLIAMENT
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4. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE ALLEGED CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: THE HONOURABLE JOHN STEENHUISEN, MP: THE MINISTER OF AGRICULTURE

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable John Steenhuisen, MP, the Minister of Agriculture reports as follows.

INTRODUCTION

Mr Mzwanele Manyi, MP, (the Complainant"), lodged a complaint against the Minister of Agriculture, the Honourable John Steenhuisen, MP ("the Member"). The Office of the Registrar of Members' Interests received the complaint on 9 August 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Ethics Code").

SUMMARY OF THE COMPLAINT

The Complainant states that the Member accompanied President Ramaphosa on a working visit to Washington, DC, between 19 and 22 May 2025, which was not a formal State visit.

The Complainant states that during an engagement with the U.S. President Donald Trump on 21 May 2025, the Member stated that the MK Party and EFF would not be allowed into the so-called Government of National Unity (GNU). The Complainant said that these statements were made in a diplomatic setting alongside the President.

The Complainant states that the statement made by the Member is an abuse of his ministerial and parliamentary roles and that the Member used an official platform to promote a clearly party-political position. He added that this conduct occurred without constitutional authority, without the mandate from Parliament, and while representing the executive abroad.

The Complainant believes that this constitutes a breach of sections 2(1)(a) and 2(2)(b)(ii) & (v) of the Ethics Act.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 23 September 2025.

The Member said that he does not dispute what he said in the engagement with US President Donald Trump, that the MK and EFF will not join the Government.

The Member said that the complainant claims he breached sections(2(1)(a) and 2(2)(b)(ii) & (v) of the Executive Members' Ethics Act 82 of 1998. The Complainant does not claim that his conduct violated the Ethics Code.

The Members stated that the complaint should be dismissed because the Committee does not have jurisdiction in terms of paragraph 18(2)(a) of the Ethics Code, alternatively because the complaint is unfounded and frivolous in terms of paragraphs 18(2)(b) and (c) of the Code.

The Member added that nothing in the Ethics Code polices what members of the executive can say, and this is presumably why the Member could not identify any provision of the Ethics Code that he violated.

COMMITTEE DELIBERATIONS

1. The Committee noted that the complaint was lodged in line with the provisions of the Executive Ethics Act, 1998. That, the provisions of the Executive Ethics Act do not fall within the jurisdiction of the Committee.

FINDING

The Committee found that it lacks jurisdiction to consider the complaint.

REPORTED FOR INFORMATION

MS. L.S. MAKHUBELA, MP **MR. J.H.P. BRITZ, MP**

THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS

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5. REPORT OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS ON THE ALLEGED CONTRAVENTION OF THE CODE OF ETHICAL CONDUCT AND DISCLOSURE OF MEMBERS' INTERESTS: HONOURABLE CAROL PHIRI, MP

The Joint Committee on Ethics and Members' Interests ("the Committee") having considered the complaint against the Honourable Carol Phiri, MP, the Chairperson of the Portfolio Committee on Public Works and Infrastructure reports as follows.

INTRODUCTION

Honourable Edwin Bath, MP ("the Complainant"), a Member of the Democratic Alliance (DA), lodged a complaint against Honourable Carol Phiri, MP ("the Member"). The Member is the Chairperson of the Portfolio Committee on Public Works and Infrastructure ("the PC"). The Office of the Registrar of Members' Interests received the complaint on 18 August 2025 for an alleged breach of the Code on Ethical Conduct and Members' Interests ("the Code").

SUMMARY OF THE COMPLAINT

The Complainant states that on 28 May 2025, the Member presided over a Committee meeting in which she presented an agenda for adoption that included an item described as:

"Input by organised labour (Nehawu DPWI Branch) on issues pertaining to recruitment, filling of positions and matters related."

The Complainant states that the agenda item relates to two letters sent by the Department of Public Works and Infrastructure ("the Department") branch of the National Education Health and Allied Workers Union ("NEHAWU") to the Chairperson on 25 February 2025 ("the first letter") and on or about 26 May 2025 ("the second letter"). He states that both letters were addressed to the Committee.

The Complainant states that the Public Service Association ("PSA"), the Congress of the South African Trade Unions ("COSATU") and NEHAWU were not aware of the letters and the Department's NEHAWU's branch request to make oral submissions in the Committee meeting under the agenda item.

The Complainant states that the letters and oral submissions were not approved by COSATU or NEHAWU and do not represent the Department's organised labour formations. He states that the NEHAWU branch bypassed the Parliamentary offices for both COSATU and NEHAWU, and this undermines Parliament's established practices in that regard, which are intended to, among other things, protect Parliament's operations, interests, and reputation.
The Complainant states that the Chairperson took no steps before or during the meeting to verify whether the letters and request for oral submissions were authorised by COSATU or NEHAWU. He maintains that, despite this, she directed the Committee to consider the letters and the oral submissions.

The Complainant states that the Chairperson undermined the Committee's and Parliament's stakeholder relationship with the PSA, COSATU, and NEHAWU. He further states that despite receiving the letter on 25 February, the Member only circulated the first letter to the Committee members on 23 May 2025 at 14:00. He also states that the second letter was circulated to the Committee members at 19:04 on 27 May, together with, for the first time, a draft agenda for the Committee meeting with the agenda item.

The Complainant states that on 27 May 2025, less than fifteen hours before the Committee meeting scheduled for 28 May 2025, the Department was informed about the possible inclusion of the agenda item. He explains that the day before the meeting, the Director General ("the DG") of the Department wrote a letter to the Member, advising her that this late addition of the agenda item would prejudice the Department because its officials could not reasonably review the two letters and prepare to discuss the item during the meeting. He states that the Department specifically told the Member that COSATU or NEHAWU does not endorse the contents of the NEHAWU branch's letters and are not representative of the Department's organised labour formations, which were not consulted about the letters.

The Complainant states that during the meeting, the Member conceded that it was unreasonable to require the Department to respond to the NEHAWU branch's allegations at that meeting but decided that the Department should do so at a later meeting. The Complainant states that he and another member of the DA objected in the meeting to the introduction of the agenda item, given its late addition and the fact that the documents related to it were circulated to Committee members very late. He states that the standing principle is that documents must be sent to Committee members the Friday before the Wednesday meeting. He also states that he requested the Member to defer the agenda item to the next meeting.

The Complainant states that the objections of the DA members were overruled, and that the Member indicated that "when they write to us as organised labour we have a responsibility to give them an ear…."

The Complainant states that the Member did not provide any reason for her assertion that the NEHAWU branch must always be heard by the Committee. This is regardless of the contents of their submissions and even on unreasonably short notice to Committee members and the Department in circumstances where both have raised objections that it is prejudicial to them. He states that the Member also did not provide a reason why the agenda item could not be deferred to the following week's Committee meeting.

The Complainant states that the Member's reason for overruling the objections failed to address the grounds for the objections.

The Complainant states that the first letter, among other things, contained demands from the NEHAWU branch for the Department to take unlawful steps regarding recruitment processes. He states that the second letter, among other things, reiterated the same demands as the first.

The Complainant states that, as Chairperson of the Committee, the Member either knew or should have known that the demands made by the NEHAWU branch were unlawful. He states that the Member should not have entertained these unlawful demands and should not have directed the Committee and Department to spend valuable time considering and responding to them.

The Complainant states that the Member initially indicated that the Department would respond under the agenda item on Thursday, 5 June 2025, but she subsequently cancelled the scheduled meeting and has not set a new date for the Department's response. He states that the NEHAWU branch's demands are now lingering in public without giving the Committee members a fair opportunity to consider them, and without providing the Department and the affected officials a fair chance to respond.

SUMMARY OF RESPONSE BY THE MEMBER

The Member was given an opportunity to respond and did so on 29 August 2025.

The Member states that the complaint is without merit and is intended as a pre-emptive strike by the DA to intimidate her and prevent her from holding Minister MacPherson ("the Minister") and the Department to account. She states that an example must be made of her to demonstrate the consequences that will follow if members of Parliament dare to hold members of the DA, who serve in the Executive, to account. She considers this arrogant and disrespectful towards Parliament. The Member maintains that the complaint is not made in good faith and should be regarded as an abuse of the process.

The Member states that the Minister's fragile ego was bruised on the day in question and that he used the Complainant, who is completely out of his depth in this complaint, as a means of throwing a tantrum related to his pigmentation. She states that the Committee is under no obligation to nurture anyone’s ego.

The Member further states that the DA has been seeking a forum to submit their complaint and that the Minister has submitted the same complaint to the Speaker and to the Chair of Chairs (Hon Frolick). She states that she has not yet received a response from either the Speaker or Hon Frolick.

The Member states that two letters were received from the NEHAWU branch of the Department on 25 February 2025 and 23 May 2025 respectively. She states that the union requested to be heard by the Committee on matters it believed were critical to the proper functioning of the Department. The Member states that National Assembly (“NA”) Rule 167 grants the Committee the authority to hear petitions and oral submissions from interested persons. This authority is further reinforced by section 59 of the Constitution.

The Member states that the submission that COSATU, NEHAWU, and the relevant Parliamentary offices were bypassed is unfounded and misplaced. She argues that there is no legal or procedural requirement in the NA rules to consult these bodies when interested parties are making oral submissions to Committees, in order to help it meet its obligations under sections 42(3) and 55 of the Constitution. The Member states that there is no legal or procedural basis to indicate she acted in breach of the Code.

The Member states that NA Committees, according to section 42(3) of the Constitution, are supposed to serve as national forums on public issues and to promote public involvement. They also emphasise that Parliament has a duty to open its doors to anyone who has an interest in matters before the NA and its committees.

The Member confirms that the Complainant and another member of the DA in the Committee objected to the matter being heard and states she can only conclude that this was a party position. She states that the DA’s position was not supported by the majority of the Committee members, which include members of the uMkhonto we Sizwe Party (“MK Party”), the Economic Freedom Fighters (“EFF’), and ActionSA.

The Member states that NA Rule 162(1) and (2) is clear that:

(1)"…a Committee at all times requires at least one third of its members to be present for it to conduct any business…"
(2)"…a majority of the members of a committee must be present for it to decide any question."

The Member states that the DA was unable to persuade the other Committee members to agree with their demand. She explains that, as a result, the Committee continued with its work based on the majority decision and listened to the oral submissions from the Department's NEHAWU branch. She states that her actions were never ultra vires and that the Committee conducts its affairs democratically, always seeking consensus.

The Member states that allegations suggesting she should have known that the union's demands were unlawful are intended to create confusion by implying she acted unlawfully and in breach of the Code. She explains that she is not legally trained, and that the Committee was not provided with a legal opinion before the meeting. She asserts that issues concerning the legality of the demands require a legal opinion before the meeting, and that the Committee will utilise that option whenever necessary. She also states that the DA and the Complainant should have raised these concerns during the deliberations.

The Member states that she found it opportunistic and shocking that the Complainant decided ex post facto that she should have known the submission was unlawful. She states that unlawfulness does not exist simply because the Minister and the DA say so, and that the lawfulness of the information shared remains to be determined.

The Member states that she acknowledges that the DG indicated that the Department will not be in a position to respond to the oral submissions of NEHAWU and requested an opportunity to provide a formal response at a later stage once the internal process has been verified. She states that the DG did not request that the item on the agenda be stood down for a later date, nor did he raise a concern that the submission would prejudice the Department.

The Member states that in her ruling she clarified that it was unreasonable to expect the Department to respond immediately. She also indicated that an opportunity will be given to the Department to consider the issues raised, and that the Department will respond at a date to be decided in consultation with the DG.

The Member states that it can never be said that the issue of recruitment within the public service is not of public interest. She explains that potential unrest in the workplace can impair service delivery, making it essential to foster dialogue.

The Member states that she finds it peculiar that the Complainant and the DA can conclude that employment relations in a government department are not in the public interest, and that the interpretation of the Rules of the NA must be aligned with the values of the Constitution and give effect to the spirit, purport, and object of the Bill of Rights. She states that section 39 of the Constitution requires that a tribunal or forum promote the values that underpin an open and democratic society based on human dignity, equality, and freedom.

The Member states that it is unclear how she diminished public confidence and trust in the integrity of Parliament, when the Constitution and the Rules implore her to allow public participation in the oversight and accountable function of the committee.

The Member states that there is no rule requiring interested parties to go through specific channels or to obtain the approval of other parties to make submissions to Committees of Parliament, and that on this basis alone the complaint should be dismissed.

The Member states that she takes serious exception to the Complainant and, by extension, the Minister can accuse her of furthering the interests of the NEHAWU branch. She states that the Committee will not operate at the behest of the Minister or the DA, and that public interest is not a prerogative of the DA. She argues that ignoring public submissions undermines public trust and confidence in the NA and that Parliament would be failing in its constitutional obligation should it allow this kind of conduct, which the DA wishes to impose on Parliament unlawfully.

The Member states that it is not for her, the Complainant, or the DA to decide at a whim what is lawful and unlawful. She states that Parliament receives thousands of submissions across various committees, and many may or may not meet legal standards. She asserts that demanding a Chairperson who presides over a meeting where alleged unlawful demands are made, be associated with such submissions to the extent of demanding sanctions against the chairperson is absurd and blatantly unlawful.

The Member states that she was not privy to the presentation or its contents prior to the meeting. She explains that any presentation or ideas proposed in a presentation are not merely accepted by the Committee or the Department without careful consideration of the issues in reference to legislation and regulations. She asserts that the DA, in its white supremacist perspective, believes Africans do not think or logically process information before them.

The Member states that the Committee did not make a finding or recommendation on the submissions and did not request the Department to act on any of the NEHAWU branch's inputs. She states that the Committee sought the Department's response to the issues raised by NEHAWU, which is a meeting that still needs to be organised.

The Member states that her conduct did not, and was not intended to, undermine any stakeholder, but rather to understand the issues raised by an interested party. She states that the complaint is without merit and should be dismissed. She states that all members of Parliament have a duty to hold the Executive accountable and to open its doors to the people of South Africa. Even if we do not agree, we must listen to the people. She requests that the complaint be dismissed.

THE PROVISIONS OF THE CODE

Item 3(1) of the Code provides as follows:

“(1) A Member must adhere to the following principles-

(a) Selflessness: take decisions solely in terms of public interest and without regard to personal financial or other material benefits for themselves, their immediate family, their business partners, or their friends;

(b) Integrity: steadfastly avoid placing themselves under any financial or other obligation to any outside individual or organization where this creates a conflict or potential conflict of interest with his or her role as a Member;

(c) Objectivity: in carrying out public business, including making public appointments, do so only on the basis of merit and in accordance with Constitutional imperatives;

(d) Openness: Members should be as open as possible about all decisions and actions, bearing in mind the constitutional obligation for openness and transparency;

(e) Honesty: Members must declare private interests relating to public duties and resolve any conflict arising in a way that protects public interest; and

(f) Leadership: promote and support ethical conduct by leadership and example.

Item 5(1) of the Code provides as follows:

“(1) A Member must-

(a) abide by the principles, rules and obligations of this Code;

(b) uphold the oath or affirmation take by the Member in terms of Schedule 2, item 4 of the Constitution;

(c) act on all occasions in accordance with the public trust placed in her or him;

(d) place the public interests above her or his own interests when discharging her or his obligations in terms of the Constitution, to Parliament and the public at large;

(e) maintain public confidence and trust in the integrity of Parliament and thereby engender respect and confidence that society needs to have in Parliament as a representative institution; and

COMMITTEE DELIBERATIONS

1. The Committee noted that the matter fundamentally concerns the inherent power of a Portfolio Committee to decide its agenda for a meeting. The approval of a Portfolio Committee's agenda is not a matter that falls within the jurisdiction of the Committee.

2. All the other matters referred to in the complaint, stem from the fact that the letter from NEHAWU was accepted on the agenda for consideration. It is not within the jurisdiction of the Committee to pronounce on the scheduling of matters before a portfolio committee. It is also not competent for the Committee to pronounce on whether the content of the letter or from whom the letter was received, was "ripe" for discussion or not.

FINDING

The Committee found that it lacks jurisdiction to consider the complaint.

REPORTED FOR INFORMATION

MS. L.S. MAKHUBELA, MP **MR. J.H.P. BRITZ, MP**
THE CO-CHAIRPERSONS OF THE JOINT COMMITTEE ON ETHICS AND MEMBERS' INTERESTS

National Assembly

1. REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE OVERSIGHT VISIT TO THE FINANCIAL SECTOR CONDUCT AUTHORITY (FSCA) ON 7 OCTOBER 2025, DATED 31 MARCH 2026

1. INTRODUCTION

1.1. The Standing Committee on Finance (hereinafter referred to as "the Committee") undertook an oversight visit to the Financial Sector Conduct Authority (FSCA) on 7 October 2025 in Tshwane, Gauteng.

1.2. This visit was conducted in terms of the Committee's constitutional oversight responsibilities under sections 55(2) and 92 of the Constitution of the Republic of South Africa, 1996, which require the National Assembly to maintain oversight over the exercise of national executive authority and to ensure accountability of organs of state. As institutions central to South Africa's financial regulatory architecture, the FSCA fall directly within the Committee's portfolio mandate.

1.3. The oversight engagements took place at a critical juncture in the domestic and global economic environment. South Africa continues to face structural challenges characterised by low economic growth, high unemployment, fiscal constraints, infrastructure backlogs, and elevated public debt. At the same time, global conditions remain volatile, shaped by geopolitical tensions, trade disruptions, inflationary pressures in advanced economies, financial market uncertainty, climate-related risks, and rapid technological transformation in financial services.

1.4. Within this context, the effectiveness, credibility and resilience of the country's financial regulatory institutions assume heightened importance. The FSCA, established under the Financial Sector Regulation Act, 2017, is responsible for market conduct supervision under the Twin Peaks model, with a focus on fair customer outcomes, transformation, inclusion and consumer protection.

1.5. The Committee approached the oversight visit with three broad objectives:

1.5.1. First, to assess institutional performance against statutory mandates and strategic plans, including financial performance, governance, human capital development, and operational effectiveness.

1.5.2. Second, to interrogate priority policy themes with systemic implications, including financial stability risks, deposit insurance implementation, pension fund governance, unclaimed financial assets, National Payment System reform, enforcement capacity, illicit financial flows, transformation within the financial sector, and technological disruption.

1.5.3. Third, to evaluate the extent to which the regulatory and monetary framework contributes to inclusive growth, consumer protection, market efficiency and long-term financial sector transformation.

1.6. In order to avoid duplicating formal annual report briefings already received by the Committee, the engagement was deliberately structured to focus on selected high-impact themes requiring deeper interrogation. Members were afforded the opportunity to engage the senior leadership of the FSCA on strategic direction, risk management, governance integrity, regulatory effectiveness, and emerging policy challenges.

1.7. The visit also formed part of a broader programme of parliamentary oversight of financial sector institutions, including coordination with National Treasury, the Prudential Authority and related entities. The Committee emphasised that oversight in this domain is not limited to financial compliance, but extends to systemic resilience, public confidence, transformation outcomes, and the protection of vulnerable consumers.

1.8. This Report reflects the briefing received, deliberations and responses, and the Committee's observations and recommendations arising from the engagements.

2. PURPOSE AND OBJECTIVES OF THE OVERSIGHT VISITS

2.1. The primary purpose of the oversight visit to the Financial Sector Conduct Authority (FSCA) was to enable the Committee to exercise its constitutional oversight responsibilities by scrutinising the FSCA's 2024/25 Annual Integrated Report and requiring accountability on areas of regulatory performance that have direct implications for market conduct, consumer protection, and transformation within the financial sector.

2.2. In particular, the Committee sought to interrogate the FSCA's readiness for the Conduct of Financial Institutions (COFI) Bill, including the Authority's preparedness for an outcomes-based supervisory regime and the implications of COFI for transformation oversight and consumer protection. The Committee further sought explanations regarding enforcement performance and the handling of misconduct, including whether the FSCA's supervisory and enforcement tools are being applied effectively, timeously and consistently to deter wrongdoing across the regulated environment.

2.3. The Committee also required the FSCA to account for its licensing processes, complaints handling mechanisms, and the regulatory approach to unilateral closure of bank accounts, given the implications of these matters for access to financial services, due process and financial inclusion. A further key area of interrogation was the FSCA's oversight of retirement funds, with specific focus on governance failures, trustee conduct and compliance, and the persistent problem of arrear pension fund contributions, particularly within municipalities and other delinquent employers. The Committee sought clarity on the FSCA's enforcement interventions, escalation measures, and intergovernmental coordination mechanisms aimed at protecting members' interests and ensuring compliance with applicable laws.

2.4. The Committee additionally interrogated the scale and management of unclaimed financial assets, including the adequacy of existing regulatory arrangements to improve data integrity, beneficiary tracing, and the safeguarding of members' entitlements. Lastly, the Committee engaged the FSCA on financial sector transformation and inclusion to assess whether the Authority's supervisory posture, enforcement activity and policy approach are contributing to measurable transformation outcomes, improved consumer protection, and inclusive access to financial products and services.

2.5. Accordingly, the oversight visit was intended to strengthen parliamentary scrutiny over regulatory effectiveness, institutional accountability, enforcement capability, consumer protection outcomes, and transformation compliance within the market conduct environment.

2.6. The oversight visit therefore sought to strengthen parliamentary scrutiny of institutional resilience, policy coherence, governance transparency, payment system modernisation, and depositor protection readiness in areas central to macroeconomic and financial system stability.

Parliamentary Delegation

2.7. The parliamentary delegation that attended the oversight visit to the Financial Sector Conduct Authority on 07 October 2025 comprised Ms N A Gcaleka-Mazibuko, Mr S C Sekoati, Mrs W R Alexander, Mr D Van Rooyen and Mr N M Hadebe. Parliamentary officials accompanying the delegation were Dr Z Hlophe (Content Advisor), Ms A Manamela (Researcher), Mr A Wicomb (Committee Secretary), Ms T Sepanya (Committee Secretary) and Ms Z France (Committee Assistant). The Chairperson, Dr MJ Maswanganyi, opened the meeting virtually and tendered apologies for being unable to attend due to a family bereavement.

FSCA, National Treasury and SALGA Delegation

2.8. The FSCA delegation comprised Mr U Kamlana (Commissioner), Ms A Ludin (Deputy Commissioner), Ms F Badat (Deputy Commissioner), Ms K Gibson (Deputy Commissioner), Mr P Kekana (Chief Financial Officer), Ms R Mpete (Chief Risk Officer), Ms T Marele (Head of Department: Communications), Ms P Mabuza (Head of Department: Investigations), Mr A Pascoe (Head of Department: Market Abuse), Mr T Mathobo (Chief of Staff: Office of the Commissioner) and Ms B Burger (Executive Secretary: Office of the Commissioner).

2.9. Officials from the Office of the Director-General, National Treasury, included Mr L Batwa and Ms M Mooketsi. Additional officials in attendance were Ms A Thela, Ms B Moahlodi, Ms S Nekhondela and Ms D Makwakwa. Mr M Lorgat attended in his capacity as Audit Specialist representing SALGA.

3. BRIEFING BY THE FINANCIAL SECTOR CONDUCT AUTHORITY

Institutional Mandate, Regulatory Scope and Governance

3.1. The Financial Sector Conduct Authority (FSCA), led by the Commissioner, Mr Unathi Kamlana, presented to the Committee on its institutional mandate, performance, regulatory priorities, enforcement activities, and emerging risks within the financial sector. The Commissioner indicated that the presentation would cover five main segments, namely the FSCA Annual Integrated Report; regulatory policy, emerging risks, fintech and enforcement; licensing of Crypto Asset Service Providers (CASPs), complaints handling and unilateral closure of bank accounts; retirement funds, including governance and pension fund arrear contributions; and unclaimed assets.

3.2. He explained that the FSCA's work was undertaken within the Twin Peaks framework of financial sector regulation and that the FSCA was established in 2018 under the Financial Sector Regulation Act as the market conduct regulator of financial institutions in South Africa. He further stated that the FSCA's mandate was to enhance and support the efficiency and integrity of the financial system, protect financial customers by promoting fair treatment and financial literacy, and assist in maintaining financial stability.

3.3. The Commissioner informed the Committee that the FSCA's mandate extended across a broad segment of the financial sector and included supervision over a large and diverse number of regulated entities. He stated that the Authority oversaw financial services providers, retirement funds, insurers, banks, collective investment schemes, crypto asset service providers, co-operative financial institutions, exchanges, credit rating agencies and other regulated institutions across the financial sector. The composition of the regulated population as at 31

March 2025 is reflected in Table 1 below. The Commissioner added that, although 4 868 retirement funds were registered, only 858 were active by August 2025. He stated that the FSCA's role was to promote fair customer outcomes, improve the conduct of financial institutions, strengthen market integrity, and contribute to confidence and stability in the financial system alongside the Prudential Authority.

Table 1: FSCA Regulated Entities as at 31 March 2025

Category	Number of entities
Financial Services Providers	12 401
Retirement Funds	4 868
Crypto Asset Service Providers	256
Friendly Societies	197
Foreign Collective Investment Schemes	162
Insurers	146
Section 13B Administrators	114
CISs in Securities	46
Banks	32
Co-operative Financial Institutions	23
Micro-insurers	15
Over the Counter Derivative Providers	13
CISs in Hedge Funds	12
Exchanges	5
Cooperative Banks	4
Credit Rating Agencies	4
CISs in Property	3
Central Security Depositories	2
Associated Clearing Houses	2
CISs in Participation Bonds	2

Source: FSCA EXCO Presentation. The FSCA noted that these figures may include double counting where a single entity holds multiple licences, and that only 858 of the 4 868 registered retirement funds were active as at August 2025.

3.4. The FSCA further outlined its internal governance and operational structure. The Commissioner explained that the organisation operated through an Executive Committee comprising the Commissioner and Deputy Commissioners, supported by divisions responsible for licensing and business centre functions, conduct of business supervision, regulatory policy, enforcement, market integrity and decision sciences, retirement funds, legal services, risk, finance, corporate services and information technology. He stated that the Commissioner served as the Accounting Authority in terms of the Financial Sector Regulation Act. The Committee was also informed that EXCO was supported by governance committees including the Risk Subcommittee, Audit Subcommittee, Human Capital Subcommittee, Social and Ethics Subcommittee, and Remuneration Subcommittee, with the Risk and Remuneration Subcommittees being established by the Director-General of the National Treasury.

3.5. In presenting the FSCA's value creation approach, the Commissioner stated that the Authority's work was underpinned by six forms of capital, namely financial capital, human capital, intellectual capital, social and relationship capital, natural capital, and manufactured capital. He explained that the FSCA's core activities that drove value included licensing, supervision, enforcement, financial education, support for competition, promotion of financial inclusion, and levy collection. He also indicated that the FSCA relied on regulatory data, organisational systems and digital infrastructure to support data-driven supervision and regulatory decision-making, and that it monitored sustainability issues, including the responsible use of water, electricity and fossil fuels, through its internal governance systems.

Organisational Performance, Financial Position and Human Capital

3.6. The Commissioner reported on the FSCA's organisational performance during the period under review and indicated that the Authority had achieved a high proportion of its annual targets. He stated that the FSCA had achieved 90 per cent of the annual targets in its three-year Regulation Plan and 95 per cent of the annual targets in its combined risk-based supervisory plan. He further reported that 99 per cent of Two-Component System rule amendments, amounting to 848 out of 857, had been registered by March 2025 to enable implementation of the Two-Pot retirement system, while 77 per cent of cases had been completed within prescribed timeframes in line with the framework for case selection and monitoring.

3.7. He also noted that the FSCA had rolled out the Trustee Toolkit and achieved 80 per cent of the implementation plan, had published its Regulatory Actions Report, had co-hosted the Annual Financial Crime Symposium with North-West University, had published a Decentralised Finance Market Study, launched a pilot project on the Green Finance Taxonomy, and hosted 49 capacity-building and compliance support workshops aimed at small financial institutions. The Commissioner further stated that the FSCA had achieved 100 per cent of its Financial Education Plan targets.

3.8. With regard to finances and resources, the Commissioner stated that the FSCA's primary revenue source was levies imposed on regulated entities, supplemented by fees, other income and interest received on cash investments. He reported that gross revenue for 2024/25 amounted to R1.205 billion, compared with R1.105 billion in 2023/24, reflecting growth of 9 per cent. Levies amounted to R1.063 billion, fees to R42.992 million, other income to R45.105 million, and interest received to R54.399 million. Total operating expenditure amounted to R1.003 billion, of which staff expenses constituted R756.066 million and general expenses R246.857 million. The FSCA recorded an operating surplus of R202.217 million for the year, compared with R156.762 million in 2023/24.

3.9. The Commissioner further informed the Committee that the organisation employed 681 staff members as at 31 March 2025, comprising 51 per cent female and 49 per cent male employees. He stated that 91 per cent of staff fell within black groups, comprising 81 per cent African, 7 per cent Coloured and 3 per cent Indian employees, while 9 per cent of staff were White. He also noted that women accounted for 75 per cent of executive management.

3.10. The FSCA further reported that R5.9 million had been invested in training and capacity building, that 157 bursary recipients had been supported, nine employees had participated in the Wits Executive Leadership Development Programme, 15 interns had participated in the internship programme, and 13 graduate trainees had been enrolled in the graduate development programme. He added that the FSCA had maintained a clean AGSA audit opinion, collected 98 per cent of invoiced levies by 31 March 2025, paid 95 per cent of invoices within 30 days, and had successfully deployed Phase 1 of the Integrated Regulatory System.

Table 2: FSCA Institutional, Performance and Financial Highlights, 2024/25

Indicator	2024/25	Comparator / additional detail
Regulation Plan annual targets achieved	90%	

Combined risk-based supervisory plan targets achieved	95%	
Trustee Toolkit implementation achieved	80%	
Two-Component System rule amendments registered	848 of 857	99%
Cases completed within prescribed timeframes	77%	
Financial Education Plan targets achieved	100%	
Capacity-building and compliance workshops for small institutions	49	
Audit outcome	Clean audit opinion	AGSA
Integrated Regulatory System	Phase 1 deployed	
Invoiced levies collected by 31 March 2025	98%	
Invoices paid within 30 days	95%	
Total employees	681	
Female employees	51%	Male: 49%
Black employees	91%	African 81%; Coloured 7%; Indian 3%
White employees	9%	
Female representation at Executive Management level	75%	
Training and capacity building expenditure	R5.9 million	
Bursary recipients supported	157	
Wits Executive Leadership Programme participants	9	
Interns	15	
Graduate trainees	13	

Levies	R1 062 644 995	2023/24: R965 007 311
Fees	R42 991 697	2023/24: R36 276 279
Other income	R45 104 634	2023/24: R54 263 248
Interest received	R54 398 835	2023/24: R49 894 139
Gross revenue	R1 205 140 161	2023/24: R1 105 440 978
Total staff expenses	R756 065 852	2023/24: R667 816 659
Total general expenses	R246 857 145	2023/24: R280 862 715
Operating expenditure	R1 002 922 997	2023/24: R948 679 375
Operating surplus	R202 217 164	2023/24: R156 761 603

Source: FSCA EXCO Presentation.

Regulatory Policy, COFI Bill and Transformation of the Financial Sector

3.11. The Deputy Commissioner, Ms Katherine Gibson, then briefed the Committee on regulatory policy developments, with a particular focus on the Conduct of Financial Institutions (COFI) Bill. She explained that the Bill would provide the legal framework required for a more coherent and comprehensive conduct regulatory regime and would support the full implementation of the FSCA's conduct mandate. She stated that the COFI Bill was intended to streamline the fragmented conduct legal landscape by establishing a single comprehensive market conduct law and that it would broaden the scope of conduct regulation by bringing activities into the regulatory net that had not previously been subject to robust conduct regulation. She further stated that the FSCA's planning for COFI readiness was expected to be concluded in the first half of 2026, after which implementation could commence following Parliamentary approval.

3.12. Ms Gibson explained that a central feature of the COFI Bill was the move from a rules-based approach to a principles- and outcomes-based framework that would enable a more proactive, intrusive and intensive conduct regulatory model. She stated that the Bill would provide tools to support transformation, financial inclusion, competition and innovation, while strengthening customer protection through the consistent application of consumer protection principles across the financial sector. She also explained that the COFI framework would establish a comprehensive licensing regime under the Financial Sector Regulation Act, with additional activities requiring authorisation, including payment services, alternative investment funds, foreign exchange services, NCR and non-NCR credit, investment banking, benchmark provision and custodian services. She informed the Committee that the Bill would also bring public sector pension funds into the FSCA's jurisdiction.

3.13. On the issue of transformation, Ms Gibson stated that the FSCA's current role was constrained by the existing legal framework, which relied primarily on the Broad-Based Black Economic Empowerment Act, the Financial Sector Code and, in the case of insurers, the Insurance Act. She explained that under the future COFI framework, promoting transformation would become an explicit function of the FSCA, all licensed financial institutions would be required to have transformation plans in place, and the FSCA would be empowered to make standards on transformation and take action for non-compliance. She informed the Committee that the FSCA had already signed memoranda of understanding with the Financial Sector Transformation Council and the B-BBEE Commission and had begun more direct engagement with institutions on their existing transformation plans. She added that the FSCA was also improving the quality of transformation data, especially in relation to ownership, including race and gender data captured through its Integrated Regulatory System.

Financial Inclusion, Consumer Education and Emerging Conduct Risks

3.14. On financial inclusion, Ms Gibson stated that the FSCA had adopted a multidimensional approach spanning demand-side, supply-side and regulatory interventions. She explained that this included promoting financial inclusion through financial education, collecting and monitoring data on inclusion, supporting technological innovation that enabled access, supporting small financial services providers serving lower-income customers, promoting suitable products and services for small and medium enterprises, creating a regulatory and supervisory framework that promoted inclusion, and cooperating with other stakeholders on broader inclusion initiatives. She stated that the FSCA drew on data such as FinScope to assist with product design and distribution for previously underserved communities.

3.15. Ms Gibson further informed the Committee that recent inclusion-related work had included consumer education campaigns focusing on debt management, online harm and the two-pot system, as well as projects targeted at young people not in employment, education or training and persons with disabilities. She stated that the FSCA had also supported technological initiatives aimed at inclusion, including the Fintech Data Portal playbook and the upgrading of the Intergovernmental Fintech Working Group Regulatory Guidance Unit website. In addition, she reported that the FSCA had conducted 32 workshops through its Micro and Access

Products Department for small financial services providers and a further 12 workshops for larger financial services providers requiring capacity-building support. She also noted that the FSCA had published and consulted on a consumer vulnerability framework.

3.16. The Deputy Commissioner stated that the FSCA's financial education work had become increasingly targeted. She explained that the Authority had moved beyond broad awareness campaigns and was increasingly directing its interventions at particular risks and vulnerable groups. She noted that the FSCA had achieved 100 per cent of its Financial Education Plan targets and had implemented initiatives such as the National Financial Literacy Speech Competition and Money Smart Week South Africa. She further stated that the focus of financial education now included scams, online harm, debt management, the two-pot system and broader financial fraud risks.

3.17. Ms Gibson also addressed a number of emerging risks facing the financial sector. She highlighted consumer risks arising from online harm, including social media scams, digital fraud, cybercrime, impersonation of legitimate financial entities, deepfake advertisements, finfluencers providing poor advice, and copy trading and signal providers operating without authorisation. She further identified artificial intelligence-related risks, including deepfakes and impersonations, data quality and bias in AI models, hallucinations in generative AI, explainability and transparency concerns, data privacy issues and third-party dependencies. She stated that work underway included a digital fraud roundtable, engagement with platform providers, public warnings, and research into artificial intelligence in the financial sector together with recommendations for future regulation.

3.18. Ms Gibson also referred to the funeral parlour environment, where customers were at risk of non-underwritten insurance policies and where concerns had arisen about the fairness of the regulatory framework. She stated that a joint project with the Prudential Authority was underway in this area. She further informed the Committee that the FSCA had identified poor value for money and opaque sales and distribution practices in relation to consumer credit insurance and that a dedicated supervisory project was underway. In addition, she stated that unclaimed assets and arrear contributions had been identified as a consumer risk area because benefits due were not being paid to beneficiaries and some employers were not paying pension contributions to funds.

Ombud System, Financial Innovation and Fintech Developments

3.19. The Deputy Commissioner also briefed the Committee on the ombud system and dispute resolution arrangements within the financial sector. She stated that a well-functioning ombud system was central to the market conduct component of the Twin Peaks framework and to the Treating Customers Fairly approach. She explained that the Ombud Council had been established in 2021 as the oversight body for all ombuds in the financial sector, with a mandate to help ensure an accessible, effective, independent and fair ombud system for financial customers. She informed the Committee that four previously separate industry-established ombud offices had been amalgamated into the National Financial Ombud, while the Office of the Pension Funds Adjudicator and the FAIS Ombud remained key statutory components of the broader architecture. She also noted that the role of the JSE Ombud and the National Credit Regulator in retail credit remained relevant to the broader complaints and redress environment.

3.20. The FSCA also informed the Committee about its work in relation to financial innovation and financial technology. Ms Gibson stated that the FSCA participated in the Intergovernmental Fintech Working Group, established in 2016, and that the FSCA had established a dedicated fintech department in 2019. She explained that the Authority's fintech work focused on research and policy development, innovation hub activities, stakeholder engagement, and building innovation and fintech expertise within the FSCA. The Committee was informed that regulators had established an innovation hub in 2020 as a mechanism for engaging with the fintech ecosystem and supporting the development of agile and appropriate regulatory responses to innovation. Since 2020, more than 245 institutions had received regulatory guidance, various activities had been undertaken through the innovation accelerator, and about 86 applications had been received for testing in the regulatory sandbox.

Enforcement, Regulatory Actions and Inter-Agency Cooperation

3.21. The FSCA's enforcement team then presented on the Authority's enforcement work and regulatory actions. The team explained that the FSCA published a separate Regulatory Actions Report in order to provide transparency on its enforcement activities and to demonstrate that misconduct and non-compliance were acted upon. The Committee was informed that during the 2024/25 financial year the FSCA had utilised the full range of interventions at its disposal and that sanctions were selected with a view to achieving the greatest impact while remaining fair and appropriate. These interventions included 633 finalised investigations, administrative penalties amounting to R119 829 523, 131 debarments, 24 licence suspensions, 382 licence withdrawals, 13 directives, 14 enforceable undertakings, and 107 public warnings.

3.22. The enforcement team reported that investigations had increased significantly, with approximately 59 per cent growth in the number of new cases received. In 2024/25 the FSCA recorded 767 new cases, 700 ongoing cases and 633 finalised cases, compared with 478 new cases and 494 finalised cases in 2023/24. The team stated that more than 70 per cent of the new matters related to unregistered financial services and unregistered insurance business. They informed the Committee that case selection was used to ensure that enforcement resources were directed to areas where the greatest impact could be achieved, particularly in relation to regulated entities, vulnerable members of the public and areas of significant consumer harm.

3.23. The enforcement officials further explained that administrative penalties totalling R119.830 million had been imposed on 51 persons or funds during the year. These included R82.444 million for contraventions of the FAIS Act, including unregistered business, and R16.985 million for contraventions of the Financial Intelligence Centre Act relating to anti-money laundering and counter-terrorist financing. The team stated that the FSCA had debarred 131 individuals, mainly for dishonest conduct, including a significant number involving false policies. It also explained that licence suspensions were generally used where non-compliance was remediable, while more than 90 per cent of licence withdrawals were linked to the non-submission of statutory returns, with the remaining withdrawals arising from serious misconduct.

3.24. The FSCA stated that directives had been issued in response to specific forms of non-compliance, including nine directives for anti-money laundering contraventions, three directives to funeral parlours requiring them to regularise their operations, and one directive to a licensed financial services provider to improve internal systems and controls to mitigate client losses due to fraud, negligence or misconduct.

3.25. The team added that enforceable undertakings had been used particularly in the funeral parlour environment, although there had been a decline in their use due to a stricter approach in which full investigations were increasingly pursued where operators exploited previous leniency. Public warnings were identified as an important consumer protection tool, and the FSCA reported that it had published 104 public warnings during the year, an increase of 121 per cent compared with the previous period, largely relating to unregistered financial services, social media-based scams and impersonations.

3.26. The FSCA further informed the Committee that enforcement work required close coordination with a range of domestic and international regulators and law-enforcement institutions. The team stated that the Authority worked with the Prudential Authority, the Financial Intelligence Centre, the National Consumer Commission, the National Credit Regulator, the South African Police Service, the Directorate for Priority Crime Investigation and the National Prosecuting Authority, among others.

3.27. During the reporting period, the FSCA exchanged information and facilitated mutual assistance through 14 bilateral and multilateral memoranda of understanding, referred 40 cases to SAPS that fell within the jurisdiction of criminal authorities, and was assisting with five active criminal investigations and or prosecutions. The FSCA also reported that it and North-West University had co-hosted the Fourth Annual Financial Crime Symposium, attended by 123 delegates from law enforcement, regulatory bodies, academia and the private sector, and that international cooperation had expanded, including 45 requests for assistance made by the FSCA to foreign regulators in 2024/25 compared with 23 in 2023/24.

3.28. In concluding the enforcement segment, the FSCA identified several priority areas and trends for the current financial year. These included online harm, unauthorised crypto-asset financial services, unregistered insurance business, FAIS-related identity fraud and forged certificates, social media scams, and non-compliance with anti-money laundering and counter-terrorist financing risk frameworks. The Authority reported that it had closed 21 investigations into unauthorised crypto-asset financial services, with 15 ongoing. In relation to unregistered insurance business, the FSCA highlighted 176 matters relating to funeral insurance, four relating to guarantee insurance policies, two relating to life insurance, and two relating to non-life insurance. In relation to FAIS regulatory examinations, the FSCA reported 88 new cases, 75 finalised cases, 32 debarments, and nine matters handed over to the police. It also noted that nine anti-money laundering penalties had been imposed, totalling R16.985 million.

Table 3: Summary of FSCA Enforcement Outcomes, 2024/25

Enforcement intervention	Outcome
Finalised investigations	633
New investigations	767
Ongoing investigations	700
Administrative penalties imposed	R119 829 523
Debarments	131
Licences suspended	24
Licences withdrawn	382
Directives issued	13
Enforceable undertakings	14

Public warnings	107		
Investigation trend	**2022/23**	**2023/24**	**2024/25**
New cases	429	478	767
Ongoing cases	307	483	700
Finalised cases	360	494	633

Source: FSCA EXCO Presentation. The public warnings figure was reflected on the FSCA summary slide as 107.

Licensing of Crypto Asset Service Providers

3.29. The FSCA then briefed the Committee on the licensing and supervision of Crypto Asset Service Providers. It stated that consumer protection concerns and South Africa's obligations arising from the Financial Action Task Force mutual evaluation process had driven the introduction of the licensing framework. The Committee was informed that crypto assets had been declared a financial product in October 2022, that the licensing framework had operated between June and November 2023, and that the current phase since December 2023 had focused on licensing, awareness, supervision and enforcement. The FSCA explained that persons providing advice or intermediary services in relation to crypto assets were required to be licensed under the FAIS Act, and that high-risk business models such as exchanges, custodial services, trading platforms and payment services were subject to enhanced scrutiny.

3.30. The FSCA reported that, as at October 2025, it had received 485 applications from Crypto Asset Service Providers, of which 287 had been approved, 12 declined, 118 withdrawn, and 66 were still under consideration. It stated that common reasons for decline or withdrawal included failure to demonstrate competency and experience requirements, inadequate business plans and governance arrangements, lack of operational readiness, and incomplete applications. The Authority further reported that it had conducted 102 pre-licensing inspections since January 2024 and 10 post-licensing inspections in 2024/25, with 30 post-licensing inspections planned for 2025/26, of which 14 had already been completed. In addition, the FSCA indicated that 36 investigations had been launched since the expiry of the licensing exemption period, of which 21 had been closed and 15 were ongoing.

Table 4: CASP Licensing Applications and Supervisory Activity

Application status / activity	Number
CASP licence applications received	485
Approved	287
Declined	12
Withdrawn	118
Under consideration	66
Pre-licensing inspections since January 2024	102
Post-licensing inspections conducted in 2024/25	10
Planned post-licensing inspections in 2025/26	30
Planned post-licensing inspections completed at reporting date	14
Investigations launched since expiry of exemption	36
Investigations closed	21
Ongoing investigations	15

Source: FSCA EXCO Presentation.

Complaints Handling and Consumer Redress Framework

3.31. The FSCA also briefed the Committee on complaints handling and clarified the role of the Authority within the broader complaints-handling landscape. It stated that regulated entities were the first line of defence in resolving individual customer complaints, while ombud schemes such as the National Financial Ombud, the FAIS Ombud and the Office of the Pension Funds Adjudicator played a central role in resolving individual disputes and securing redress. The FSCA emphasised that its own mandate was not to adjudicate individual complaints, but rather to regulate conduct at a systemic level, set standards for complaints handling, investigate general regulatory contraventions, and use complaints trends to inform targeted supervisory and enforcement interventions. It further reported that year-to-date it had received 2 825 complaints, comprising 1 279 complaints against regulated entities or persons, 998 complaints against unregistered or unlicensed businesses or persons, and 548 complaints referred to relevant ombud schemes.

3.32. The Authority informed the Committee that one of the main challenges it faced was widespread misunderstanding of its complaints-handling role, resulting in high volumes of complaints that fell outside its mandate. It stated that current developments included the external publication of a clearer complaints management policy, increased consumer education and awareness, stronger collaboration with ombud schemes and the Ombud Council, formalised engagement models supported by memoranda of understanding, and the development of a central complaints-data repository through the new SupTech and Integrated Regulatory System platform. The FSCA also highlighted complaint trends and noted that losses due to dishonesty and false or fictitious insurance policies continued to receive attention, while digital fraud remained a major problem. It reported that 40 per cent of banking-related ombud complaints in year-to-date 2025 related to fraud, that 82 per cent of all digital banking current account complaints in 2024 related to mobile banking fraud, phishing and vishing, and that consumer fraud losses amounted to R3.3 billion in 2023 and R2.7 billion in 2024.

Regulatory Guidance on Unilateral Closure of Bank Accounts

3.33. The Committee was also briefed on the FSCA's regulatory guidance regarding unilateral closure of bank accounts. The FSCA explained that, in terms of the Conduct Standard for Banks, 2020, banks were required to conduct their business in a manner that prioritised the fair treatment of customers, to implement processes and procedures for the withdrawal or termination of financial products and services, and to provide reasonable notice and reasons for proposed closures except where disclosure was legally precluded, where the bank reasonably suspected illegal use of the account, or where the necessary reports had been made to appropriate authorities. The FSCA noted, however, that the Conduct Standard did not explicitly require banks to provide affected clients with an opportunity to be heard before account closure, although fairness considerations remained relevant in the circumstances of each case.

3.34. The FSCA reported that it had conducted a thematic review between 2022 and 2024 covering 15 banks, including all five major banks, and had randomly sampled 42 893 terminated accounts. The objectives of the review were to assess compliance with the Conduct Standard, identify risks and concerns in account closure processes, determine whether closures were undertaken fairly, transparently and without arbitrary discrimination, and identify best practices and opportunities for stronger guidance. The main drivers of account closures identified in the review were fraud, accounting for 20 832 closures or 48.5 per cent, followed by other reasons, Financial Intelligence Centre Act section 21 issues, risk appetite, reputational risk, financial crime, customer conduct and commercial viability. The FSCA stated that the "other" category, which made up 22 per cent of closures, included closures where the account was no longer needed, had been closed on request, had been closed due to accidental approval, involved adverse findings on related parties, or where no specific reason had been documented.

3.35. The FSCA further informed the Committee that the thematic review had identified governance, process, data and transparency deficiencies across the banking sector. These included fragmented governance and escalation arrangements, concentrated decision-making, poor evidence and documentation of decisions, lack of clear or updated policies for account terminations, fragmented systems and manual processes, poor record-keeping, weak data management, and inadequate transparency and communication with customers. The FSCA stated that banks had been given individual feedback and remedial actions, which were being tracked through ongoing supervision, and that the FSCA was preparing detailed supervisory guidance on governance, policies, systems, data collection and communication expectations. It further stated that broader policy discussions were underway with the Prudential Authority, the Financial Intelligence Centre and National Treasury on de-risking, political sanctions, and the right of individuals to a basic bank account.

Retirement Funds Governance and Trustee Compliance

3.36. The FSCA then presented on retirement funds governance. It informed the Committee that, owing to the large number of retirement funds, it had separated active and terminating funds and created dedicated teams to supervise active funds and oversee the winding down of terminating funds. As at August 2025, there were 4 554 registered retirement funds, of which 858 were active and 3 696 were terminating. Of the terminating funds, 455 were in liquidation or exempt from liquidation, 898 were in the process of terminating, 609 were in transfer, 1 424 were pending cancellation, and 310 had cancellation on hold.

3.37. On trustee governance and conduct, the FSCA reported that 22 modules of the mandatory Trustee Toolkit had been released in two phases, in September 2023 and March 2024, and that trustees had until September 2024 to complete the programme. The Authority stated that it had reconstructed a register of 6 426 trustees for active funds and had identified 962 non-compliant trustees. Letters had been issued to these trustees in May 2025, informing them of intended regulatory action, including possible removal from boards, and giving them 30 days to provide reasons why they should not be removed.

3.38. The FSCA reported that 245 of the 962 trustees had subsequently completed the training, leaving 717 trustees, or approximately 11 per cent of the total, still non-compliant. It stated that some had applied for extensions or exemptions and that it was finalising those applications before taking regulatory action against the remaining trustees. The FSCA also reported that fund rules were largely compliant with the Default Regulations, with 852 of 858 active funds complying, that 580 of 858 active funds had submitted quarterly paid-up member data, and that no significant non-compliance had been identified to date in relation to default provisions.

Table 5: Retirement Fund Status and Trustee Compliance

Retirement fund status as at August 2025	Number
Total registered retirement funds	4 554
Active funds	858
Terminating funds	3 696
In liquidation / liquidation exempt	455
In process of terminating	898
In process of transfer	609
Pending cancellation	1 424
Cancellation on hold	310
Trustee compliance indicator	**Number / status**
Trustees on reconstructed register	**6 426**
Non-compliant trustees identified	**962**
Trustees who subsequently completed training	**245**
Remaining non-compliant trustees	**717**
Remaining non-compliant trustees as a proportion of total	**11%**
Trustee Toolkit modules released	**22**
Active funds with rules mostly compliant with default regulations	**852 of 858**
Active funds submitting paid-up member data quarterly	**580 of 858**

Reportable irregularities relating to default provisions	**2**

Source: FSCA EXCO Presentation.

Pension Fund Arrear Contributions, Including Municipal Defaults

3.39. The FSCA also presented detailed information on pension fund arrear contributions, including municipal arrears. It reported that, as at 31 March 2025, this was the fourth publication of delinquent employers and that 15 521 non-compliant employers, compared with 7 770 in December 2023, had been reported across 67 retirement funds. The estimated arrears totalled R7.29 billion, compared with R5.2 billion in December 2023, comprising R4.31 billion in outstanding contributions and R2.98 billion in late payment interest.

3.40. Approximately 592 000 members were affected, compared with 310 000 in December 2023. The Committee was informed that the municipality and municipal entity sector accounted for the largest estimated outstanding arrears, with estimated outstanding contributions of approximately R1.263 billion and estimated outstanding late payment interest of approximately R1.383 billion.

Table 6: Pension Fund Arrear Contributions Overview

Indicator	Position reported by FSCA
Date of fourth publication of delinquent employers	25 September 2025
Non-compliant employers	15 521
Retirement funds affected	67
Estimated total arrears	R7.29 billion
Outstanding contributions	R4.31 billion
Late payment interest	R2.98 billion
Affected members	592 000
Action taken by retirement funds	**Number**
Court orders obtained	2
Complaints lodged with the OPFA	54
Legal action instituted	31

Matters reported to SAPS	5
Settlement arrangements entered into	7
Municipal managers, including former managers, arrested	6

Source: FSCA EXCO Presentation.

3.41. In relation to municipal funds specifically, the FSCA reported that arrears were spread across a number of local government pension and provident funds. These included the South Africa Local Authorities Pension Fund, where 61 municipalities were in arrears, with estimated outstanding contributions of R440.087 million and late payment interest of R141.645 million affecting 7 128 members; the Municipal Councillors Pension Fund, where 94 municipalities were in arrears, with estimated outstanding contributions of R117.847 million and late payment interest of R35.920 million affecting 387 members; the Consolidated Retirement Fund for Local Government, where nine municipalities were in arrears, with estimated outstanding contributions of R100.326 million and late payment interest of R2.556 million affecting 1 480 members; and the Municipal Workers Retirement Fund, where 14 municipalities were in arrears, with estimated outstanding contributions of R345.069 million and late payment interest of R711.557 million affecting 1 423 members.

3.42. The FSCA also identified municipalities owing to multiple funds, including Kopanong Local Municipality, Masilonyana Local Municipality, Mohokare Local Municipality, Mafube Local Municipality, Naledi Local Municipality, Tswaing Local Municipality, Mamusa Local Municipality, Ditsobotla Local Municipality, Tokologo Local Municipality, Letsemeng Local Municipality, Renosterberg Local Municipality, and Kai !Garib Local Municipality.

Table 7: Municipal Arrears by Fund

Municipal fund	Municipalities in arrears	Outstanding contributions	Late payment interest	Affected members
South Africa Local Authorities Pension Fund	61	R440 086 934.27	R141 644 778.14	7 128
Municipal Councillors Pension Fund	94	R117 847 182.50	R35 920 144.29	387

Consolidated Retirement Fund for Local Government	9	R100 326 362.71	R2 556 443.95	1 480
Municipal Workers Retirement Fund	14	R345 068 920.46	R711 557 179.82	1 423
National Fund for Municipal Workers	5	R113 064 639.02	R15 656 281.93	417
Municipal Gratuity Fund	4	R72 584 877.56	R1 980 972.80	556
Vrystaat Munisipale Pensioenfonds	10	R65 092 739.64	R904 713.72	132
Free State Municipal Provident Fund	12	R55 033 584.06	R432 079.83	109

Source: FSCA EXCO Presentation.

3.43. The FSCA further reported on action taken in response to pension fund arrears. It stated that retirement funds had obtained two court orders, lodged 54 complaints with the Office of the Pension Funds Adjudicator, instituted 31 legal actions, reported five matters to SAPS, entered into seven settlement arrangements, and that six municipal managers, including former municipal managers, had been arrested. These arrests related to Northern Cape municipalities, namely Renosterberg, Kamiesberg, Kai !Garib, Thembelihle and Kheis, although no convictions had yet been secured. The FSCA noted that many municipalities had become better at paying contributions but remained concerned about late payment interest because of possible irregular or wasteful expenditure implications.

3.44. The FSCA also outlined action taken by the Authority itself. It stated that it had submitted data on municipalities in arrears to National Treasury, which triggered the withholding of March and July 2025 equitable share tranches from non-compliant municipalities, after which some affected municipalities had settled or arranged payment. The FSCA further reported that it had met with the Auditor-General's team, shared data and agreed on three case studies to take forward, referred just under 1 200 employers to SARS for possible contraventions of the Income Tax Act, and engaged with the National Prosecuting Authority and the Directorate for Priority Crime Investigation while preparing a briefing note containing a list of cases opened by retirement funds at various police stations, with a request that these contraventions be treated as a priority. The Committee was also informed of certain successes, including settlements and recoveries by municipalities such as !Kheis Local Municipality, Kamiesberg Local Municipality, Magareng Local Municipality, Naledi Local Municipality, Thembelihle Local Municipality, Kai !Garib Municipality, Masilonyana Local Municipality, Tswaing Local Municipality and Kopanong Municipality.

Unclaimed Assets and Unclaimed Benefits

3.45. Lastly, the FSCA presented on unclaimed assets. It informed the Committee that it had published *A Framework for Unclaimed Financial Assets in South Africa* in 2022 and a *Response to Comments on the Discussion Paper* in 2024, and that it was continuing work on a regulatory framework for unclaimed assets across sectors, beginning with retirement funds. The Committee was informed that different sectors displayed different levels of readiness to deal with unclaimed assets and that the FSCA intended to adopt an incremental approach to identification, monitoring and response.

3.46. The Authority reported that unclaimed benefits remained concentrated in a relatively small number of funds and presented the funds with the largest unclaimed benefits by value and number of members. These funds and their associated figures are reflected in Table 8 below. The FSCA indicated that, collectively, these funds accounted for R30.105 billion in unclaimed benefits affecting 2 989 395 members.

Table 8: Largest Funds with Unclaimed Benefits

Fund	Value of unclaimed benefits	Unclaimed benefit members
Engineering Industries Pension Fund	R7 907 968 000	1 347 196
Metal Industries Provident Fund	R7 047 369 000	434 234
Alexander Forbes Unclaimed Benefit Pension Preservation Fund	R2 645 450 255	179 846
Auto Workers Provident Fund	R2 628 205 900	228 607
Mineworkers Provident Fund	R2 623 400 825	20 331
Liberty Corporate Unclaimed Benefits Retirement Preservation Fund	R1 430 328 071	105 466
Motor Industry Pension Fund (2005)	R1 393 771 431	187 749

Momentum Unclaimed Benefit Preservation Fund	R1 183 642 606	34 214
Alexander Forbes Unclaimed Benefit Provident Preservation Fund	R1 128 387 319	204 285
The Unclaimed Benefits Provident Preservation Fund	R1 112 092 461	183 156
Bosele National Provident Fund	R1 003 954 538	64 311
Total	R30 104 570 406	2 989 395

Source: FSCA EXCO Presentation.

3.47. The FSCA stated further that 60 active funds accounted for 86 per cent of the value of unclaimed benefits and 89 per cent of the unclaimed benefit members. It added that data quality was often very poor, with some funds lacking identity numbers for up to 80 per cent of remaining members, making many members effectively untraceable. The Authority stated that it intended to develop a central database of unclaimed benefit members, determine the extent of untraceable records, and exercise stricter oversight over tracing by funds, while National Treasury considered options in relation to untraceable funds.

4. DELIBERATIONS

4.1. In opening the deliberations, the Chairperson framed the oversight engagement as part of Parliament's broader responsibility to ensure accountability, strengthen checks and balances, exercise budget and financial oversight, protect financial customers, and oversee the integrity and regulation of the financial sector. He indicated that the visit was intended not only to receive a presentation from the FSCA, but also to interrogate whether regulatory institutions were responding adequately to persistent consumer and structural problems in the sector.

4.2. The Chairperson stressed that one of the central issues requiring attention during the oversight engagement was the failure by some employers to pay over pension contributions, despite deductions having been made from employees' salaries over many years. He indicated that the Committee had received complaints from workers who reached retirement only to discover that their employers had not contributed to their pension benefits, leaving them destitute. He further stated that the Committee expected the engagement to produce a clear message on what action would be taken against defaulting employers.

4.3. The Chairperson also emphasised that financial sector transformation was non-negotiable and stated that the Committee could not accept continued domination of the financial sector by a few players across banking, insurance and other sub-sectors. He indicated that the oversight visit needed to provide clarity on how transformation would be advanced in practical terms and whether the regulatory framework was adequate to drive meaningful change.

4.4. Members raised serious concern about municipalities that were deducting retirement contributions from employees' salaries without paying them over to retirement funds. It was noted that the introduction of the two-pot retirement system had made this problem more visible, and one Member stated that this conduct amounted to theft from workers. Members asked whether the FSCA could direct retirement funds to institute legal action, whether compliance notices were being issued, and whether the Committee could receive a status report on interventions against non-compliant employers. A related question was directed to National Treasury concerning its oversight role over defaulting municipalities and whether such municipalities could be held legally accountable.

4.5. Members further observed that the process of dealing with pension fund arrears appeared slow and expressed concern that non-compliant employers had been defaulting for a long time without sufficient consequence. It was suggested that whatever remedies were available needed to be expedited, particularly where the prejudice to workers continued to grow over time.

4.6. Members raised questions about the pace of the Conduct of Financial Institutions Bill and asked National Treasury for a timeline on the review and finalisation of the legislation. The concern was that a number of the FSCA's future powers, particularly in relation to transformation and broader conduct regulation, depended on the enactment of the Bill, and Members wanted to understand when these measures would become effective.

4.7. On transformation more specifically, Members asked what practical recourse existed where institutions did not transform. It was suggested that merely monitoring transformation without consequences for non-compliance would not advance the agenda meaningfully. Members sought clarity on what leverage the FSCA currently had, whether the future legislative framework would materially strengthen its hand, and whether there were regulatory or policy obstacles contributing to the persistence of limited transformation in the sector.

4.8. Members welcomed the FSCA's focus on community education and social media-related awareness but questioned how effective these interventions were in practice. Concern was raised that victims of social media scams and online fraud often had little recourse once money had been lost and, in many cases, could not easily access ombud redress. One Member stated that they had personally been a victim of a social media scam.

4.9. Members also queried whether the increase in enforcement cases could really be treated as evidence of positive impact. It was argued that, if enforcement was having the intended deterrent effect, one would expect fewer contraventions over time, rather than more. Members therefore questioned whether the FSCA was measuring actual impact or merely regulatory activity, and whether rising case numbers might indicate that misconduct remained widespread despite regulatory intervention.

4.10. A related issue raised by Members was whether the FSCA engaged supervised institutions proactively in order to reduce repeated non-compliance. Concern was expressed that regulatory intervention should not only be reactive after misconduct had already occurred, but should also seek to prevent repeated breaches through earlier engagement, guidance and more effective supervision.

4.11. Members also raised questions about the banking sector, including why transformation remained difficult, whether there were structural or regulatory barriers to change, and whether the Conduct of Financial Institutions framework would contribute to a more transformed sector. Members further sought clarity on the role of the Banking Association South Africa and whether the FSCA had any oversight role in relation to complaints about BASA's conduct or influence in the sector.

4.12. Members raised concern about bank charges and unauthorised deductions or actions affecting consumers and asked what recent complaint trends showed in these areas. These concerns were linked to the broader issue of consumer protection and the day-to-day financial pressures experienced by households.

4.13. Members also asked about the future of Postbank and whether it could contribute to transformation and improved access for underserved communities, especially in rural areas. The issue was raised in the context of the broader need for more inclusive financial services and alternatives to dominant commercial banking institutions.

4.14. On financial education and outreach, Members asked how the FSCA's workshops were geographically distributed and whether enough of them reached rural and underserved communities. They also asked when an impact analysis had last been conducted, arguing that workshops should be assessed for outcomes rather than simply counted for compliance purposes. In addition, Members questioned whether the impact of such workshops could be linked to measurable changes in consumer vulnerability or trends such as complaints and debarments.

4.15. Members queried why the FSCA had paid only 95 per cent of invoices within 30 days and asked what explained the gap from full compliance, noting the serious impact that delayed payments could have on small businesses.

4.16. Members also asked for greater clarity on the FSCA's staff complement, human capital capacity, and whether any of its regulatory or investigative functions were outsourced. Concern was also raised about whether weaknesses in other law-enforcement institutions were affecting the FSCA's work and its ability to secure effective outcomes in matters requiring inter-agency cooperation.

4.17. Members lastly raised concern about the continued reliance on printed documents in a period of digital transformation and questioned whether institutions were making sufficient use of digital tools and systems in their operations.

4.18. Overall, the deliberations reflected the Committee's concern with both immediate consumer protection issues and broader structural questions in the financial sector, including pension contribution defaults, transformation, the effectiveness of enforcement, the adequacy of redress for victims of digital scams, banking sector conduct, access to financial services, and the institutional capacity of the regulator itself.

5. RESPONSES BY THE FSCA

5.1. In response to the concerns raised regarding unpaid pension contributions and the failure by some employers to pay over deductions made from employees' salaries, the FSCA indicated that arrear contributions had been identified as a serious consumer protection and retirement-fund governance risk. It reported that this was the fourth publication of delinquent employers and that, as at 31 March 2025, 15 521 non-compliant employers had been reported across 67 retirement funds, compared with 7 770 in December 2023. The FSCA stated that the estimated arrears totalled R7.29 billion, comprising R4.31 billion in outstanding contributions and R2.98 billion in late payment interest, affecting approximately 592 000 members.

5.2. The FSCA further reported that action had already been taken by retirement funds and other stakeholders against delinquent employers. It stated that retirement funds had obtained two court orders, lodged 54 complaints with the Office of the Pension Funds Adjudicator, instituted 31 legal actions, reported five matters to SAPS, and entered into seven settlement arrangements. The FSCA also indicated that six municipal managers, including former municipal managers, had been arrested in relation to pension contribution arrears in certain Northern Cape municipalities, although no convictions had yet been secured.

5.3. In relation to municipalities specifically, the FSCA stated that it had submitted data on municipalities in arrears to National Treasury, which had in turn triggered the withholding of the March and July 2025 equitable share tranches from certain non-compliant municipalities. The FSCA reported that some of the affected municipalities had subsequently settled their arrears or entered into payment arrangements. It also indicated that it had met with the Auditor-General's team and agreed on three case studies to be taken forward, referred just under 1 200 employers to SARS for possible contraventions of the Income Tax Act, and engaged with the National Prosecuting Authority and the Directorate for Priority Crime Investigation on cases opened by retirement funds.

5.4. On the issue of transformation, the FSCA explained that its current legal mandate was limited under the existing framework, which relied primarily on the Broad-Based Black Economic Empowerment Act, the Financial Sector Code, and in the case of insurers, the Insurance Act. It stated, however, that the Conduct of Financial Institutions Bill would make transformation an explicit function of the FSCA, require licensed institutions to have transformation plans in place, and empower the Authority to make standards relating to transformation and take action for non-compliance.

5.5. The FSCA further indicated that, notwithstanding the current legal limitations, it had already begun taking preparatory steps in relation to transformation. It reported that it had signed memoranda of understanding with the Financial Sector Transformation Council and the B-BBEE Commission, had begun engaging financial institutions on their existing transformation plans, and was improving the availability and quality of transformation data, particularly in relation to ownership. It also indicated that supervisors had received training on the Financial Sector Code and that the Authority was developing internal supervisory guidance in support of its transformation strategy.

5.6. In response to questions regarding the timing of the Conduct of Financial Institutions Bill, the FSCA stated that its internal readiness planning for the COFI framework was expected to be concluded in the first half of 2026. It indicated that implementation would then commence following Parliamentary approval. The FSCA also noted that it was not waiting passively for enactment, but was already developing the subordinate legislative framework and making internal preparations for the transition to the new conduct regime.

5.7. In relation to financial inclusion, the FSCA stated that it had adopted a multidimensional approach that included demand-side, supply-side and regulatory interventions. It explained that these included financial education, monitoring data on inclusion, supporting technological innovation that enabled access, supporting smaller financial services providers serving lower-income customers, promoting suitable products and services for small and medium enterprises, and cooperating with stakeholders on broader financial inclusion initiatives. It further stated that data such as FinScope was used to support more appropriate product design and distribution for underserved communities.

5.8. On financial education and outreach, the FSCA responded that its work had become more targeted and was no longer limited to broad awareness campaigns. It reported that it had achieved 100 per cent of its Financial Education Plan targets and had implemented initiatives such as the National Financial Literacy Speech Competition and Money Smart Week South Africa. It also stated that its inclusion-related work had included campaigns on debt management, online harm and the two-pot system, as well as projects aimed at young people not in employment, education or training and persons with disabilities. It further noted that it had conducted 32 workshops for small financial services providers and 12 workshops for larger institutions requiring capacity-building support.

5.9. In response to concerns about online scams, digital fraud and the difficulties experienced by victims in obtaining recourse, the FSCA stated that online harm had been identified as a key emerging risk area. It described the relevant risks as including social media scams, digital fraud, cybercrime, impersonation of legitimate financial entities, deepfake advertisements, poor advice by finfluencers, and unauthorised copy trading and signal providers. The FSCA indicated that work underway included a digital fraud roundtable, engagement with platform providers, public warnings, and research into artificial intelligence in the financial sector.

5.10. The FSCA also clarified its role in relation to complaints and redress. It explained that it did not adjudicate individual complaints, but instead regulated conduct at a systemic level, set standards for complaints handling, investigated broader regulatory contraventions, and used complaints trends to guide supervisory and enforcement responses. It stated that individual complaints were primarily dealt with by regulated entities and ombud schemes such as the National Financial Ombud, the FAIS Ombud and the Office of the Pension Funds Adjudicator.

5.11. In relation to complaint trends, the FSCA reported that year-to-date it had received 2 825 complaints, comprising 1 279 complaints against regulated entities or persons, 998 complaints against unregistered or unlicensed businesses or persons, and 548 complaints referred to relevant ombud schemes. It also stated that 40 per cent of banking-related ombud complaints in year-to-date 2025 related to fraud, while 82 per cent of digital banking current account complaints in 2024 related to mobile banking fraud, phishing and vishing. The FSCA further reported that consumer fraud losses amounted to R3.3 billion in 2023 and R2.7 billion in 2024.

5.12. Responding to questions regarding enforcement effectiveness, the FSCA's enforcement team stated that it used case-selection criteria to ensure that enforcement resources were directed to areas of highest consumer harm and greatest potential impact. It reported that during 2024/25 it had utilised the full range of interventions available to it, including 633 finalised investigations, administrative penalties totalling R119.829 million, 131 debarments, 24 licence suspensions, 382 licence withdrawals, 13 directives, 14 enforceable undertakings and 107 public warnings. It indicated that sanctions were selected in a manner intended to maximise impact while remaining fair and appropriate.

5.13. The enforcement team further indicated that investigations had increased significantly, with 767 new cases, 700 ongoing cases and 633 finalised cases in 2024/25, and that more than 70 per cent of the new matters related to unregistered financial services and unregistered insurance business. It also stated that 77 per cent of cases had been completed within prescribed timeframes. The FSCA added that public visibility of enforcement action was enhanced through publication of sanctions by means of general media releases, the FSCA website and social media platforms.

5.14. On the question of whether the FSCA engaged institutions proactively and not only after misconduct had occurred, the Authority's presentation reflected that supervision and regulatory guidance were used alongside enforcement. The FSCA pointed to supervisory and regulatory work on funeral parlours, consumer credit insurance, bank account closures, trustee compliance, default regulations, unclaimed assets, and consumer vulnerability, as well as capacity-building initiatives for smaller institutions.

5.15. In response to questions on bank account closures, the FSCA stated that it had undertaken a thematic review between 2022 and 2024 covering 15 banks, including all five major banks, and had sampled 42 893 terminated accounts. It reported that the main driver of account closures was fraud, accounting for 20 832 cases or 48.5 per cent of closures, followed by other reasons, Financial Intelligence Centre Act section 21 issues, risk appetite, reputational risk, financial crime, customer conduct and commercial viability. The FSCA explained that the review had identified governance, policy, process, data and transparency deficiencies, and that banks had been provided with individual feedback and remedial actions which were being tracked through ongoing supervision.

5.16. The FSCA further stated that broader policy discussions were underway with the Prudential Authority, the Financial Intelligence Centre and National Treasury on de-risking, targeted sanctions and the right of individuals to a basic bank account. It also indicated that more detailed supervisory guidance was being developed on governance, process, data collection and customer communication in relation to bank account terminations.

5.17. With regard to Postbank, the FSCA's presentation placed considerable emphasis on financial inclusion, reduction of entry barriers, support for smaller providers, and development of regulatory and supervisory frameworks aimed at improving access, particularly for lower-income and underserved communities.

5.18. On questions relating to institutional capacity, staffing and operational capability, the FSCA reported that it employed 681 staff members as at 31 March 2025, with 75 per cent female representation at executive management level, and that it had invested R5.9 million in training and capacity building. It also highlighted support for 157 bursary recipients, participation in executive leadership development, and internship and graduate development programmes. The Authority further reported that it had deployed Phase 1 of the Integrated Regulatory System and maintained a clean AGSA audit opinion.

6. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

6.1. The Committee notes that the FSCA presented a generally strong institutional performance profile for the 2024/25 financial year. The Authority reported that it had achieved 90 per cent of the annual targets in its three-year Regulation Plan, 95 per cent of the annual targets in its combined risk-based supervisory plan, and 100 per cent of its Financial Education Plan targets. The Committee further notes that the FSCA maintained a clean audit outcome, collected 98 per cent of invoiced levies by 31 March 2025, and paid 95 per cent of invoices within 30 days. While these indicators suggest a relatively stable institution with sound financial and operational systems, the Committee will monitor that the FSCA improves to maximum compliance on settling supplier invoices within 30 days.

6.2. The Committee observes that positive institutional performance indicators do not on their own resolve the substantive policy and regulatory concerns that emerged during the oversight engagement. The Committee remains concerned that serious consumer and market-conduct risks persist, particularly in relation to online fraud, unregistered financial services, false and fictitious insurance products, funeral parlour misconduct, and weaknesses in complaints handling and consumer redress. The Committee therefore encourages the FSCA to continue strengthening public awareness and consumer education initiatives on online fraud, digital scams, social-media-related financial misconduct, and other forms of market-conduct abuse so as to reduce the risk of members of the public being misled, defrauded or financially prejudiced.

6.3. The Committee notes that the FSCA's current role in advancing transformation remains constrained by the existing legislative framework and that transformation in the financial sector remains too slow. The Committee further notes that the Conduct of Financial Institutions Bill is intended to deal directly with transformation by making it an explicit function of the FSCA, requiring licensed financial institutions to adopt transformation plans, and empowering the FSCA to issue standards and take action for non-compliance. The Committee therefore recommends that the Minister of Finance tables the Conduct of Financial Institutions Bill for processing by Parliament as soon as possible. The Committee believes that National Treasury has had more than sufficient time to draft and consult on the Bill and that further delay undermines progress on transformation, consumer protection and conduct regulation in the financial sector.

6.4. The Committee further observes that the FSCA has taken meaningful preparatory steps for the Conduct of Financial Institutions Bill, including readiness planning, development of subordinate legislation, and engagement with institutions on transformation plans. However, the Committee remains concerned about the pace of the legislative process and the implications of delay for consumer protection, transformation oversight, and conduct regulation across a broadening range of financial activities.

6.5. The Committee notes that the FSCA has adopted a multidimensional approach to financial inclusion, incorporating financial education, support for smaller providers, innovation, data monitoring, and a more inclusive supervisory approach. The Committee welcomes this approach, but remains concerned that access to financial services, especially in rural and low-income communities, continues to be uneven and that greater evidence is needed on the actual impact of the Authority's interventions on vulnerable and historically underserved groups. The Committee therefore recommends that the FSCA strengthen its impact assessment of financial education and inclusion interventions by reporting not only on the number of workshops or campaigns conducted, but also on their geographic spread, target groups, measurable outcomes, and links to changing complaint or fraud patterns.

6.6. The Committee observes that online harm and digital fraud have become central market-conduct risks. The FSCA's own reporting on social media scams, impersonation, cyber-related conduct risks, deepfake advertising, and fraud trends confirms the seriousness of the problem. The Committee is concerned that ordinary financial customers remain highly exposed to digital fraud and that many victims experience difficulty obtaining practical and timely redress. The Committee therefore recommends that the FSCA, together with the Ombud Council and relevant ombud schemes, develop and publish a clearer public-facing complaints and redress framework that explains where consumers must lodge different categories of complaints, what role each institution plays, and how consumers can escalate unresolved disputes.

6.7. The Committee notes the significant increase in enforcement activity, including 767 new cases, 700 ongoing cases, 633 finalised investigations, administrative penalties of R119.829 million, 131 debarments, 24 licence suspensions, 382 licence withdrawals, 13 directives and 14 enforceable undertakings. While the Committee welcomes visible enforcement, it remains concerned that increasing case volumes may also indicate that misconduct remains widespread. The Committee is therefore of the view that enforcement activity must increasingly be assessed not only by output, but also by deterrent effect and market impact. The Committee accordingly recommends that the FSCA strengthen its reporting on enforcement effectiveness by supplementing output measures with outcome-based indicators, including repeat offending, sectoral behavioural change, deterrent effect, and consumer harm reduction.

6.8. The Committee observes that more than 70 per cent of the FSCA's new enforcement matters related to unregistered financial services and unregistered insurance business. This indicates continuing weaknesses in market-entry control, public awareness and deterrence. The Committee is concerned that vulnerable consumers remain at risk from unauthorised operators, particularly in relation to funeral products and social-media-based scams. The Committee therefore recommends that the FSCA continue to prioritise enforcement and consumer-awareness interventions in relation to unregistered operators and report to the Committee on progress in reducing exposure to such activity.

6.9. The Committee notes that the FSCA does not adjudicate individual complaints but instead operates at a systemic level and relies on regulated entities and ombud schemes to resolve individual disputes. The Committee accepts the distinction in mandate but observes that there remains widespread public confusion about the FSCA's role. This confusion appears to contribute to high volumes of complaints outside the Authority's mandate and suggests that clearer public communication and better coordination across the complaints architecture remain necessary. The Committee therefore recommends that the FSCA strengthen public communication on its complaints-handling mandate and report to the Committee on the implementation of its clearer complaints-management policy and associated public awareness measures.

6.10. The Committee observes that the FSCA's thematic review of unilateral bank account closures revealed significant weaknesses in governance, process, record-keeping, transparency and customer communication across the banking sector. The Committee is concerned that vague closure reasons, poor customer notice, fragmented internal processes and weak escalation arrangements create risks of arbitrary or unfair exclusion from the banking system, particularly for vulnerable customers. The Committee therefore recommends that the FSCA publish and table before Parliament, within 30 days of the adoption of this report by Parliament, the results of its thematic review on unilateral bank account closures, so that the Committee may be fully appraised of the findings and consider whether any policy or legislative interventions may be required. The Committee further recommends that the FSCA finalise and publish its supervisory guidance on unilateral bank account closures as a matter of urgency, with specific attention to fairness, reason-giving, adequate notice, complaints handling, governance oversight, record-keeping, and the prevention of arbitrary or discriminatory exclusion from the banking system.

6.11. The Committee notes the FSCA's presentation on retirement fund governance and trustee compliance, including the reconstruction of a register of 6 426 trustees and the identification of 962 non-compliant trustees, of whom 717 remained non-compliant after follow-up. The Committee is concerned that trustee non-compliance remains material, particularly given the governance and fiduciary importance of trustee boards in protecting members' interests. The Committee therefore recommends that the FSCA submit to the Committee, within 60 days, a detailed status report on trustee non-compliance, including the number of trustees still non-compliant, the number of exemptions and extensions granted, the criteria applied, and the regulatory action taken or planned against trustees who fail to meet the prescribed standards.

6.12. The Committee is seriously concerned by the scale of pension fund arrear contributions. The FSCA reported 15 521 non-compliant employers across 67 retirement funds, estimated total arrears of R7.29 billion, and approximately 592 000 affected members. The Committee views the non-payment of pension contributions after deductions from employees' salaries as a severe violation of workers' rights and a direct threat to retirement security. The Committee therefore recommends that the FSCA continue to pursue all available enforcement and referral mechanisms against delinquent employers, including criminal referrals where appropriate, and report to the Committee on progress in relation to cases involving municipal officials and any resulting prosecutions, settlements or recoveries.

6.13. The Committee further observes that municipal and municipal entity arrears remain among the most serious manifestations of this problem. The Committee is concerned that municipal contribution defaults have persisted for extended periods, affecting multiple funds and thousands of members, and that this has occurred notwithstanding existing legal and oversight mechanisms. The Committee regards this as not merely an administrative failure, but as a governance and accountability crisis. The Committee therefore recommends that the FSCA, National Treasury, SALGA, the Office of the Pension Funds Adjudicator, and the Auditor-General establish a more formalised intergovernmental intervention mechanism on pension contribution arrears, particularly in municipalities. This mechanism should include a common reporting framework, escalation triggers, timelines for corrective action, and a clear consequence-management pathway.

6.14. The Committee notes the actions already taken against delinquent employers, including court orders, OPFA complaints, legal action, SAPS referrals, settlement arrangements, arrests of municipal managers, National Treasury equitable share withholding, SARS referrals and engagements with the Auditor-General, NPA and Hawks. The Committee welcomes these steps but remains concerned that consequences have been too slow and uneven relative to the scale and duration of the harm suffered by workers. The Committee therefore recommends that the FSCA provide the Committee with a municipality-specific arrears report within 60 days, setting out the municipalities in arrears, the affected funds, the value of outstanding contributions and late payment interest, the number of affected members, the legal or administrative action taken, and the current recovery status.

6.15. The Committee further recommends that National Treasury report to the Committee on the use of equitable share withholding and any other fiscal levers in relation to defaulting municipalities, including whether further policy or legislative changes are required to strengthen consequence management where pension contributions are deducted but not remitted.

6.16. The Committee observes that unclaimed benefits remain concentrated in a relatively small number of funds and that the scale is significant, with the largest funds accounting collectively for R30.105 billion affecting 2 989 395 members. The Committee is concerned by the poor quality of member data, including the absence of identity numbers in many cases, which renders large numbers of beneficiaries effectively untraceable and undermines the integrity of the retirement savings system. The Committee therefore recommends that the FSCA, together with National Treasury and relevant industry stakeholders, accelerate the development of the central database for unclaimed assets/benefits and provide the Committee with a progress report on data-cleaning, tracing standards, industry obligations, and options for dealing with untraceable records.

6.17. The Committee notes that the FSCA has begun to respond to unclaimed-benefit risks through policy development, proposals for a central database, and stricter oversight of tracing processes. However, the Committee remains concerned that delays in data-cleaning, tracing, and resolution continue to prejudice beneficiaries and weaken confidence in the financial system. The Committee therefore recommends that the FSCA review whether existing tracing and data-quality obligations imposed on retirement funds are sufficiently robust, and whether stronger enforceable standards are required to improve identity verification, beneficiary tracing and reporting consistency.

6.18. The Committee observes that the FSCA has a relatively strong workforce profile, with 681 employees, 75 per cent female representation at executive management level, and R5.9 million invested in training and capacity building. The Committee nevertheless notes that the breadth of the FSCA's responsibilities is expanding, especially in fintech, crypto assets, conduct supervision, trustee oversight, and complaints data analysis. The Committee therefore considers sustained investment in specialist skills and digital supervisory capability to be essential.

6.19. The Committee recommends that the FSCA continue to deepen digital transformation and supervisory technology capability, including the use of its Integrated Regulatory System and complaints-data repository, in order to improve market intelligence, supervisory responsiveness and early detection of consumer and conduct risks.

6.20. Overall, the Committee observes that the FSCA is a relatively stable and capable regulator operating in an environment of increasing market complexity, persistent misconduct, and unfinished transformation. The Committee is of the view that stronger legal powers, deeper inter-agency coordination, sharper impact measurement, and more visible consequence management will be required if the Authority is to meet the full expectations placed upon it. The Committee therefore expects the FSCA and the relevant stakeholders to act on the issues raised in this Report and to provide the requested written progress reports within the specified timeframes.

Report to be considered.

2. REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE OVERSIGHT VISITS TO THE SOUTH AFRICAN RESERVE BANK (SARB) ON 7 TO 8 OCTOBER 2025, DATED 31 MARCH 2026

1. INTRODUCTION

1.1. The Standing Committee on Finance (hereinafter referred to as "the Committee") undertook an oversight visit to the South African Reserve Bank (SARB) from 8 to 9 October 2025 in Tshwane, Gauteng.

1.2. This visit was conducted in terms of the Committee's constitutional oversight responsibilities under sections 55(2) and 92 of the Constitution of the Republic of South Africa, 1996, which require the National Assembly to maintain oversight over the exercise of national executive authority and to ensure accountability of organs of state. As an institution central to South Africa's monetary, prudential and financial stability architecture, the SARB falls directly within the Committee's portfolio mandate.

1.3. The oversight engagements took place at a critical juncture in the domestic and global economic environment. South Africa continues to face structural challenges characterised by low economic growth, high unemployment, fiscal constraints, infrastructure backlogs, and elevated public debt. At the same time, global conditions remain volatile, shaped by geopolitical tensions, trade disruptions, inflationary pressures in advanced economies, financial market uncertainty, climate-related risks, and rapid technological transformation in financial services.

1.4. Within this context, the effectiveness, credibility and resilience of the country's monetary and financial stability institutions assume heightened importance. The SARB is constitutionally mandated to protect the value of the currency in the interest of balanced and sustainable economic growth, while also carrying statutory responsibilities for financial stability, prudential supervision and oversight of the National Payment System.

1.5. The Committee therefore approached the oversight visit with three broad objectives:

1.5.1. First, to assess institutional performance against statutory mandates and strategic plans, including financial performance, governance, human capital development, and operational effectiveness.

1.5.2. Second, to interrogate priority policy themes with systemic implications, including monetary policy developments, macro-economic outlook, financial stability risks, deposit insurance implementation, National Payment System reform, prudential supervision, financial surveillance, illicit financial flows, and technological disruption in financial services.

1.5.3. Third, to evaluate the extent to which the regulatory and monetary framework contributes to inclusive growth, consumer protection, market efficiency and long-term financial sector transformation.

1.6. In order to avoid duplicating formal annual report briefings already received by the Committee, the engagement was deliberately structured to focus on selected high-impact themes requiring deeper interrogation. Members were afforded the opportunity to engage the senior leadership of the SARB Group on strategic direction, macroeconomic policy, financial stability, governance integrity, payment system reform, prudential resilience and emerging policy challenges.

1.7. The visit also formed part of a broader programme of parliamentary oversight of financial sector institutions, including coordination with National Treasury, the Prudential Authority, the Corporation for Deposit Insurance (CODI), and related entities. The Committee emphasised that oversight in this domain is not limited to financial compliance, but extends to systemic resilience, public confidence, depositor protection, payment system safety, and the alignment of institutional strategy with the country's broader economic and social challenges.

1.8. This Report reflects the briefings received from the SARB Group, the issues raised by Members, and the Committee's observations and recommendations arising from the engagement.

2. PURPOSE AND OBJECTIVES OF THE OVERSIGHT VISIT

2.1. The purpose of the oversight visit to the South African Reserve Bank was to enable the Committee to assess the SARB Group's performance against its constitutional and statutory mandates and to hold the institution accountable for institutional governance, policy execution, and the performance of its key functions and subsidiaries as reflected in the 2024/25 annual results.

2.2. The Committee engaged the SARB on the SARB Group annual results, including the performance of the SARB itself, the Prudential Authority and the Corporation for Deposit Insurance (CODI), and sought clarity on the implications of these results for financial sector resilience and depositor protection. The Committee further interrogated monetary policy developments and the macroeconomic outlook, including the SARB's assessment of inflation dynamics, growth constraints, and the risks affecting the domestic economy, in order to understand the basis for policy decisions taken during the reporting period.

2.3. Financial stability and macroprudential oversight formed a central component of the engagement, with the Committee requiring the SARB to account for systemic risk monitoring, the adequacy of macroprudential tools, and the institution's readiness to respond to emerging vulnerabilities. The Committee also required detailed briefings on National Payment System (NPS) reform and modernisation, including governance arrangements, operational resilience, and progress in delivering reforms intended to improve efficiency and safety in the payment ecosystem.

2.4. In addition, the Committee interrogated National Payment System reform and the broader Payments Ecosystem Modernisation programme, including the extent to which these reforms are expected to improve efficiency, enhance competition, reduce costs and expand access for merchants and consumers. The uptake of instant payment systems, the affordability and accessibility of these products, and their contribution to inclusion were also examined to assess whether payment modernisation is translating into practical benefits for households, small businesses and low-income users. Deposit insurance implementation, including the adequacy and governance of the Deposit Insurance Fund and operational readiness in resolution scenarios, was further scrutinised as part of the Committee's focus on depositor protection and systemic stability.

2.5. Finally, the Committee sought clarity on cross-border financial surveillance and illicit financial flows, including the SARB's approach to exchange control administration, risk detection capabilities, and regulatory developments in relation to new channels of cross-border flows.

2.6. The oversight visit therefore sought to strengthen parliamentary scrutiny of institutional resilience, policy coherence, governance transparency, payment system modernisation, and depositor protection readiness in areas central to macroeconomic and financial system stability.

Parliamentary Delegation

2.7. The parliamentary delegation that attended the oversight visit to the South African Reserve Bank on 08–09 October 2025 comprised Ms N A Gcaleka-Mazibuko, Mr S C Sekoati, Mrs W R Alexander, Mr D Van Rooyen and Mr N M Hadebe. Parliamentary officials accompanying the delegation were Dr Z Hlophe (Content Advisor), Ms A Manamela (Researcher), Mr A Wicomb (Committee Secretary), Ms T Sepanya (Committee Secretary) and Ms Z France (Committee Assistant). The Chairperson tendered apologies for being unable to attend due to a family bereavement.

2.8. Officials from the Office of the Director-General, National Treasury, included Mr L Batwa and Ms M Mooketsi. Additional officials in attendance were Ms A Thela, Ms B Moahlodi, Ms S Nekhondela and Ms D Makwakwa.

South African Reserve Bank Delegation

2.9. The SARB delegation was led by the Governor, Mr L Kganyago, and included Dr R Cassim (Deputy Governor), Ms F Tshazibana (Deputy Governor and Chief Executive Officer of the Prudential Authority), and Dr M Modise (Deputy Governor). Also in attendance were Mr P Maharaj (Executive Director), Ms N Brink (Head of Department: Financial Stability), Dr A Ismail (Head of Department: National Payment System), Mr K Mabetwa (Chief Operating Officer), Ms S Ralebepa (Chief Financial Officer), Ms N Kgoroba (Group Human Resources Executive), Ms Z Copiso (Group Company Secretary), and Ms R Tee (General Counsel and Head of Department).

2.10. Further officials included Mr O Makhubela (Head: Financial Surveillance), Mr L Van Wyk (Manager: CODI), Ms Z Malgas (Policy Analyst: CODI), Mr S Maseko (Accountant: CODI), Ms S Springfield (Head: International Economic Relations and Policy Department), Ms S Paulse (Divisional Head: Economic Statistics Department), Mr Z Parker (Head: Financial Markets Department), Ms O Matshane (PA Head: Policy, Statistics and Industry Support Department), Mr T Masela (National Payments), Mr S Rayfield (Divisional Head: Oversight and Supervision – National Payment System Department), Ms A Masoga (Divisional Head: Policy and Regulation – National Payment System Department), Ms S Dawood-Bhangwan (Divisional Head: AML/CFT Financial Conglomerate Supervision), Mr N Lidovho (Stakeholder Manager), Ms M Mahlase (Manager: Content Hub), Ms Z Mtshali (Stakeholder Officer), Ms K Dhlamini (Public Outreach Officer) and Mr P van der Merwe (Multimedia Officer).

3. BRIEFINGS BY THE SOUTH AFRICAN RESERVE BANK GROUP

Institutional Mandate, Governance and the SARB Group

3.1. The South African Reserve Bank (SARB), together with the Prudential Authority (PA) and the Corporation for Deposit Insurance (CODI), presented to the Committee on the annual reports of the institutions, the macroeconomic outlook, financial stability, deposit insurance, and prudential supervision. The Governor indicated that the presentation would be divided into two broad sections, namely the SARB Annual Report 2024/25 and the Prudential Authority Annual Report 2024/25. Within the SARB section, the Committee was informed that the presentation would cover the mandate of the SARB, the macroeconomic outlook and overview, financial stability and CODI, and annual report highlights.

3.2. The SARB explained that its constitutional mandate was to protect the value of the currency in the interest of balanced and sustainable economic growth, while its statutory mandate was to safeguard and boost financial stability in South Africa by identifying and mitigating systemic risks that could disrupt the financial system, and by enhancing the safety, soundness and integrity of financial institutions. The SARB emphasised that it was not a profit-driven institution and that its primary aim was to serve the best interests of all South Africans.

3.3. The SARB further stated that, alongside price stability, financial stability and the regulation of financial institutions, it performed a number of additional central-bank functions. These included ensuring the effective functioning of the national payment system, bolstering the country's resilience to financial shocks, ensuring the cost-effective availability and integrity of currency, compiling financial-sector statistics and conducting research and analysis, acting as banker to government, administering prudential and capital-flow measures, and managing South Africa's official gold and foreign exchange reserves.

3.4. In providing an overview of the SARB Group, the Bank informed the Committee that the Group comprised the South African Reserve Bank and four subsidiaries or associated institutions that supported its mandate. These were the South African Bank Note Company, which produced secure banknotes; the South African Mint, which designed and minted circulation and commemorative coins; the Corporation for Deposit Insurance, which administered the Deposit Insurance Fund to protect covered depositors if a bank failed; and the Corporation for Public Deposits, which provided investment services for public sector funds and contributed to liquidity management.

3.5. The SARB also explained its institutional character and governance arrangements. It described itself as Africa's oldest central bank, established in 1921, and as an independent public institution created in terms of section 224 of the Constitution. It stated that it was accountable to the people of South Africa through Parliament and that it was not funded through fiscal transfers, but generated revenue from operations. The SARB further indicated that the President appointed the Governor and Deputy Governors, four non-executive directors were appointed by the President, and seven non-executive directors were elected by private shareholders. It reported that, as at 31 March 2025, it had 843 shareholders. The Bank noted that, although it remained one of the few central banks with private shareholders, shareholder rights were strictly limited, including through a cap of 10 000 shares per person or institution, one vote per 200 shares, a dividend capped at 10 cents per share per year to a maximum of R1

000 per shareholder, and the exclusion of foreign shareholders from voting rights. It emphasised that shareholders had no role in determining monetary policy, financial stability policy, or the regulation and supervision of the financial sector.

Macroeconomic Outlook and Monetary Policy Context

3.6. In presenting the macroeconomic outlook, the SARB stated that global inflation had continued to decline despite tariffs and geopolitical tensions, creating room for further policy rate cuts in some jurisdictions. It reported that global growth had remained resilient, although still below long-term averages, and that tariffs posed an important downside risk to global growth. In South Africa, inflation remained under control and had been closer to the SARB's preferred objective of 3 per cent over the preceding year. The Bank stated that underlying inflationary pressures were contained, that food inflation was elevated but likely to be temporary, and that administered prices, particularly electricity and water, posed a serious threat to growth, competitiveness and inflation outcomes.

3.7. The Governor informed the Committee that the SARB had lowered the repo rate by 75 basis points since the start of 2025 and by 125 basis points since September 2024. The Bank indicated that these reductions had eased borrowing costs in a low-inflation environment. It also explained that many emerging markets, including South Africa, had begun tightening earlier than advanced economies, which had enabled disinflation to take hold earlier and had created more room for later reductions in policy rates. The SARB added that domestic growth had surprised somewhat on the upside in the second quarter of 2025, but remained well below the level needed to address the country's unemployment challenge meaningfully.

3.8. The SARB reiterated that, at the time of the oversight engagement, it aimed to anchor inflation at the lower end of the then applicable 3–6 per cent target range, specifically at 3 per cent. It stated that low and stable inflation, together with a stable currency, supported investment, household resilience and long-term growth. In concluding the macroeconomic overview, the Bank noted that the domestic economy was expected to expand at a slightly faster pace over the medium term, but that stronger and more sustained growth would depend on the pace of structural reform and the reduction of constraints such as elevated administered prices and weak fixed investment.

Strategy 2025, Strategy 2030 and Institutional Performance

3.9. The SARB reported that Strategy 2025 was reaching completion and that the institution had begun the transition to Strategy 2030. It stated that Strategy 2025 had contained five strategic focus areas, of which four had been achieved according to plan, while one had been rated amber. The SARB explained that Strategy 2030 would streamline the institution's focus areas from five to three. These would be maintaining price stability and ensuring a trusted store of value, promoting financial stability and resolving crises when necessary, and enhancing the resilience, effectiveness and accessibility of payments. The Bank stated that these strategic goals would be supported by a stronger emphasis on coordinated policy making, public trust and communication, data and technology, and the development of a future-fit workforce.

3.10. In relation to institutional performance, the SARB reported improvements in staff engagement and workforce development. It stated that the employee engagement score had increased to 72.9 per cent in 2024/25, which it described as the highest level since 2021. The Bank further indicated that 86 per cent of staff were black, that African female representation in top and senior management had increased to 61 per cent, and that 94 per cent of staff had participated in training interventions. It reported that R159.7 million had been spent on training, amounting to 7 per cent of payroll, and that the coverage ratio for critical roles had improved from 91 per cent to 93 per cent.

3.11. The SARB also referred to internal social investment and staff development initiatives. It stated that its social investment programme supported socio-economic and community development through education-focused initiatives, including the Monetary Policy Committee Schools Challenge, university chairs in economic and financial journalism and monetary policy, employee volunteerism focused on special-needs schools, and an external bursary programme for financially needy students.

Financial Stability and the Corporation for Deposit Insurance

3.12. On financial stability, the SARB stated that its statutory mandate included safeguarding and enhancing financial stability by identifying and mitigating systemic risks that could disrupt the financial system. It explained that this work formed part of the financial sector safety net and was aimed at protecting the broader economy against instability in the banking and financial system. The SARB further indicated that the South African financial system had continued to function without interruption despite heightened market volatility and global policy uncertainty, and that prudentially regulated domestic financial institutions remained resilient, partly because they had maintained capital buffers capable of absorbing shocks.

3.13. The SARB and CODI then briefed the Committee on the Corporation for Deposit Insurance. CODI stated that its mandate was to support the SARB in fulfilling its objective of protecting and maintaining financial stability, to establish, maintain and administer the Deposit Insurance

Fund, and to promote awareness of depositor protection among financial customers. CODI explained that the Deposit Insurance Fund had been established in April 2024 in terms of the Financial Sector Regulation Act and was funded through bank contributions.

3.14. CODI informed the Committee that the Deposit Insurance Fund stood at about R20 billion in the annual report presentation, while the consolidated oversight material reflected a value of R21 billion. It explained that the Fund comprised a liquidity tier, funded through bank loans equal to 3 per cent of covered deposits, and a second tier consisting of CODI's own funds funded through annual premiums of 0.2 per cent of covered deposits, paid monthly by banks. CODI stated that the Fund would be used to provide qualifying depositors with access to up to R100 000 of their qualifying account balances should a member bank fail and enter resolution. The consolidated oversight material indicated that this coverage level would protect approximately 95 per cent of depositors, while the remaining 5 per cent would be only partially covered.

3.15. CODI further indicated that, although no member bank had failed during the 2024/25 financial year, it had already provided resolution support in the 2025/26 financial year. The annual report presentation used the case of Ditsobotla Savings and Co-operative Bank to illustrate the practical operation of the scheme. CODI reported that Ditsobotla was placed into resolution on 1 August 2025, that depositor information was collected between 7 and 13 August 2025, and that reimbursements commenced on 17 August 2025. It stated that 215 of 280 depositors had been reimbursed, amounting to R5.2 million, while some reimbursements remained outstanding due to incomplete depositor information and discrepancies arising from late or incomplete transfers by the municipality. CODI also indicated that reimbursement would remain open until 31 July 2028 in terms of the Deposit Insurance Regulations.

Prudential Authority Annual Report Highlights

3.16. In the second section of the presentation, the Prudential Authority briefed the Committee on highlights from its 2024/25 annual report. The PA stated that it oversaw a broad range of regulated entities across banking, insurance and financial-market infrastructure. It reported that the regulated sector included 27 banks, including local branches of foreign banks, four mutual banks, five co-operative banks, 20 co-operative financial institutions, 76 life insurers, 67 non-life insurers, composite microinsurers, reinsurers, and market infrastructures.

3.17. The PA stated that the South African banking sector remained highly concentrated. It reported that the five largest banks collectively held 89.63 per cent of total banking sector assets as at 31 March 2025, a figure that was little changed from the previous year. It further indicated that local branches of international banks accounted for 5.91 per cent of banking-sector assets, while other local banks accounted for 4.46 per cent.

3.18. With regard to mutual banks, the PA reported that there were four mutual banks and that this number had remained unchanged year on year. It stated that total mutual banking sector assets had grown by 11.19 per cent to R4.2 billion at the end of March 2025, while deposits had increased by 12.49 per cent to R3.22 billion. It also reported that the South African mutual banking sector remained largely profitable, with the 12-month moving average return on equity increasing from 2.04 per cent in March 2024 to 3.85 per cent in March 2025, and the return on assets increasing from 0.49 per cent to 0.89 per cent over the same period. The PA stated that mutual banks had maintained robust risk-management frameworks covering credit, market, liquidity and operational risks and had conducted regular stress testing and scenario analysis.

3.19. On co-operative banks and co-operative financial institutions, the PA reported that the balance-sheet size of co-operative banks had increased by 10 per cent from R529 million to R583 million by February 2025, while net loans had increased by 11 per cent from R375 million to R416 million. It further stated that the total assets of co-operative financial institutions had increased by 23.8 per cent during the year and that their net loans had increased by 39.3 per cent, from R47 million to R65 million. The PA informed the Committee that, in response to the evolving nature, size and complexity of these institutions, it had begun developing seven prudential standards to revise the regulatory framework for mutual banks and co-operatives on a more proportional basis.

3.20. In relation to the insurance sector, the PA stated that life insurance constituted approximately 92.2 per cent of total insurance-industry assets, while non-life insurance accounted for 6.7 per cent. It reported that the life insurance sector remained concentrated, with the five largest life insurers holding 71 per cent of total sector assets, while the 10 largest non-life insurers accounted for 65 per cent of gross premiums as at December 2024. It also indicated that all nine professional reinsurers were foreign-owned and contributed 1.2 per cent of total sector assets.

Table 1: Prudential Authority Sector Overview

Sector / indicator	Position reported by PA
Banks	27
Mutual banks	4
Co-operative banks	5
Co-operative financial institutions	20

Life insurers	76
Non-life insurers	67
Five largest banks' share of total banking sector assets	89.63%
Local branches of international banks' share of banking assets	5.91%
Other locally registered banks' share of banking assets	4.46%
Mutual banking sector assets	R4.2 billion
Mutual banking sector deposits	R3.22 billion
Mutual bank ROE	3.85%
Mutual bank ROA	0.89%
Co-operative bank balance sheet growth	10%
Co-operative bank net loan growth	11%
Co-operative financial institution asset growth	23.8%
Co-operative financial institution net loan growth	39.3%
Life insurance share of insurance-industry assets	92.2%
Non-life insurance share of insurance-industry assets	6.7%
Five largest life insurers' share of sector assets	71%
Ten largest non-life insurers' share of gross premiums	65%
Professional reinsurers foreign-owned	9
Reinsurers' share of total sector assets	1.2%

Source: *Prudential Authority Annual Report 2024/25 presentation.*

Financial Surveillance and Illicit Cross-Border Financial Flows

3.21. The SARB also briefed the Committee on the role of Financial Surveillance, stating that this function formed part of the Bank's responsibility to safeguard the integrity of South Africa's financial system and to administer prudential and capital-flow measures. The Committee was informed that Financial Surveillance was responsible for managing risks associated with cross-border financial flows, combating illicit financial flows, and implementing exchange-control and capital-flow management frameworks in a manner consistent with the country's financial stability objectives.

3.22. In this regard, the SARB indicated that South Africa was in the process of moving gradually from a traditional exchange-control system toward a more modern capital-flow management framework. The purpose of this transition, as explained in the presentation, was to support greater efficiency and transparency while still guarding against abuse, circumvention, money laundering, base erosion and the unlawful externalisation of assets. The Bank also noted that this work had become more complex because of evolving channels of externalisation, including crypto assets, digital payments, retail e-commerce structures and other technology-enabled mechanisms.

3.23. The SARB further highlighted the issue of illicit cross-border financial flows and referred to significant enforcement work in this area. The oversight material reflected that the Bank had dealt with high-profile matters involving unlawful externalisation and that this included the IBEX/Steinhoff matter. In that case, the material indicated that approximately R21 billion may have been externalised, while about R6.3 billion, plus interest, had been forfeited to the state under the court-sanctioned settlement process. The issue was presented as one of the key illustrations of the scale of potential leakage through cross-border channels and the importance of a stronger surveillance and enforcement framework.

3.24. In relation to newer risk areas, the SARB indicated that Financial Surveillance was also focusing on the treatment of crypto assets, retail e-commerce aggregators and money or value transfer services. The purpose of this work was to ensure that developments in digital finance and cross-border transactions did not undermine anti-money laundering controls, prudential safeguards, tax compliance or capital-flow rules. The Bank signalled that these developments required both regulatory adaptation and stronger technological capability within the surveillance environment.

3.25. The SARB also referred to the 1FinSurv modernisation programme, which was aimed at strengthening surveillance through better data systems, improved monitoring capabilities and a more agile operational model. The broader thrust of the presentation was that surveillance could no longer rely only on older manual or rules-based approaches, and that more integrated digital capability would be required to detect, investigate and respond to increasingly sophisticated patterns of illicit financial flows.

Payments Ecosystem Modernisation and the National Payments System

3.26. The SARB then presented on the modernisation of the payments ecosystem and the national payment system (NPS). It explained that the national payment system was not a single platform, but a layered network comprising users and merchants, issuing and acquiring institutions, payment clearing house system operators, financial market infrastructures, the real-time gross settlement system (RTGS), third-party payment providers and technical operators. The Bank stated that the South African Reserve Bank was responsible for establishing, conducting, monitoring, regulating and supervising payment, clearing and settlement systems in terms of the South African Reserve Bank Act and the National Payment System Act.

3.27. In explaining the systemic importance of the NPS, the SARB reported that South Africa's annual GDP was about R7.024 trillion, while the RTGS processed an average of R582.832 billion per day. It stated that the value processed through RTGS was therefore equivalent to South Africa's annual GDP approximately every 12 days, and that annual RTGS values amounted to about R212.73 trillion, or about 30 times GDP. The SARB stressed that the RTGS system therefore supported financial stability directly and, while technically dated, remained functionally world-class.

3.28. The SARB also provided information on the structure of payment activity in the country. It noted that South Africa had a sophisticated set of major payment systems, including ATM, point-of-sale card payments, EFT debit, DebiCheck, EFT credit, real-time card-based payments, and PayShap. The material presented to the Committee showed that EFT credits remained the largest payment stream by value, while lower-value payment systems accounted for large transaction volumes. The SARB stressed that the payment landscape was therefore already broad and active, but that real-time retail payments still lagged in relation to the needs of everyday commerce.

3.29. In relation to transaction values, the SARB indicated that average transaction values in many debit payment streams were below R2 000, which reinforced the importance of low-cost, fast and accessible retail payment options for ordinary consumers. The presentation also emphasised that cash remained highly significant in the economy, and explicitly described the current situation as one in which "cash is king". The SARB stated that, while more than 90 per cent of South Africans had access to a bank account, many still withdrew funds in cash and transacted primarily in cash, which pointed to the importance of adoption and behavioural change, not merely access.

3.30. The SARB further stated that payments modernisation was intended not only to maintain resilience at the top of the system, but also to improve competition, innovation, inclusion and efficiency across the value chain. It explained that this included the use of an activity-based regulatory approach to allow broader participation by non-bank providers in areas such as e-money issuance, merchant acquiring, payment initiation, and certain third-party payment functions, subject to proportionate regulatory, prudential and governance requirements. The Bank argued that this would support more inclusive and lower-cost digital financial services, while maintaining the safety and integrity of the NPS.

3.31. The SARB also drew attention to the role of non-bank entrants in merchant acceptance and payment infrastructure. It explained that South Africa had previously had about 300 000 card terminals, equivalent to roughly 750 terminals per 100 000 people, compared with a global benchmark of about 3 500 terminals per 100 000 people. The presentation noted that the entry of non-bank providers such as Yoco had helped increase the number of terminals to approximately 1.2 million. The Bank used this as an illustration of how innovation and broader participation could materially expand access and acceptance infrastructure in the payment system.

3.32. In operational terms, the SARB explained that payments ecosystem modernisation would involve public digital financial infrastructure, a fast payment system, replacement and optimisation of RTGS, interoperability, digital financial identity, electronic know-your-customer capability, e-signature functionality, fraud and intelligence systems, accessible stores of value, stronger governance, and the establishment of a National Payments Utility. It indicated that key deliverables included ISO 20022 migration for domestic and regional markets, enablement of USD and SADC multicurrency capability in the regional system, acquisition of a 50 per cent shareholding in PayInc as part of the NPU process, development of interoperability standards, a fraud and risk-management framework, and a digital financial identity pilot. The SARB stated that the objective was to enhance the safety, efficiency and accessibility of the national payment system while reducing heavy dependence on cash and promoting broad adoption of simple, fast, affordable and secure digital payments.

Table 2: National Payment System and Payments Ecosystem Modernisation Highlights

Indicator	Position reported by SARB
South Africa annual GDP	R7.024 trillion
Real-time gross settlement system (RTGS) average daily value processed	R582.832 billion

GDP equivalent processed through RTGS	Approximately every 12 days
Annual RTGS value processed	R212.73 trillion
Annual RTGS value as multiple of GDP	About 30 times GDP
Previous number of card terminals	About 300 000
Previous card terminals per 100 000 people	About 750
Global benchmark terminals per 100 000 people	About 3 500
Current number of card terminals	About 1.2 million
Average transaction values in many debit streams	Below R2 000
Access to bank account	More than 90% of South Africans
Key PEM deliverables	RTGS modernisation; fast payment system; interoperability; digital financial identity; eKYC; e-signature; fraud and intelligence systems; National Payments Utility
Key technical deliverables mentioned	ISO 20022 migration; USD and SADC multicurrency enablement; interoperability standards; fraud and risk-management framework; digital financial identity pilot; PayInc/NPU process

Source: SARB National Payments and Payments Ecosystem Modernisation presentations.

Postbank, Variation Notices and Government-to-Person Payments

3.33. In the departmental presentation, the SARB also addressed issues relating to Postbank and its participation in the national payment system. The Bank explained that Postbank had originally been designated as a clearing system participant through the South African Post Office, and that following the separation of the entities in 2019, Postbank had been redesignated as a separate participant. This occurred at the same time that social grant payments were shifted from Cash Paymaster Services to Postbank.

3.34. The SARB stated that in 2021 it had issued a variation notice in relation to Postbank after a cryptographic security breach had compromised SASSA gold cards and introduced fraud risk into the national payment system. The variation notice imposed a number of conditions that Postbank was required to meet within 12 months, including replacement of compromised cards, strengthening of executive capacity and compliance with additional operational requirements. The Bank explained that these conditions were not met within the initial period for various reasons, including procurement moratoria affecting the acquisition of information-technology infrastructure and prolonged acting appointments at executive level.

3.35. The SARB indicated that, as a result, it had issued a second variation notice for a further 12 months, and thereafter a third variation notice for a period of 15 months. It stated that Postbank had subsequently made progress in some areas, including the appointment of a permanent Chief Executive Officer, Chief Risk Officer and Chief Information Officer, the appointment of new board members, and the acquisition of the necessary infrastructure. However, the replacement of SASSA gold cards with Postbank black cards had proceeded too slowly and, by the relevant reporting point, around two million gold cards had still not been replaced.

3.36. The SARB further stated that it had then considered a fourth variation notice in the interests not only of the national payment system, but also of grant beneficiaries. The Bank explained that withdrawing Postbank's designation at that stage would have meant that around two million grant beneficiaries still using gold cards would not have been able to access their grants after the cut-off date, and that these users were among the most vulnerable recipients in the system. The Bank therefore indicated that it had allowed Postbank a further 15 months in which to complete the replacement process and satisfy the outstanding conditions.

3.37. The presentation made clear that this issue was treated as both a payments-system risk and a social vulnerability issue. The SARB's account suggested that its approach attempted to balance the integrity and safety of the national payment system with the need to avoid disruption to grant payments for vulnerable beneficiaries. The matter was therefore presented as an example of the intersection between technical payments oversight, governance weaknesses in a designated participant, and broader public-interest considerations.

4. DELIBERATIONS

4.1. In the discussions, Members engaged the South African Reserve Bank on the extent to which its policy choices were contributing to balanced and sustainable growth, particularly in a context of low growth, high unemployment and external trade pressures. Members questioned how the SARB sought to balance its constitutional mandate of price stability with the broader economic need for investment, employment creation and structural reform. They also raised concern about the effect of tariffs, global uncertainty and domestic administered prices on the growth outlook.

4.2. Members also showed interest in the SARB's preferred inflation objective of 3 per cent and the implication of lower inflation for growth, interest rates and the broader economy. In this regard, the deliberations reflected concern with the trade-offs between inflation control, borrowing costs, investment conditions and household pressures, particularly in a weak-growth environment.

4.3. A further area of deliberation related to institutional accountability, governance and public legitimacy. Members were interested in how the SARB maintained public trust, how it ensured that its policy decisions were informed not only by financial institutions and experts but also by the lived realities of ordinary South Africans, and how provincial reach, diversity and public engagement were being strengthened.

4.4. Members also raised questions concerning the SARB's strategy for building a future-fit workforce, particularly in relation to expertise in artificial intelligence, crypto-assets, cyber risks and evolving financial technologies. This formed part of a broader concern as to whether the institution's human capital and internal capabilities were keeping pace with changes in the financial system and payments environment.

4.5. On financial stability, Members engaged the Bank on how systemic risk was monitored and assessed in practice. They were interested in the macroprudential tools used by the SARB, including the Residual Vulnerability Matrix and other financial stability indicators, and in how these tools translated into timely intervention when vulnerabilities were identified. The broader question raised in the deliberations was whether the financial sector safety net was sufficiently robust to manage both conventional and emerging risks.

4.6. Members also considered the role of the Corporation for Deposit Insurance in protecting depositors and supporting stability in the banking system. The issue of depositor protection was raised not merely in institutional terms, but also in practical terms, including whether the deposit insurance framework was sufficiently understood by the public, how it would work in the event of bank failure, and whether the implementation of CODI had strengthened confidence in the financial system.

4.7. The Ditsobotla reimbursement case sharpened these concerns. Members were interested in how reimbursements had been handled in practice, the pace of payouts, the treatment of depositors whose information was incomplete or disputed, and the implications of municipal conduct for the reimbursement process. The matter underscored the concern that depositor protection arrangements must be operationally effective and not merely conceptually sound.

4.8. The deliberations also focused strongly on the Prudential Authority's role in supervision and enforcement. Members raised questions about the resilience of the regulated sectors, the concentration of the banking sector, the fitness of the prudential framework for mutual banks, co-operative banks and co-operative financial institutions, and the adequacy of prudential supervision in smaller and more vulnerable institutions. This included interest in how the PA tailored regulation proportionately rather than applying the same standards used for large commercial banks to smaller and more specialised institutions.

4.9. Members further raised issues concerning prudential enforcement, licensing, curatorship, judicial management and liquidation. The deliberations reflected concern about institutions under stress, the pace of supervisory intervention, and whether the PA's regulatory actions were sufficiently visible, timely and deterrent. These concerns extended to institutions under curatorship or liquidation and the lessons that could be drawn from cases such as VBS, Ubank and other entities under statutory intervention.

4.10. A major focus of the deliberations concerned anti-money laundering and counter-terrorist financing supervision, particularly in light of South Africa's then greylisted status. Members questioned what progress had been made by the Prudential Authority in relation to its FATF-related action items, what gave confidence that South Africa could be removed from the greylist, and what contingency measures would be required if the country remained greylisted. They also raised broader concerns about whether financial institutions were adapting adequately to technological disruption risks, including digital assets, cyber threats and artificial intelligence.

4.11. The role of Financial Surveillance in addressing illicit cross-border financial flows was another important subject of deliberation. Members were concerned with how the SARB balanced stricter surveillance and enforcement with the need to maintain South Africa's attractiveness to legitimate investment. They also raised questions about how the 1FinSurv Programme would strengthen real-time monitoring, improve the detection and disruption of illicit financial flows, and respond to increasingly sophisticated channels of externalisation.

4.12. Related to this, Members were interested in the handling of crypto-assets, retail e-commerce flows and money or value transfer services in the cross-border context. The deliberations reflected concern that technological developments could create new channels for regulatory evasion, unlawful externalisation, money laundering and capital-flow abuse if surveillance and reporting frameworks were not modernised appropriately.

4.13. The most substantial and detailed deliberations centred on the National Payment System and the Payments Ecosystem Modernisation programme. Members engaged the SARB on the overall vision of enhancing safety, efficiency and accessibility, and questioned how the Bank ranked these objectives when trade-offs arose. In particular, they were concerned about whether financial stability and system safety would take precedence over speed or innovation where tensions emerged.

4.14. Members also questioned the absence of concrete and measurable performance indicators for the Payments Ecosystem Modernisation programme. They asked what specific changes the SARB aimed to achieve by 2030 in relation to reduced cash usage, increased low-value digital transactions, lower payment costs, and broader inclusion. This reflected a broader oversight concern that strategic visions should be supported by measurable outcomes and a clear accountability framework.

4.15. The deliberations also addressed the relative position of South Africa’s payment system internationally. Members questioned where South Africa’s national payment system currently ranked compared with peer jurisdictions such as Kenya, Brazil and India, and where the SARB expected the system to be positioned by 2030 if the modernisation programme succeeded. This concern was linked to the wider question of whether South Africa was moving fast enough to remain competitive in a rapidly changing global payments environment.

4.16. Members further interrogated the Activity-Based Framework and the opening of clearing and settlement to non-bank institutions. They asked what additional risks this would introduce, what resistance the SARB faced from incumbent banks, and what types of products or services non-bank entities would be able to offer once the framework was fully implemented. They also raised concern about how the SARB’s oversight would adapt to the supervision of smaller, potentially less-capitalised non-bank participants entering areas that had historically been dominated by banks.

4.17. The issue of PayInc and the proposed acquisition of a 50 per cent shareholding by the SARB also formed part of the deliberations. Members questioned whether this could create a conflict of interest, given that the SARB would then be both regulator and shareholder in an important piece of payment infrastructure. This concern was linked to broader issues of fair competition, governance and market neutrality in the payments ecosystem.

4.18. Members also focused on the Fast Payment System and PayShap. They questioned how the planned new fast payment arrangements would differ from the existing PayShap system, which had shown relatively low uptake. The deliberations reflected concern with adoption, usability, cost and interoperability, particularly for everyday retail payments and lower-income users.

4.19. Interoperability was raised as a specific issue. Members wanted to know whether users on one platform, such as a bank application, would be able to send real-time payments seamlessly and cheaply to users on entirely different platforms, such as a telecommunications company's e-money wallet, and what rules would enforce such interoperability. This was closely linked to questions about opening the system to non-bank issuers and payment initiators.

4.20. Members also raised questions about Digital Financial Identity, including how it would interact with the Department of Home Affairs' national identity systems, and what implications the framework would have for inclusion, particularly in relation to individuals without formal identity documents, including undocumented foreign nationals. More broadly, the deliberations reflected concern with whether digital financial infrastructure would expand inclusion or risk reproducing exclusion in new forms.

4.21. Cost was another major theme in the deliberations on payments modernisation. Members asked what the SARB was doing to ensure that digital payment systems would actually be cheaper for low-income users than withdrawing cash and transacting in cash. This concern was connected to the broader policy objective of reducing reliance on cash while ensuring that digital alternatives were genuinely affordable, practical and trusted.

4.22. Members also emphasised the need for the modernisation of the national payment system to address the specific realities of rural and township economies, where cash and informal systems remained dominant because of network challenges, cost barriers and limited trust in digital platforms. They therefore questioned how the SARB intended to ensure that payments reform would not remain concentrated in formal, urban, banked segments of the economy.

4.23. Cybersecurity and resilience were also raised as critical concerns. Members questioned what the main cyber threats to the increasingly digital and interconnected NPS were, and what cyber resilience testing or simulation exercises had recently been undertaken. These issues were linked to the broader concern that digital modernisation could create new forms of systemic vulnerability if not matched by adequate security and oversight.

4.24. A substantial portion of the deliberations related to Postbank, variation notices and the payment of SASSA social grants. Members were concerned about Postbank's repeated failure to comply with the successive variation notices issued by the SARB, the risks that this posed to the national payment system, and the implications for millions of grant beneficiaries. They asked why Postbank had repeatedly failed to meet the conditions imposed on it, what accountability measures had been applied to management, and at what point its continued participation would pose unacceptable systemic risk.

4.25. Members also raised the issue of contingency planning. In particular, they wanted to know what arrangements were in place to ensure uninterrupted grant payments if Postbank's designation as a designated clearing system participant were to be revoked. The concern here was that payment-system safety, fraud prevention and operational compliance had to be balanced against the need to protect vulnerable grant beneficiaries from disruption.

4.26. The deliberations also touched on the broader governance lessons arising from the Postbank matter. Members suggested that the recurring variation notices pointed to weaknesses in oversight, operational readiness and risk management, and they questioned whether the planned reforms to the national payment system would be sufficient to prevent similar failures in future.

4.27. At a broader international level, Members also showed interest in South Africa's 2025 G20 Finance Track role and the legacy of its presidency. The deliberations reflected interest in cross-border payments, artificial intelligence, sustainable finance, insurance protection gaps, macroeconomic resilience and the extent to which global discussions translated into meaningful domestic policy lessons. Members also wanted clarity on what South Africa would leave behind when handing over the G20 presidency and how Parliament would continue to be informed about Finance Track developments.

4.28. Overall, the deliberations on the SARB, PA and CODI reflected a combination of macroeconomic concern, prudential oversight, financial-sector resilience, payments-system reform and public-interest protection. The dominant themes were the pace and inclusiveness of payments modernisation, the safety and governance of the national payment system, the handling of Postbank and grant disbursement risks, FATF-related supervision and greylisting, illicit financial flows, prudential resilience, and the extent to which the SARB Group was aligning its institutional strategy with the country's broader economic and social challenges.

5. RESPONSES BY THE SOUTH AFRICAN RESERVE BANK GROUP

5.1. In response to concerns about the balance between price stability and broader economic growth, the SARB reiterated that its constitutional mandate was to maintain low and stable inflation in the interest of balanced and sustainable growth. It stated that it aimed to anchor inflation at the lower end of the target range, specifically at 3 per cent, and argued that sustained low inflation supported lower and more stable interest rates, investment, employment and growth. The Governor further reported that inflation had remained under control and close to the preferred 3 per cent objective over the preceding year, while the repo rate had been reduced by 75 basis points since the start of 2025 and by 125 basis points since September 2024.

5.2. On the macroeconomic outlook, the SARB indicated that global inflation had continued to ease despite tariffs and geopolitical tensions, but that tariffs remained a key downside risk to global and domestic growth. It stated that domestic growth had surprised modestly on the upside in the second quarter of 2025, but remained below the level required to address South Africa's unemployment challenge. The Bank also cautioned that administered prices, particularly electricity and water, continued to pose a serious threat to growth, competitiveness and inflation outcomes.

5.3. In response to questions about governance, legitimacy and institutional accountability, the SARB explained that it was an independent public institution created by section 224 of the Constitution and accountable to the people of South Africa through Parliament. It also clarified its governance arrangements, noting that the President appointed the Governor and Deputy Governors, as well as four non-executive directors, while seven non-executive directors were elected by shareholders. It stressed that shareholders had no influence over monetary policy, financial stability policy or financial-sector supervision. The additional material presented to the Committee stated that, as at 31 March 2025, the SARB had 843 shareholders, that shareholding was capped at 10 000 shares per person or institution, that voting rights were limited to one vote per 200 shares, and that foreign shareholders had no voting rights.

5.4. On public trust, outreach and provincial reach, the SARB indicated that it had broadened its public engagement through platforms such as the Monetary Policy Forum, the Financial Stability Forum, the Talk to the SARB Forum held in all nine provinces, economic roundtables, the Monetary Policy Committee Schools Challenge, and bursary programmes. The Bank also referred to a planned SARB Museum opening in 2026 as part of its wider public education and outreach strategy.

5.5. In response to questions on workforce capability and future-readiness, the SARB reported that Strategy 2025 was ending and that Strategy 2030 would place greater emphasis on a future-fit workforce, stronger data capability and technology. It stated that employee engagement had improved to 72.9 per cent in 2024/25, that 86 per cent of staff were black, that African female representation in top and senior management had increased to 61 per cent, that 94 per cent of staff had participated in training interventions, and that R159.7 million had been spent on training, representing 7 per cent of payroll. The SARB presented this as evidence that institutional capability-building was already underway.

5.6. On financial stability, the SARB stated that its role was to monitor and review the strengths and weaknesses of the financial system and any risks to financial stability, and to assess the stability of the financial system at least every six months. It explained that this work was supported by the Financial Stability Review, the Macroprudential Policy Framework and the Financial Stability Monitoring and Assessment Framework. The Bank also referred to the use of tools such as the financial stability heatmap, the Financial Conditions Index, network and interconnectedness measures, the credit-to-GDP gap, the Residual Vulnerability Matrix and stress-testing outputs in order to assess how resilient the system remained once risks had been identified.

5.7. The SARB added that the domestic financial system had continued to function without interruption despite heightened market volatility and global uncertainty, and that prudentially regulated institutions remained resilient, partly because of adequate capital buffers. It stated that resilience was expected to be sustained over the forecast period to June 2026.

5.8. In response to questions on depositor protection, CODI stated that it had been established under the Financial Sector Regulation Act as a wholly owned subsidiary of the SARB to support financial stability and protect covered depositors. It explained that the Deposit Insurance Fund stood at about R20 billion in the annual report presentation and at R21 billion in the oversight consolidation, and that the Fund had two tiers: a liquidity tier funded through bank loans equal to 3 per cent of covered deposits, and CODI's own loss-absorbing funds funded through annual premiums of 0.2 per cent of covered deposits, paid monthly by banks. CODI stated that it would provide covered depositors with access to up to R100 000 of their qualifying account balances if a member bank failed. The material presented to the Committee indicated that this coverage level would protect about 95 per cent of depositors, while the remaining 5 per cent would be partially covered.

5.9. On the practical operation of CODI, the Reserve Bank Group referred to the Ditsobotla Savings and Co-operative Bank case. CODI reported that Ditsobotla had been placed into resolution on 1 August 2025, that depositor information had been collected between 7 and 13 August 2025, and that reimbursement had commenced on 17 August 2025. It stated that 215 of 280 depositors had been paid out, amounting to R5.2 million. CODI further indicated that not all depositors had submitted information, that some accounts required top-ups because municipal deductions had been transferred late or not at all, and that reimbursement would remain open until 31 July 2028 in terms of the regulations.

5.10. The Prudential Authority responded to concerns about the resilience and concentration of the financial sector by outlining the composition of the regulated sector. It reported that it supervised 27 banks, four mutual banks, five co-operative banks, 20 co-operative financial institutions, 76 life insurers, 67 non-life insurers, composite microinsurers, nine reinsurers and seven market infrastructures. It also stated that the five largest banks held 89.63 per cent of total banking sector assets as at 31 March 2025, while local branches of international banks accounted for 5.91 per cent and other locally registered banks for 4.46 per cent.

5.11. On smaller institutions, the PA stated that mutual banks, co-operative banks and co-operative financial institutions required a more proportionate regulatory approach than commercial banks. It reported that it had started developing seven prudential standards for mutual banks and a tiered prudential framework for co-operative banks and CFIs based on the nature, size, complexity and risk profile of institutions. It explained that this was intended to avoid applying standards designed for large commercial banks to much smaller institutions without appropriate tailoring.

5.12. In relation to prudential enforcement and intervention, the PA informed the Committee that it had imposed administrative sanctions and penalties on a number of banks and insurers under the Financial Intelligence Centre Act and the Financial Sector Regulation Act. It also referred to institutions under curatorship, judicial management, statutory management and liquidation, including 3Sixty Life, Ubank, New Era Life Insurance Company Limited, Motswedi Financial Services Co-operative Limited, People Empowerment CFI Primary Co-operative Limited, Habib Overseas Bank, Bophelo Life Insurance Limited, Nzalo Insurance Services Limited, Nestlife Assurance Corporation and Constantia Insurance Company Limited.

5.13. On greylisting and FATF-related concerns, the PA stated that, after South Africa's greylisting in February 2023, it had been assigned a specific action item relating to the strengthening of administrative sanctions and the follow-up of remedial actions. It reported that it had enhanced follow-up, imposed effective and dissuasive sanctions for FIC Act non-compliance, and regularly updated the Africa Joint Group on its progress. The PA stated that the February 2025 FATF Plenary found that it had successfully addressed its action item, that the Africa Joint Group on-site visit took place at the end of July 2025, and that the October 2025 FATF Plenary would decide whether South Africa would be removed from the greylist.

5.14. On illicit cross-border financial flows, Financial Surveillance explained that its mandate had evolved from traditional exchange controls toward a more modern capital-flows management framework. It stated that its strategy was to move away from a purely pre-approval model toward a more monitoring-focused approach, while also improving its capacity to detect, deter and disrupt illicit cross-border financial flows. It described its work as focusing on individuals, corporates and institutional investors, and indicated that it monitored foreign exposures, verified import transactions, supervised authorised dealers with limited authority, and ran an extensive reporting system in terms of which cross-border transactions were reported to the SARB.

5.15. In response to concerns about unlawful externalisation and enforcement, Financial Surveillance referred to the IBEX/Steinhoff matter. It stated that Steinhoff had collapsed in 2017 due to fraud and misstatement of financial statements, that the SARB estimated that about R21 billion may have been externalised illegally, and that a court-sanctioned settlement had been reached in July 2025. In terms of that settlement, R6.3 billion plus accrued interest had been forfeited to the state. The department also indicated that it had spent about a quarter of a billion rand on investigations and litigation in the matter but regarded the outcome as the best available outcome for South Africa, financial regulation and investor confidence.

5.16. On crypto-assets, retail e-commerce and money or value transfer services, Financial Surveillance indicated that it had identified new loopholes and evolving forms of externalisation. It stated that crypto-assets had been used in attempts to circumvent exchange-control requirements and that the SARB was appealing an adverse court judgment that had found that the legal framework did not clearly provide for crypto-assets. It indicated that it was working with National Treasury on a draft cross-border crypto-asset framework and would publish it for consultation. It also stated that it was developing frameworks for cross-border retail e-commerce aggregators and for money or value transfer services, including informal remittance channels such as hawala, partly in view of the next FATF mutual evaluation.

5.17. Financial Surveillance also explained that the 1FinSurv Programme was a major systems-modernisation initiative intended to improve reporting, data quality and surveillance capability. It stated that the programme would support a shift from manual, pre-approval processing toward better monitoring and trend analysis, including the future layering of artificial intelligence and more advanced analytics onto the data received through the reporting system.

5.18. In response to questions on the National Payment System and payments modernisation, the SARB stated that it was responsible in law for establishing, conducting, monitoring, regulating and supervising payment, clearing and settlement systems. It explained that the payments ecosystem modernisation programme aimed to enhance the safety, efficiency and accessibility of the national payment system, while promoting competition and minimising risk. It stated that key components included public digital financial infrastructure, the fast payment system, RTGS modernisation, interoperability, digital financial identity, eKYC and e-signature capability, intelligence and fraud-management, accessible stores of value, governance reforms, and the National Payments Utility.

5.19. The SARB emphasised the scale and systemic importance of the NPS. It indicated that South Africa's annual GDP was approximately R7.024 trillion, while the RTGS system processed about R582.832 billion per day, meaning that a value equivalent to annual GDP moved through RTGS roughly every 12 days. It also stated that annual RTGS values amounted to about R212.73 trillion, or roughly 30 times GDP. The Bank used these figures to stress that the NPS could not be allowed to fail and that resilience and continuity remained paramount.

5.20. On inclusion and competition, the SARB stated that South Africa's payment system was technically sophisticated but had historically been bank-centric and less accessible to non-bank entrants. It explained that the Payments Ecosystem Modernisation programme and the Activity-Based Framework were intended to address these barriers by allowing greater participation by non-banks in areas such as e-money issuance, payment acquiring, third-party payments and, ultimately, participation in clearing and settlement under appropriate safeguards. It stated that the purpose of this approach was to support lower-cost digital payments, greater competition and wider inclusion while preserving system safety.

5.21. In relation to payment-system access and infrastructure, the SARB explained that South Africa had previously had around 300 000 card terminals, equivalent to roughly 750 terminals per 100 000 people, compared with a global benchmark of approximately 3 500 per 100 000. It stated that the entry of non-bank providers such as Yoco had helped increase the number of terminals to around 1.2 million. The broader point made by the Bank was that opening the system more effectively to non-bank participants could materially expand merchant acceptance and practical access to digital payment channels.

5.22. On payment usage, the SARB indicated that average transaction values in many debit payment streams were below R2 000 and that cash remained highly significant in everyday economic activity. It acknowledged that, although most South Africans had access to a bank account, many still withdrew cash and used cash for retail transactions. The Bank therefore argued that modernisation had to focus not only on infrastructure, but also on affordability, simplicity, trust and broader adoption of fast, low-cost digital payment channels.

5.23. In response to questions regarding Postbank, the SARB explained that Postbank had been redesignated in 2020 as a designated clearing system participant after the earlier designation of the South African Post Office. It stated that it had issued a first variation notice in December 2021 after a cryptographic security breach had compromised SASSA gold cards and created fraud risk within the national payment system. It further explained that Postbank had failed to meet the conditions of the first, second and third variation notices, which led to a fourth variation notice being issued on 29 August 2025.

5.24. The SARB stated that the repeated variation notices reflected persistent compliance and operational problems, including weaknesses in card key-management processes, delayed replacement of compromised cards, and executive and infrastructure shortcomings. However, it also stressed that immediate withdrawal of Postbank's designation would have posed severe risks to social grant beneficiaries, many of whom remained dependent on SASSA gold cards. The SARB therefore stated that its approach was to balance the safety and integrity of the NPS with the need to ensure uninterrupted grant payments and to mitigate fraud. It indicated that SASSA gold card beneficiaries would continue to receive grants while a secure replacement process proceeded.

5.25. Across the issues raised by Members, the responses emphasised a combination of low and stable inflation, stronger financial stability tools, deposit insurance implementation, prudential resilience, modernisation of surveillance and payments infrastructure, and a cautious but inclusive approach to reforming the national payment system.

6. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

6.1. The Committee notes the South African Reserve Bank's presentation on its constitutional and statutory mandates, including price stability, financial stability, prudential supervision and oversight of the National Payment System. The Committee further notes the importance of these functions in a context of weak domestic growth, global uncertainty, administered price pressures and rapid technological change in financial services. The Committee therefore emphasises that the SARB Group must continue to align its institutional strategy and operational priorities with the broader objective of supporting balanced and sustainable economic development within the confines of its mandate.

6.2. The Committee observes that the SARB continues to place strong emphasis on maintaining low and stable inflation and on anchoring inflation at 3 per cent. The Committee further notes that, following the oversight engagement, the inflation target framework was changed from the previous 3–6 per cent range to a target of 3 per cent with a tolerance band of plus or minus 1 percentage point. The Committee notes the SARB's view that lower and more stable inflation supports lower borrowing costs, investment and growth, but remains concerned about the broader macroeconomic context of low growth, high unemployment and weak fixed investment. The Committee therefore recommends that the SARB and National Treasury continue to brief Parliament on the implications of the revised inflation target framework for inflation expectations, borrowing costs, investment, employment and growth.

6.3. The Committee notes that administered prices, particularly electricity and water, were identified by the SARB as serious threats to growth, competitiveness and inflation outcomes. The Committee shares this concern and is of the view that the persistence of administered price pressures weakens the impact of broader macroeconomic stabilisation efforts. The Committee therefore recommends that National Treasury briefs the Committee on the measures being taken to contain the impact of administered price increases on inflation, growth and competitiveness, and on any further policy interventions under consideration. The Committee further recommends that the SARB continue to reflect these risks clearly in its engagements with Parliament.

6.4. The Committee observes that the SARB reported progress in institutional performance and organisational development, including the transition from Strategy 2025 to Strategy 2030, improved employee engagement, investment in staff training, and efforts to build a future-fit workforce. The Committee welcomes these developments, but notes that the institution is operating in an increasingly complex environment marked by artificial intelligence, crypto-assets, cyber risk, fast-evolving payments systems and cross-border financial innovation. The Committee therefore recommends that the SARB continue strengthening specialist capacity in data, digital systems, cyber resilience, payments oversight and emerging technologies, and reflect such capability-building in future reporting to Parliament.

6.5. The Committee notes the SARB's public engagement initiatives, including the Monetary Policy Forum, Financial Stability Forum, provincial outreach platforms, bursary programmes and broader public education efforts. The Committee regards this as important for public legitimacy and trust in the institution. The Committee nevertheless remains of the view that the SARB should continue broadening public-facing engagement so that its role, decisions and policy perspectives are better understood beyond specialist and financial sector audiences.

6.6. The Committee observes that the SARB presented the domestic financial system as having remained resilient despite heightened global volatility and uncertainty, and that prudentially regulated institutions were described as adequately capitalised and able to absorb shocks. The Committee welcomes this assessment, but notes that financial stability oversight must increasingly be forward-looking and responsive to new forms of systemic vulnerability. The Committee therefore recommends that the SARB continue enhancing its macroprudential monitoring tools, stress-testing capacity and public communication of key system-wide risks.

6.7. The Committee notes the establishment and operationalisation of the Corporation for Deposit Insurance as an important step in strengthening South Africa's financial safety net. The Committee further notes that the Deposit Insurance Fund stood at about R20 billion in the annual report presentation and R21 billion in the oversight material, and that the current design is intended to cover about 95 per cent of depositors up to R100 000. The Committee welcomes this development and recommends that CODI continue strengthening public awareness so that depositors understand the scope, limits and practical operation of deposit insurance.

6.8. The Committee observes that the Ditsobotla Savings and Co-operative Bank case provided a practical demonstration of how the deposit insurance framework operates in resolution. The Committee notes that 215 of 280 depositors had been reimbursed, amounting to R5.2 million, but also notes the difficulties caused by incomplete depositor information and municipal failures in the transfer of deductions. The Committee is concerned that depositor protection arrangements may be weakened in practice by poor underlying records and administrative failures outside the deposit insurer itself. The Committee therefore recommends that CODI and the relevant authorities continue refining their operational response capability, depositor communication systems and dispute-resolution processes in resolution cases.

6.9. The Committee notes that the Prudential Authority supervises a wide range of institutions across banking, insurance, co-operative finance and market infrastructures, and that the South African banking sector remains highly concentrated. The Committee is concerned that concentration can create risks both for competition and for financial stability if not appropriately managed. The Committee therefore recommends that the Prudential Authority continue to report on concentration trends, systemic interlinkages and the implications of market structure for resilience and access.

6.10. The Committee observes that the Prudential Authority has recognised the need for a more proportionate regulatory framework for mutual banks, co-operative banks and co-operative financial institutions. The Committee welcomes this approach, since smaller institutions should not automatically be subject to frameworks designed for large commercial banks without appropriate tailoring. The Committee therefore recommends that the Prudential Authority finalise and implement its proportionate prudential standards as expeditiously as possible, while ensuring that such institutions remain adequately supervised and protected against governance, liquidity and solvency risks.

6.11. The Committee notes that the Prudential Authority reported various enforcement, curatorship, judicial management and liquidation interventions, and that this reflects ongoing supervisory activity in respect of institutions under stress. The Committee remains concerned, however, that delays in intervention or weak public understanding of regulatory action can undermine confidence. The Committee therefore recommends that the Prudential Authority continue improving the visibility, clarity and timeliness of its enforcement and intervention communication, within the limits imposed by law and prudential sensitivity.

6.12. The Committee notes that the Prudential Authority reported substantial progress in relation to its FATF-related action item following South Africa's greylisting, including enhanced follow-up on remedial actions and the use of more effective sanctions for non-compliance. The Committee further notes that South Africa was removed from the Financial Action Task Force list of jurisdictions under increased monitoring on 24 October 2025. The Committee welcomes this development and commends the work undertaken by the Prudential Authority, National Treasury, the Financial Intelligence Centre, the South African Reserve Bank and other relevant institutions in addressing the identified deficiencies. The Committee nevertheless emphasises that the removal of South Africa from the greylist should not result in complacency, and recommends that the relevant authorities sustain the reforms, supervisory vigilance and inter-agency coordination necessary to maintain the integrity of the country's anti-money laundering and counter-terrorist financing framework and to prepare adequately for the next mutual evaluation.

6.13. The Committee notes that Financial Surveillance is in the process of moving away from a traditional exchange-control model towards a more modern system for managing cross-border capital flows. The Committee recognises that this is necessary because money can now move across borders through more complex channels, including digital finance, crypto-assets and cross-border e-commerce. The Committee therefore recommends that this transition continue in a manner that improves transparency, closes regulatory loopholes, supports legitimate trade and investment, and strengthens the detection and disruption of illicit cross-border financial flows.

6.14. The Committee observes the seriousness of the IBEX/Steinhoff matter, in which about R21 billion may have been externalised and about R6.3 billion plus interest was forfeited to the state under a court-sanctioned settlement. The Committee notes the SARB's view that this represented the best available outcome in the circumstances. The Committee remains concerned, however, about the scale of possible leakage through cross-border channels and the cost of long-running enforcement processes. The Committee therefore recommends that Financial Surveillance continue strengthening enforcement capability, inter-agency cooperation and technological monitoring tools in this area.

6.15. The Committee notes that Financial Surveillance identified crypto-assets, retail e-commerce aggregators and money or value transfer services as emerging areas of concern in relation to illicit financial flows and regulatory evasion. The Committee agrees that these developments require both regulatory adaptation and stronger technical capability. The Committee therefore recommends that National Treasury and the SARB expedite the development and public consultation of the proposed cross-border crypto-asset and related frameworks so that regulatory uncertainty is reduced and supervisory capacity is strengthened.

6.16. The Committee observes that the 1FinSurv Programme is intended to modernise surveillance through improved data systems, better reporting and a stronger monitoring-focused approach. The Committee welcomes this initiative, as older manual and rules-based systems are unlikely to be adequate in the face of increasingly sophisticated financial flows. The Committee therefore recommends that the SARB continue investing in data capability, artificial intelligence-enabled analytics where appropriate, and integrated monitoring tools to improve early detection and response.

6.17. The Committee notes the scale and systemic importance of the National Payment System, including the fact that the RTGS processes about R582.832 billion per day, with annual values amounting to about R212.73 trillion, or about 30 times GDP. The Committee agrees that the resilience and continuity of this infrastructure are non-negotiable and that the NPS is central to financial stability. The Committee therefore recommends that safety, resilience and continuity remain the first principles guiding payment system reform.

6.18. The Committee observes that the SARB has articulated a broad and ambitious Payments Ecosystem Modernisation programme aimed at improving safety, efficiency, accessibility, competition and inclusion. The Committee welcomes this ambition but remains concerned that the programme will not be adequately measurable unless it is supported by concrete indicators and timelines. The Committee therefore recommends that the SARB develop and present a clearer performance and accountability framework for Payments Ecosystem Modernisation, including measurable indicators and targets relating to reduced cash dependence, greater low-value digital payment usage, lower payment costs, increased interoperability, and broader access in underserved communities.

6.19. The Committee notes the SARB's view that the current payment system remains sophisticated but overly bank-centric, and that broader participation by non-bank providers could support lower-cost, more competitive and more inclusive digital financial services. The Committee agrees that opening the system to non-bank institutions is long overdue and is necessary to encourage competition, expand merchant acceptance, improve innovation, and widen access to financial services. The Committee therefore recommends that the necessary legislative and regulatory reforms be prioritised to enable broader participation by non-bank institutions, and that, once the enabling framework is in place, the activity-based framework be implemented in a transparent, proportionate and orderly manner, with clear governance, safeguarding, interoperability and consumer protection requirements.

6.20. The Committee further urges National Treasury to introduce the National Payment System Bill to Parliament as soon as possible and without further delay, as previously indicated in its Annual Performance Plan and in its engagement with the Committee during the previous year, in order to provide the necessary legislative foundation for payment system modernisation and broader market participation.

6.21. The Committee observes that the expansion of merchant acceptance infrastructure from about 300 000 card terminals to about 1.2 million illustrates the benefits of broader participation and innovation in the payment ecosystem. The Committee regards this as a useful indication that opening the system can improve practical access. The Committee nevertheless remains concerned that rural areas, township economies and low-income communities may still lag behind in the uptake and usefulness of digital payment systems. The Committee therefore recommends that the SARB ensure that payments modernisation is assessed not only in aggregate technical terms, but also by its real impact on inclusion across geography, income groups and informal economic settings.

6.22. The Committee notes that average transaction values in many debit payment streams are below R2 000 and that cash remains dominant in everyday economic activity despite broad access to bank accounts. The Committee is of the view that the challenge is therefore not only access, but adoption, usability, cost and trust. The Committee recommends that the SARB continue to prioritise affordability, simplicity, speed and interoperability in the design of the future payments ecosystem so that digital alternatives become genuinely attractive for lower-income users.

6.23. The Committee observes that interoperability emerged as a central issue in the deliberations and agrees that an effective modern payment system must enable seamless and affordable transfers across different platforms, providers and use cases. The Committee therefore recommends that the SARB prioritise enforceable interoperability standards as part of the modernisation agenda and ensure that these standards support both inclusion and competition.

6.24. The Committee notes that Digital Financial Identity, eKYC and related public digital financial infrastructure will be foundational to the next phase of payments reform. The Committee also notes concerns raised regarding exclusion risks, especially for people without formal identity documentation. The Committee therefore recommends that the SARB work closely with the Department of Home Affairs and other stakeholders to ensure that digital financial identity reforms promote inclusion and do not replicate exclusion in a new technological form.

6.25. The Committee observes that cybersecurity and system resilience are becoming more critical as the payment system becomes more digital, interconnected and open to a wider range of participants. The Committee is concerned that digital modernisation can create new systemic vulnerabilities if not matched by strong security controls and testing. The Committee therefore recommends that the SARB continue intensifying cyber resilience work, including scenario testing, system simulations and governance oversight across critical payment infrastructure.

6.26. The Committee is concerned by the repeated variation notices issued to Postbank and the continuing operational and governance shortcomings reflected in those notices. The Committee recognises the SARB's effort to balance system safety with the imperative of uninterrupted social grant payments but remains troubled that around two million gold cards had still not been replaced at the relevant reporting point. The Committee therefore recommends that the SARB, together with the relevant departments and entities, continue to prioritise the safe and urgent resolution of the Postbank matter, with particular attention to grant beneficiary protection, fraud mitigation, compliance with technical requirements and institutional accountability.

6.27. The Committee further observes that the Postbank matter illustrates the intersection of payment system oversight, governance failure and public vulnerability. The Committee is of the view that recurring variation notices point to deeper weaknesses in operational readiness, risk management and consequence management. The Committee therefore recommends that the lessons arising from the Postbank case be incorporated into the broader design of payments reform and oversight so that comparable failures are identified and addressed earlier in future.

6.28. The Committee notes South Africa's role in the 2025 G20 Finance Track and the opportunities this creates for contributing to international discussions on cross-border payments, artificial intelligence, sustainable finance and macroeconomic resilience. The Committee recommends that the SARB continue to keep Parliament apprised of key developments and domestic policy implications arising from South Africa's participation in these processes.

6.29. The Committee notes that the SARB Group operates in a highly complex policy, regulatory and technological environment and carries responsibilities that are central to monetary stability, financial stability, prudential supervision and the safety of the National Payment System. The Committee nevertheless remains concerned that weak economic growth, payments-system transition risks, illicit financial flows, and weaknesses in certain regulated and quasi-public institutions continue to pose material challenges. The Committee therefore expects the SARB Group, National Treasury and associated institutions to act on the concerns raised during the oversight visit and to continue engaging Parliament on progress in these areas.

Report to be considered

3. REPORT OF THE STANDING COMMITTEE ON FINANCE ON THE OVERSIGHT VISIT TO PORTS OF ENTRY: DURBAN HARBOUR/PORT, OR TAMBO INTERNATIONAL AIRPORT AND BEITBRIDGE BORDER POST, 27–29 JANUARY 2026, DATED 31 MARCH 2026

1. Introduction

1.1. The Standing Committee on Finance undertook an oversight visit to three strategic ports of entry, namely Durban Harbour/Port in KwaZulu-Natal, OR Tambo International Airport in Gauteng, and the Beitbridge Border Post in Musina, Limpopo, from 27 to 29 January 2026. The visit formed part of the Committee's programme of direct, evidence-based oversight over institutions within the finance portfolio and over related organs of state whose work materially affects customs enforcement, revenue collection, border security and financial integrity at South Africa's principal sea, air and land gateways.

1.2. The oversight visit took place within the framework of the Committee's constitutional and parliamentary oversight responsibilities over the National Treasury and its entities, particularly the South African Revenue Service and the Financial Intelligence Centre. In carrying out this oversight, the Committee has consistently emphasised the importance of protecting the revenue base, strengthening compliance, improving the effectiveness of customs administration, and addressing the systemic risks posed by illicit financial flows, cross-border economic crime, base erosion and profit shifting, and related forms of tax abuse and trade-related non-compliance.

1.3. The Committee considered it necessary to undertake on-site oversight because the intersection between customs enforcement, border management, financial intelligence, law enforcement and trade facilitation is most visible at ports of entry. Durban Harbour/Port is the country's primary conduit for containerised and bulk maritime trade; OR Tambo International Airport is the country's principal air hub for high-value cargo and passenger flows; and Beitbridge Border Post is the busiest land border post connecting South Africa to the Southern African Development Community region. The functioning of these three sites therefore has direct implications for revenue collection, clearance times, border integrity, economic competitiveness and the credibility of the fiscal framework over which the Committee exercises oversight.

1.4. The Committee's prior work has highlighted persistent and interrelated risks arising from illicit trade, smuggling, customs fraud, trade-based money laundering, under- and over-invoicing, cross-border cash smuggling and weaknesses in inter-agency coordination. These risks are not only enforcement concerns, but also fiscal and governance concerns, because ineffective detection and control at ports of entry can contribute directly to revenue leakage, weaken the integrity of the tax and customs system, distort competition, and undermine public confidence in the capacity of the state to secure the border environment.

1.5. The oversight visit also took place against the backdrop of heightened scrutiny of South Africa's Anti-Money Laundering and Counter-Financing of Terrorism effectiveness. In this regard, the Committee considered it necessary to examine, at operational level, the extent to which customs capacity, scanner technology, intelligence-led profiling, inter-agency cooperation, passenger and cargo controls, and cross-border currency detection mechanisms are functioning effectively. The Committee was particularly concerned with whether the operational realities at ports of entry support the broader policy and regulatory reforms that South Africa is expected to advance in order to strengthen financial integrity and enforcement outcomes.

1.6. The Committee further considered the extent to which previously stated policy intentions and performance commitments were being translated into practice. In the 2025 Budget and in related planning and reporting documents, SARS indicated that improving taxpayer compliance and trade facilitation would require the deployment of digital technologies, risk-based systems, improved scanning capacity and intelligent image analysis in order to reduce inspection times and strengthen customs enforcement. The site visits were therefore intended to enable the Committee to assess, from direct observation and operational briefings, whether such commitments were being realised in the practical functioning of port operations and whether the existing infrastructure, staffing and systems are adequate to support them.

1.7. At Durban Harbour/Port, the Committee's focus included container screening, trans-shipment risks, cooperation with shipping lines, the adequacy of scanner deployment, and the interface between SARS, the Border Management Authority, Transnet, law enforcement agencies and private-sector stakeholders in the freight environment. At OR Tambo International Airport, the focus included passenger baggage and currency processes, queue and lane management, traveller processing, scanner and systems pressures, high-value cargo movement, and the role of SARS, the Border Management Authority, the South African Police Service, the South African Reserve Bank, the Financial Intelligence Centre, the Directorate for Priority Crime Investigation, the Airports Company South Africa and other relevant actors in detecting and responding to risk. At Beitbridge Border Post, the Committee focused on commercial cargo and passenger flow, lane configuration, queue management, peak-period pressures, risk profiling relating to tobacco, fuel, counterfeit goods and cash, and the effectiveness of cooperation between the relevant border management, customs and law enforcement agencies.

1.8. The oversight visit was therefore not limited to a verification of operational statistics. It was intended to provide the Committee with a direct line of sight into how legislative mandates, institutional arrangements, operational capacity, technology, staffing, inter-agency escalation mechanisms and frontline enforcement practices interact at ports of entry. In this respect, the Committee sought to assess both the state's enforcement capability and its ability to maintain an appropriate balance between robust control of high-risk consignments and travellers, on the one hand, and the facilitation of legitimate trade and movement of persons, on the other.

1.9. The information gathered during the oversight visit forms part of the Committee's broader evidence base for future engagements with the Executive and relevant institutions, including budget oversight, follow-up reporting, performance assessment and consideration of any legislative, policy, administrative or resource interventions that may be required to strengthen customs administration, border control and financial integrity at South Africa's ports of entry
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2. PURPOSE OF THE OVERSIGHT VISIT

2.1. The primary purpose of the oversight visit was to enable the Standing Committee on Finance to obtain direct, site-level insight into the operational functioning of key ports of entry, and to assess the extent to which legislative mandates, policy commitments and institutional arrangements relating to customs administration, revenue collection, border security and financial intelligence are being implemented in practice.

2.2. The Committee sought to examine, in an integrated manner, how the respective mandates of the South African Revenue Service, the Border Management Authority, the South African Police Service, the South African Reserve Bank, the Financial Intelligence Centre and other relevant stakeholders converge at ports of entry, and how this convergence translates into operational outcomes relating to compliance, enforcement, revenue protection and trade facilitation.

2.3. A key purpose of the visit was to assess the effectiveness of customs enforcement and border management systems in detecting and responding to illicit trade and cross-border economic crime. In this regard, the Committee focused on the functioning of risk-based targeting systems, non-intrusive inspection technologies, scanner deployment, cargo and passenger profiling, and intelligence-led operations, including the extent to which these tools are supported by adequate human capacity and inter-agency coordination.

2.4. The Committee further sought to evaluate the adequacy of infrastructure, technology and operational capacity at ports of entry. This included an assessment of scanner availability and utilisation, information and communication technology systems, biometric and traveller processing systems, surveillance capabilities, queue and traffic management systems, and the resilience of these systems in the context of power supply constraints and high-volume operational environments.

2.5. In addition, the Committee aimed to assess the effectiveness of inter-agency coordination mechanisms, including joint operations structures, escalation protocols, intelligence-sharing arrangements and evidence-handling processes. Particular attention was given to the interface between customs enforcement, financial intelligence reporting, exchange control oversight and criminal investigation functions, and the extent to which these are integrated in practice.

2.6. The oversight visit also sought to identify operational risks, systemic weaknesses and capacity constraints affecting the performance of border management and customs functions. This included challenges relating to staffing shortages, infrastructure limitations, fragmentation of functions across institutions, exposure to corruption and collusion, and vulnerabilities exploited by organised crime syndicates.

2.7. A further purpose of the visit was to assess the extent to which South Africa's ports of entry are positioned to support the country's broader commitments relating to Anti-Money Laundering and Counter-Financing of Terrorism effectiveness. In this regard, the Committee considered whether the detection of cross-border cash movements, trade-based money laundering and other illicit financial flows is adequately supported by operational systems, data integration and coordination between enforcement and intelligence agencies.

2.8. The Committee also sought to determine whether policy commitments and performance targets reflected in the national Budget, annual performance plans and prior engagements with entities are being realised at operational level. This included assessing whether investments in modernisation, digitisation, scanning technologies and risk management systems are translating into measurable improvements in compliance, efficiency and enforcement outcomes.

2.9. Ultimately, the purpose of the oversight visit was to strengthen the Committee's evidence base for its ongoing oversight work, including its consideration of budget allocations, performance assessments, and any legislative or policy interventions that may be required to enhance the effectiveness of customs administration, border security and financial integrity at South Africa's ports of entry.

Parliamentary Delegation

2.10. The parliamentary delegation was led by the Chairperson of the Standing Committee on Finance, Dr M J Maswanganyi. The Members of the Committee who participated in the oversight visit were Ms N A Gcaleka-Mazibuko, Mr S C Sekoati, Ms L Makhubela, Mrs W R Alexander, Dr M J Burke and Mr D D Van Rooyen.

2.11. The Committee was accompanied by parliamentary support staff comprising Ms T Sepanya, Committee Secretary; Ms E Grunewald, Committee Secretary; Dr Z Hlophe, Content Advisor; Ms A Manamela, Committee Researcher; Ms B Tsana, Committee Assistant; Mr R Hendricks and Ms S Mulaudzi Protection Services. The parliamentary delegation participated in all three legs of the oversight visit, namely Durban Harbour/Port in KwaZulu-Natal, OR Tambo International Airport in Gauteng, and the Beitbridge Border Post in Musina, Limpopo.

Delegations from Attending Institutions

Durban Harbour/Port

2.12. At Durban Harbour/Port, the Committee was received by delegations from the South African Revenue Service, the Border Management Authority, Transnet National Ports Authority, Transnet Port Terminals, the South African Police Service, the National Regulator for Compulsory Specifications and private-sector stakeholders operating in the maritime and freight environment, including representatives of the Southern African Association of Freight Forwarders and the Container User Forum.

2.13. The South African Revenue Service delegation was led by the Deputy Commissioner, Dr Johnston Makhubu. He was accompanied by Director Customs Operations, Beyers Theron; Sea Modality Head, Mohamed Aly; Regional Director, Dan Zulu; Branch Manager Durban Harbour, Vischal Lalla; Customs MJOC, Barbara van Dyk; Comp Hub, Gugu Mthiyane and Saleem Rajah.

2.14. The Border Management Authority delegation was led by the Commissioner, Dr Mike Masiapato. He was accompanied by Regional Commander Deputy Assistant Commissioner, Ndivhuwo Luvhinvi; Commander Durban Port, Vanu Naidoo.

2.15. The South African Police Service delegation at Durban Harbour/Port was represented by Colonel Goerge Morey. He was accompanied by Brigadier Mel Newton, Brigadier CM Nyuswa, Brigadier I Ramoutar, Colonel GY Jacob, Colonel NZ Mzolo, Colonel Simon Matlou, Crime Intelligence, Lieutenant Colonel Lucas Nair.

2.16. The National Regulator for Compulsory Specifications delegation comprised Mr Thomas Madzivhe, Chief Operations Officer, and Mr Sudhir Singh, Acting Regional Manager.

2.17. The private-sector stakeholders who engaged with the Committee during the Durban leg included Ms Juanita Maree of the Southern African Association of Freight Forwarders and Ms Brenda Magqwaka of the Container User Forum.

2.18. Other institutions in attendance were Agriculture, Dr Trishanta Pillay; DOH Port Health, S Nkosi; DALRAD, Oupa Tshabalala; DFFE Sea Fisheries Acting Director, Fatima Savel; SAASOA, Peter Besnard; TPT: Managing Executive Durban Terminals, Earle Peters; Terminal Manager Durban Container Terminal Pier 1, Nopasika Selane; Head of Security Transnet Port Terminals, Desmond Antonio; Regional Security Manager Durban Terminals, Lucky Ndimande; Transnet, Pule Barileng.

OR Tambo International Airport

2.19. At OR Tambo International Airport, the Committee received delegations from the South African Revenue Service, the Border Management Authority, the Airports Company South Africa, the South African Police Service, the Directorate for Priority Crime Investigation, the South African Reserve Bank, the Financial Intelligence Centre and National Treasury.

2.20. The South African Revenue Service delegation was led by the Deputy Commissioner, Dr J Makhubu. Other SARS officials in attendance were Mr B Theron, Director: Customs Border Operations; Mr C Sinthumule, Head: Air Modality; Mr N Lethuka, Senior Manager; Mr P Louw, Customs Manager; Ms Z Mashombane, Acting Customs Manager; Mr M Mpitsa, Manager: Customs; Mr A Mhlongo, Customs Manager; Mr E Diamond, Customs Technical Manager; Mr F Khan, Regional Director: Gauteng; and Ms K Webster of Air Modality.

2.21. The Border Management Authority delegation was led by Major General D Chilembe, Deputy Commissioner. The BMA delegation further comprised Mr B Mkhabela, Assistant Commissioner; Dr T Nkhona, Regional Commander; Mr N Makey, Deputy Assistant Commissioner; Mr D Mokwena, Senior Commandant; Ms V King, Commandant; Ms L Monyela, Commandant; and Mr T Mnguni, Commandant.

2.22. The Airports Company South Africa delegation comprised Ms F Zwane, Assistant General Manager; Mr M Sempe, Group Manager: Airport and Physical Security; Mr N Dlamini, Security Manager; Mr V Naidoo, Safety; Ms A Ndlovu, Intern; and Mr K Sekwadi, Intern.

2.23. The South African Police Service and Directorate for Priority Crime Investigation delegation included Brigadier P T Klaas, Acting Provincial Head; Brigadier B Mdleleni, Section Head; Colonel P Zondi; Colonel J J Maswanganye; and K M Moodley of Crime Intelligence.

2.24. The South African Reserve Bank delegation comprised Mr L Molobi, Manager: Compliance and Enforcement, and Ms A Dheda, Manager: Compliance and Enforcement.

2.25. The Financial Intelligence Centre delegation comprised Ms P Naidoo, Specialist Legal Policy Adviser, and Ms C Arpin, Data Systems Manager.

2.26. High Care EMS, Mr Amahle Nkonyeni

2.27. National Treasury was represented by Ms C August, Parliamentary Liaison Officer, and Ms N Mahori, Parliamentary Liaison Officer.

Beitbridge Border Post

2.28. At Beitbridge Border Post, the Committee received delegations from the South African Revenue Service, the Border Management Authority, the South African Police Service, the Directorate for Priority Crime Investigation, the South African National Defence Force, the Cross-Border Road Transport Agency, the Department of Social Development, Musina Local Municipality and National Treasury.

2.29. The South African Revenue Service delegation was led by the Deputy Commissioner, Dr J Makhubu. The SARS delegation further comprised Mr B Theron, Director: Customs Border Operations; Ms M Ndou, Manager: Customs; Mr M Malindi, Manager: Customs; Mr S Kgomo, Manager: Customs; Mr D Mabolabola, Manager: Customs; and Ms M I Lagane, Acting Customs Manager.

2.30. The Border Management Authority delegation was led by Major General D Chilembe, Deputy Commissioner. The BMA delegation further comprised Mr B Mkhabela, Assistant Commissioner; Ms J Sibanyoni, Deputy Assistant Commissioner; Mr N Mdanganeni, Commandant; Mr T Mthembu, Manager: Corporate Support; Ms P Masindi, Assistant Manager: Health; Mr M R Monyela, Chief Border Guard; and Mr S Chauke.

2.31. The South African Police Service and Directorate for Priority Crime Investigation delegation included Brigadier T C Mkhabela, Provincial Head: Operations; Colonel S Nkwininka, Provincial Commander: Borders; Colonel M M Muenda, Station Commander: Musina; Captain R D Mashambe, Task Team Commander; S E Tsikelelle, Unit Commander: Beitbridge; M L Mufaro, Operational Commander: Beitbridge; Brigadier M van Staden, Operational Coordination; and Brigadier D C Alexander of the DPCI.

2.32. The South African National Defence Force was represented by Major L Phelane. The Cross-Border Road Transport Agency delegation comprised Ms J Meyer, Chief Financial Officer; Mr S Ditshego, Executive Manager; Mr E Mametja, Regional Manager; and Ms T Netshituni, Senior Manager: Stakeholder Relations. The Department of Social Development was represented by Ms N Themba, Probation Officer. Musina Local Municipality was represented by Ms P Demana, General Manager: Community Services, and Mr A Mutele, Manager: Traffic. National Treasury was represented by Ms C August and Ms N Mahori in their capacities as Parliamentary Liaison Officers.

3. PRESENTATIONS: DURBAN HARBOUR/PORT

South African Revenue Service (SARS)

3.1. The South African Revenue Service briefed the Committee on Customs and Excise Operations within the sea modality at Durban Harbour/Port. SARS indicated that its customs operations are governed by the Customs and Excise Act, 1964 (Act No. 91 of 1964), as well as other relevant legislation and policy instruments, and that its core mandate in the port environment is to collect revenue due, ensure compliance with customs and excise legislation, facilitate legitimate trade, and protect society from illicit activities.

3.2. SARS further stated that South Africa participates in international customs and trade facilitation frameworks through membership of the World Trade Organisation and the World Customs Organisation, which provide guidelines intended to harmonise customs procedures and inspections, including scanning, while maintaining the balance between trade facilitation and effective border control and security.

3.3. SARS reported that trade, in the previous year, through the Port of Durban recorded a 4.02 per cent increase in revenue collection, contributing 62.20 per cent, or R130.8 billion, of revenue collection within the sea modality and 49.02 per cent of national customs revenue.

3.4. SARS further reported that customs operations within the sea modality at Durban had a staff complement of 165 employees, and that the Durban customs branch and compliance hub formed part of a wider sea modality structure with 441 employees nationally. SARS indicated that the Durban branch itself had 127 staff in branch operations and 33 staff in the compliance hub, with the balance spread across other sea modality locations and head office support structures. SARS further noted that branch operations capacity had declined from 185 staff in 2017 to 127 staff in 2026, while compliance centre capacity had declined from 52 to 33 over the same period. It also stated that the 2026 branch complement included 11 general assistants. According to SARS, this decline in operational staffing has occurred in the context of growing complexity and volume in customs control functions.

3.5. SARS restated its organisational vision of building a smart modern SARS with unquestionable integrity, trusted and admired by government, the public and international peers. In this regard, SARS highlighted strategic objectives that included modernising systems through digital and streamlined online services, making it easier for taxpayers and traders to comply with their obligations, providing clarity and certainty regarding legal obligations, detecting non-compliance and making it hard and costly, developing a high-performing and agile workforce, expanding the use of data within a comprehensive knowledge management framework, and ensuring effective stewardship of resources. SARS linked these objectives directly to customs administration at ports of entry, particularly in relation to digitalisation, risk-based targeting and operational efficiency.

3.6. In relation to revenue performance, SARS distinguished between what it termed “business as usual” customs revenue and customs inspection revenue. SARS reported that Durban collected R164.5 billion in 2023/24, R164.1 billion in 2024/25 and R121.1 billion in 2025/26 in business-as-usual customs revenue, contributing 62.86 per cent, 60.70 per cent and 61.62 per cent respectively of sea modality revenue, and 48.59 per cent, 48.16 per cent and 48.49 per cent respectively of national customs business-as-usual revenue.

3.7. In respect of customs inspection revenue, SARS reported that Durban collected R140.5 million in 2023/24, R275.9 million in 2024/25 and R878.3 million in 2025/26, contributing 57.80 per cent, 69.72 per cent and 65.02 per cent respectively of sea modality inspection revenue, and 17.74 per cent, 21.53 per cent and 43.06 per cent respectively of national customs inspection revenue. SARS presented these figures to demonstrate the increasing importance of inspection-led interventions in customs revenue recovery.

Table 1: Durban Customs Revenue Performance by Category, 2023/24–2025/26

Financial year	Durban BAU customs revenue	Durban share of sea modality BAU revenue	Durban share of national customs BAU revenue	Durban customs inspection revenue	Durban share of sea modality inspection revenue	Durban share of national customs inspection revenue

2023/24	R164.5 billion	62.86%	48.59%	R140.5 million	57.80%	17.74%
2024/25	R164.1 billion	60.70%	48.16%	R275.9 million	69.72%	21.53%
2025/26	R121.1 billion	61.62%	48.49%	R878.3 million	65.02%	43.06%

Source: *South African Revenue Service (SARS)*

3.8. SARS further described its compliance and targeting model, explaining that customs enforcement is structured across strategic, tactical and operational levels. At strategic level, the model addresses whole-of-government and industry compliance approaches. At tactical level, the model addresses industry clusters and topical analysis. At operational level, the model is implemented through profiles, licensing controls, alerts, risk rules, scans, inspections, audits and investigations.

3.9. SARS stated that this model is supported by customs big data systems and an integrated risk engine which processes declarations, manifests and related trade data. SARS also explained that its customs operating model is premised on electronic, paperless processes; integrated risk management; trade segmentation; pre-clearance and post-clearance controls; and centralised processing of registration, risk assessment, customs assessment and audit functions.

3.10. In describing the operational context of Durban Harbour, SARS stated that the Port of Durban is managed by Transnet National Ports Authority, one of the six operating divisions of Transnet SOC Ltd, and functions as landlord of the national port system within the port precinct. SARS reported that the port covers a land surface of more than 8 square kilometres, has a 21-kilometre quayside boundary and a 26-kilometre outer port boundary, contains 58 berths of which 41 were operational at the time of presentation, 302 kilometres of railway track, one dry dock, multiple recreational facilities and yacht clubs, and the Cutler National Key Point Complex.

3.11. SARS further reported that the port operates on a 24-hour, 365-day basis and has 47 inner and outer perimeter gates. In addition, SARS indicated that approximately 2.7 million Twenty-Foot Equivalent Units were processed from January to December 2025, and that the port environment included 30 terminal operators, one transit shed, 38 depots, 320 warehouses, 20 463 importers, 7 597 exporters and 1 131 clearing agents authorised to provide customs services and secure cargo storage. The operational profile of the Port of Durban, as presented by SARS, is set out in Table 2 below (SARS, 2026a).

3.12. **Table 2: Operational Profile of the Port of Durban**

Indicator	Reported figure
Land surface area	More than 8 square kilometres
Quayside boundary	21 kilometres
Outer port boundary	26 kilometres

Total berths	58
Operational berths	41
Railway track	302 kilometres
Dry docks	1
Inner and outer perimeter gates	47
TEUs processed, January–December 2025	Approximately 2.7 million
Terminal operators	30
Transit sheds	1
Depots	38
Warehouses	320
Importers	20 463
Exporters	7 597
Clearing agents	1 131

Source: *South African Revenue Service (SARS).*

3.13. SARS further reported that from April to December 2025, a total of 21 013 292 declarations were submitted across all ports and processed by the risk engine, of which 638 995 related to Durban in respect of containerised cargo. Durban generated 37 163 alerts, representing 5.82 per cent of declarations processed, and these alerts led to inspections with a reported 42 per cent success rate based on adjustments made. SARS stated that turnaround times within the clearance process were reported at 30 hours in the Durban environment as against 38 hours in broader trade cycles. The declaration, alert and clearance performance figures presented by SARS are summarised in Table 3 below (SARS, 2026a).

Table 3: Durban Declaration, Alert and Clearance Performance, April–December 2025

Indicator	Reported figure
Total declarations processed across all ports	21 013 292
Durban declarations relating to containerised cargo	638 995
Alerts generated in Durban	37 163
Alerts as a share of Durban declarations	5.82%

Reported inspection success rate	42%
Durban clearance turnaround time	30 hours
Broader trade-cycle turnaround time	38 hours

Source: *South African Revenue Service (SARS).*

3.14. With regard to scanning operations, SARS reported that the number of containers scanned increased significantly between 2024/25 and 2025/26. In 2024/25, 2 134 containers were scanned, generating 820 suspect images, with R3 244 514.20 in cash revenue referred. In 2025/26, the number of containers scanned increased to 3 092, with 923 suspect images, generating R15 400 194.06 in cash revenue and R47 490 841.34 in protected revenue. These figures, as presented to the Committee, are reflected in Table 4 below.

Table 4: Durban Container Scanning Performance, 2024/25 and 2025/26

Financial year	Containers scanned	Suspect images generated	Cash revenue referred	Protected revenue
2024/25	2 134	820	R3 244 514.20	—
2025/26	3 092	923	R15 400 194.06	R47 490 841.34

Source: South African Revenue Service (SARS), 2026a.

3.15. SARS stated that the total number of containers scanned had therefore increased by 44.89 per cent compared with the same period in the preceding year, while the associated cash revenue referred had increased by more than 300 per cent. SARS presented these figures as evidence of the increasing significance of non-intrusive inspection capability in customs enforcement and revenue protection at the Port of Durban.

3.16. SARS further noted that the World Customs Organisation recommends the selective use of non-intrusive inspection technologies on the basis of risk assessment, rather than routine or universal scanning, except where heightened risk or specific intelligence exists. In this regard, SARS linked scanner utilisation to its broader risk-based compliance and targeting model, under which technology is used to support enforcement against high-risk consignments while facilitating the movement of compliant trade.

3.17. SARS further reported that enforcement actions implemented within the sea modality yielded 4 369 successes with cash revenue of R1.35 billion, while Durban alone accounted for 2 276 of those successes with cash revenue of R878 million. SARS presented these figures to demonstrate the scale of enforcement-driven revenue recovery attributable to customs interventions at the Port of Durban. SARS also referred to several significant cases finalised in Durban, including cases involving unmarked kerosene warehoused in an incorrect warehouse, which yielded cash revenue of R177.2 million and R149.8 million respectively; cases involving uncleared gasoil, which yielded R123.9 million, R105.7 million and R90.6 million respectively; value-added tax on fuel for a charter vessel, which yielded R37.5 million; and value-added tax on services rendered in South African waters by a charter vessel, which yielded R35.08 million. These cases were presented by SARS as examples of the substantial revenue implications of customs enforcement action in the sea modality.

Table 5: Selected Significant Customs Enforcement Cases Finalised in Durban

Case description	Revenue recovered
Unmarked kerosene warehoused in incorrect warehouse	R177.2 million
Unmarked kerosene warehoused in incorrect warehouse	R149.8 million
Uncleared gasoil	R123.9 million
Uncleared gasoil	R105.7 million
Uncleared gasoil	R90.6 million
VAT on fuel for a charter vessel	R37.5 million
VAT on services rendered in South African waters by a charter vessel	R35.08 million

Source: *South African Revenue Service (SARS).*

3.18. In relation to seizures, SARS reported that enforcement actions implemented within the sea modality resulted in 100 seizures completed with a protected value of R551.6 million, while Durban alone finalised 62 seizures with a protected value of R423 637 447.99. SARS further noted that, from the 2022/23 financial year to the 2025/26 financial year, Durban had recorded 233 seizures with a cumulative value of approximately R1.97 billion. The seizure profile presented to the Committee covered a range of prohibited, restricted and counterfeit goods, including medicaments, narcotics, cigarettes, tobacco, counterfeit clothing, counterfeit footwear, counterfeit miscellaneous goods, alcohol and miscellaneous contraband.

3.19. SARS provided a category-based breakdown of the 62 Durban seizures recorded in the 2025/26 financial year to date. These included one seizure of medicaments valued at R12 485 066; two narcotics seizures involving a combined weight of 55 kilograms and valued at R121 250 000; four cigarette seizures involving 1 455 230 sticks and valued at R3 370 302; one tobacco seizure valued at R1 169 851; four clothing and textile seizures valued at R716 042; three counterfeit clothing seizures involving 67 357 pieces and valued at R73 478 230; two counterfeit footwear seizures involving 38 794 items and valued at R44 993 682; seven counterfeit miscellaneous seizures valued at R35 605 995; eleven alcohol seizures involving 108 199 litres and valued at R35 540 580; and twenty-seven miscellaneous seizures valued at R95 027 701. SARS indicated that the aggregate value of these seizures amounted to R423 637 447.99.

Table 6: Durban Seizures by Category, 2025/26 Financial Year to Date

Seizure type	Number of seizures	Weight/quantity	Value
Medicaments	1	N/A	R12 485 066
Narcotics	2	55 kg	R121 250 000
Cigarettes	4	1 455 230 sticks	R3 370 302
Tobacco	1	N/A	R1 169 851
Clothing and textiles	4	N/A	R716 042
Counterfeit clothing	3	67 357 pieces	R73 478 230
Counterfeit footwear	2	38 794 items	R44 993 682
Counterfeit other	7	N/A	R35 605 995
Alcohol	11	108 199 litres	R35 540 580
Miscellaneous	27	N/A	R95 027 701
Total	**62**	—	**R423 637 447.99**

Source: *South African Revenue Service*

3.20. In addition to the aggregated seizure categories, SARS highlighted several significant illicit-goods cases detected in the Durban environment. These included the seizure of 30 bricks of cocaine valued at R65 million, the seizure of 25 bricks of cocaine valued at R56.2 million, a counterfeit clothing case valued at R49.9 million, another counterfeit clothing case valued at R26.7 million, and a counterfeit perfumes case valued at R18.5 million. SARS also reported that 286 cases, with a combined value of R1.7 billion, had been handed over to other government agencies for further action. These figures were presented to demonstrate the link between customs interdiction, criminal enforcement and inter-agency cooperation in the port environment.

Table 7: Selected Significant Illicit-Goods Cases Highlighted by SARS

Case description	Value
30 bricks of cocaine	R65 million
25 bricks of cocaine	R56.2 million
Counterfeit clothing	R49.9 million
Counterfeit clothing	R26.7 million
Counterfeit perfumes	R18.5 million

Cases handed over to other government agencies	R1.7 billion

Source: *South African Revenue Service (SARS),*

3.21. SARS presented these enforcement and seizure figures to illustrate the scale of customs risk exposure and the importance of inspection-led interventions, targeted scanning and inter-agency handovers in protecting revenue and intercepting illicit goods at the Port of Durban. The Committee was accordingly furnished with both revenue-recovery data and protected-value data in order to appreciate the broader impact of customs controls beyond direct revenue collection alone (SARS, 2026a).

3.22. SARS also presented details on its specialised operational units at Durban. It described the marine unit as comprising the vessels *Ihawu*, an 8.9 metre speedboat, *Striker*, a 6.8 metre speedboat, and *Umkhonto*, a 5 metre rubber duck. SARS stated that the marine unit's functions include vessel patrols in the inner and outer port areas, vessel engagements, interventions and rummages, off-port-limit inspections, inspections of local and foreign yachts, inspections of fishing vessels and trawlers, monitoring, tracking and coordinating high-risk cargo movements, and conducting joint operations with SARS business units and other organs of state. SARS further stated that the marine unit performs port visibility patrols and provides operational support in the broader customs enforcement environment.

3.23. SARS also described the Detector Dog Unit as having five handlers and four dogs. According to SARS, the Detector Dog Unit undertakes passenger liner processing, vessel interventions, container and conveyance searches and inspections, gate checks, roadblocks, cargo depot operations, joint and intelligence-driven operations, local and foreign yacht control, warehouse and storage facility inspections, specialised operational support and other visibility functions in support of customs enforcement.

3.24. On modernisation, SARS outlined its "SMART Border" objectives, which it described as a model in which customs and other government agencies would increasingly operate from pre-arrival or off-site facilities, while the border facility itself becomes a gateway at which only exceptions are dealt with. SARS stated that the objective is to implement fully automated border processes, optimise flow through ports, maximise compliant trade, move skilled resources to core facilities, leverage centralised online technology, and provide secure technology platforms through tools such as smart seals, tablets, body cameras, in-line smart X-ray scanners, MS Teams and closed-circuit television systems.

3.25. SARS further stated that these tools are intended to support frontline work, strengthen discipline, provide an on-the-spot centralised knowledge pool to remote officers, extend technology-assisted coverage to high-risk areas and focus scarce human resources on vital hot spots. SARS identified key initiatives currently in progress as including a single-window online trader portal, a single inspection workflow for applicable government agencies, connectivity enhancements, e-commerce enabling legislation, simplified declarations and clearance, and smart border technologies involving high-risk cargo tracking through smart seals and telematics, as well as centralised artificial intelligence-supported analysis.

3.26. In relation to risks, constraints and mitigation measures, SARS reported that the Durban environment is affected by personnel shortages linked to an ageing workforce, retirements, sick leave, dismissals and resignations, with vacancies not being filled. SARS stated that this has resulted in increased workloads for remaining staff and has constrained operational capacity. It further referred to limited resources available to support operations and to ensure that risk mitigation is optimally capacitated.

3.27. SARS also identified the need for spectrum analysis machines, in-line scanners and fit-for-purpose tools such as a new customs boat specified to local office needs. In addition, SARS referred to dependence on third-party industry specialists and stressed the importance of effective chain-of-evidence management. SARS indicated that the acquisition of additional technology and operational tools, together with the implementation of the single-window inspection workflow in collaboration with the Border Management Authority, forms part of its response to these constraints.

Border Management Authority (BMA)

3.28. The Border Management Authority briefed the Committee on the operational environment at the Port of Durban within the framework of the Border Management Authority Act, 2020 (Act No. 2 of 2020). The BMA stated that its mandate is to facilitate and manage the legitimate movement of persons within the border law enforcement area and at ports of entry, facilitate and manage the legitimate movement of goods within the border law enforcement area and at ports of entry, and cooperate and coordinate its border law enforcement functions with other organs of state, border communities and other persons. The BMA further indicated that the Act provides for collaborative work through implementation protocols with the South African National Defence Force, the South African Police Service and the South African Revenue Service.

3.29. In setting out the operational context of the Port of Durban, the Border Management Authority reported that Durban Harbour is the largest and busiest shipping terminal in sub-Saharan Africa and one of the largest and busiest container terminals in the southern hemisphere. The BMA stated that the port handles substantial cargo and passenger volumes on a continuous 24-hour, 365-day basis, and provided a detailed operational profile of the harbour, as set out in Table 8 below.

Table 8: Operational Profile of Durban Harbour as Presented by the Border Management Authority

Indicator	Reported figure
Cargo handled annually	Up to 31.4 million tons
Operating schedule	24 hours a day, 365 days a year
Berths	58
Terminal operators	20
Access points	At least 36
TEU containers processed annually	At least 2.6 million

Average TEUs processed per month	216 666
Average TEUs processed per day	7 222
Other cargo handled annually	Over 30 million tons
Vessels entering and departing annually	At least 4 500
Quayside length	21 kilometres
National key points facilitated	2
South African travellers	80%
Travellers from other SADC countries	15%
Travellers from Europe and Asia	5%

Source: Border Management Authority

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3.30. The BMA explained that the port environment accommodates a wide range of public entities with distinct mandates. According to the BMA, its own functions include immigration control, verification of travel documents and prevention of illegal entry; public health functions involving the screening of travellers, inspection of vessels and monitoring for communicable diseases; and agricultural and veterinary functions directed at preventing the movement of agricultural pests and diseases through the inspection of imports and exports of plants, animals and food products.

3.31. The BMA stated that Transnet National Ports Authority is responsible for port infrastructure, marine operations and navigation safety; that the South African Police Service provides law enforcement, crime prevention and investigation services; that SARS Customs controls import and export compliance, collects customs duties and taxes and prevents smuggling; that Transnet Port Terminals operates cargo terminals handling containers, bulk and break-bulk cargo; that Metro Police enforces municipal by-laws and traffic control and supports SAPS in maintaining order; that the South African National Defence Force provides national security support in emergency or defence-related cargo operations; and that the State Security Agency provides intelligence and counter-intelligence support relating to national security threats, espionage, terrorism and organised crime in the port environment.

3.32. The BMA also presented site-specific process flows for its core functional streams. In relation to port health, the BMA explained that a pratique application is received from the master of the ship or the shipping agent by email 48 to 72 hours before docking, whereafter the information is captured on a spreadsheet to generate a shipping list and a response is issued. The vessel is then risk assessed. If no concerns arise, pratique is granted and, once the port control notifies docking, health officials board the vessel, inspect documents and may collect samples at their discretion before allowing discharge or offloading. If health risks are identified, the vessel is placed under quarantine in a designated quarantine area and inspected first by health specialists, with a medical doctor involved where communicable disease risks arise. The BMA indicated that food and water samples may be collected on an ad hoc basis and that a ship sanitation exemption certificate is issued where required.

3.33. In relation to immigration controls, the BMA explained that immigration is notified by port control or the shipping agent, whereafter officers leave the office to attend to the cargo vessel, yacht or other vessel concerned. The inward clearance process requires that crew lists, seamen's lists and passenger lists be available, and that passports and visas be authentic and valid. Border guards and inspectorate officers search the vessel, and approval to discharge cargo is granted only if these requirements are satisfied, after which crew members and passengers may disembark and enter the main building for admission into the Republic. The BMA further indicated that, before departure, immigration officers are notified within four hours of the intention to sail and board the vessel again to verify that crew, passengers and any stowaways are on board as reflected on the lists. If passports, visas or lists are missing or invalid, or stowaways are found or declared, entry is refused and stowaways are required to remain on board and sail to the next port of call for processing. The BMA added that arrested or hospitalised crew members or passengers who are left behind are monitored by inspectorate officials and later deported.

3.34. The BMA also described the process for agriculture, veterinary and health-related consignments. It stated that these functions are triggered when port control, shipping agents or customs detain consignments for BMA processing. Documents are first verified for authenticity and validity. If compliant, the consignment may be released or extended detention issued, followed by a removal permit to the shipping line and movement of the consignment to a warehouse or cold store. An application for inspection is then received and allocated to an inspector. If the consignment complies with import requirements after inspection, release is granted. If it does not comply, treatment, refusal of entry or destruction may follow. Where documents are not initially compliant, they must be corrected before the process can continue.

3.35. The BMA then addressed average clearance and processing times in the port environment. It reported that the time required varies significantly depending on the nature of the process, the relevant control stream and whether additional health, agricultural or documentary interventions are required. The processing times presented to the Committee are reflected in Table 9 below.

Table 9: Average Clearance and Processing Times Reported by the Border Management Authority at Durban Harbour

Process	Reported time
Immigration process on EMCS	2 minutes per traveller
Immigration process on BMCS	5 minutes per traveller
Processing of free pratique clearance	Up to 4 minutes
BMA Health clearance of ship	15–30 minutes
Renewal of ship sanitation control exemption certificate	1–4 hours

Extension of ship sanitation control exemption certificate	1–2 hours
Processing of imported cargo detained by SARS for BMA Health	1–2 weeks
Processing of imported cargo detained by SARS for BMA Agriculture	4–5 days
Further process beyond physical inspection for BMA Agriculture	Up to 10 days

Source: *Border Management Authority.*

3.36. In relation to joint operational structures, the BMA reported that the Port Management Committee, the Local Sea Port Core Command, the Maritime Security Committee and the Point Business Forum are the principal joint operations structures at the port. It stated that each stakeholder conducts operations daily in accordance with its mandate and that joint operational plans are developed and used particularly during the cruise-liner season. The BMA reported, however, that there was no standard operating procedure for joint operations at the time of the presentation, although it was in the process of finalising the joint operation framework.

3.37. The BMA also addressed technology availability and system uptime. It stated that the Biometric Movement Control System is problematic and requires constant maintenance, and that the Enhanced Movement Control System had already been phased out. It further referred to the use of E-Cert, the electronic system of the Department of Agriculture for processing applications, and to the use of the population register and a provincial WhatsApp group comprising law enforcement stakeholders. The BMA indicated that one of the practical difficulties experienced in periods of load-shedding was the absence of a generator, which created operational downtime challenges.

3.38. In relation to inter-agency escalation pathways, the BMA stated that it is a recognised global standard that every traveller, whether entering or leaving a country, should present himself or herself to the local immigration authority and customs officials for clearance. It explained that contraventions emerging from this process are escalated to the appropriate port authority or role player and that, at the Port of Durban, escalation between agencies is a daily routine exercise. The BMA stated that intercepted travellers with questionable documents detected by Transnet National Ports Authority, SAPS, Crime Intelligence or Customs are referred to BMA officers for verification and thereafter to SAPS for detention and further investigation.

3.39. It further stated that goods intercepted by any entity on arrival are escalated to customs for clearance or recording, after which the mandated authority processes the matter according to its competence, such as Customs in relation to counterfeit goods, SAPS in relation to drugs, and the BMA in relation to regulated goods. The BMA added that SAPS takes the lead on most investigations at port level, unless the crime is of an organised nature and value sufficient to activate the Directorate for Priority Crime Investigation, while maritime security incidents and all incidents in the Port of Durban precinct are reported to Transnet National Ports Authority. It further stated that operational matters are tabled at Local Sea Port Core Command, Port Management Committee and Joint Operations Centre meetings, and that unresolved matters are escalated to the Border Security Operations Committee or PROVJOINTS, while each department also escalates matters through its own reporting protocols.

3.40. The BMA identified a number of site-specific risks and corresponding mitigation measures. It reported that corruption and collusion remain a risk and stated that these are addressed through employee vetting, rotation of staff with long service, lifestyle audits and awareness campaigns. It further reported that infrastructure does not fully support operations and that a joint operational centre is needed, together with upgraded detection technology and additional scanners for the seven gates. The BMA stated that it had entered into a lease with Transnet National Ports Authority and would develop a weighbridge at Langeberg as an inspection facility.

3.41. The BMA also identified limited staff capacity in some areas, which it indicated would be addressed through training and the recruitment of more personnel. In relation to smuggling of illicit goods such as drugs, medicines and CITES-related goods, the BMA stated that the Port Management Committee coordinates with other role players and that there is a delineation of functions. It further reported that stowaways are not permitted to disembark in the Republic and are required to sail to the next port of call for deportation processing. The BMA added that trespassers are apprehended, prosecuted and deported, and that limited detection capacity, including in relation to detector dogs and laboratory services, would be addressed by training K9 capacity from other BMA entities to detect contraband and currency.

3.42. The BMA further reported that inadequate human resources have resulted in backlogs in specialised agriculture and health functions and stated that shifts would be introduced in agriculture, that the region had requested interns and community service officials, that the BMA had approached the Durban University of Technology and would finalise a memorandum of understanding, and that it had also entered into agreements with the meat import industry and Mediterranean Shipping Company. Finally, the BMA identified fragmented inspection and search operations as a challenge and indicated that one search area should be established where all law enforcement entities can co-locate.

Transnet National Ports Authority and Transnet Port Terminals

3.43. Transnet Port Terminals briefed the Committee on the operational profile of Durban terminals and the turnaround strategy being pursued in January 2026. The presentation covered terminal categories, throughput profile and installed capacities across the container, multi-purpose, bulk and automotive environments. The capacities and volumes presented by Transnet are set out in Table 10 below.

Table 10: Durban Terminal Capacities and Throughput Profile Presented by Transnet Port Terminals

Terminal / facility	Reported capacity / volume
Container terminal	700 000 TEUs per annum
Multi-purpose terminal	1.5 million tons per annum
Bulk terminal	1.5 million tons per annum

Automotive terminal	650 000 fully built units per annum
Point multi-purpose terminal	230 000 TEUs and 250 000 tons per annum
Agricultural bulk capacity	1.4 million tonnes per annum
Break-bulk capacity	1.1 million tonnes per annum
Automotive terminal installed capacity	520 000 fully built units
Automotive terminal road capacity	462 road trucks per 24 hours
Automotive terminal rail capacity	5 long-haul and 2 short-haul trains per 24 hours

Source: *Transnet Port Terminals.*

3.44. In relation to major projects and equipment interventions, Transnet reported that a number of replacement and procurement programmes had already been implemented or were under way in order to improve terminal reliability, equipment availability and turnaround performance. These interventions included major crane and RTG replacement programmes as well as short-term purchases of haulers, reach stackers, empty container handlers and forklifts. The specific projects and their reported status are reflected in Table 11 below.

Table 11: Major Projects and Equipment Rollout Reported by Transnet Port Terminals

Project / equipment	Reported status
Pier 1 RTG replacement	All 9 RTGs operational
Additional RTGs	11 expected operational by May 2026
Pier 2 South Quay STS crane replacement	First batch components arrived 22 April 2025; second batch arrived 26 May 2025; commissioning scheduled for October and November 2025
Pier 2 straddle carrier replacement	20 straddle carriers operational
Pier 1 haulers	23 delivered
Pier 2 haulers	20 delivered
Pier 1 reach stacker	1 delivered
Durban Point MPT reach stackers	3 delivered plus 1 additional delivered

Empty container handlers for Piers 1 and 2	2 delivered
Pier 2 reach stackers	2 delivered
Pier 2 forklifts	3 x 16-ton forklifts delivered
Additional RTGs for 2026/27	7 planned
Liebherr cranes for 2028/29	6 planned

Source: *Transnet Port Terminals, 2026.*

3.45. Transnet also presented selected terminal performance indicators for Pier 1 and the automotive terminal. These performance indicators, which covered throughput, productivity and turnaround measures, are reflected in Table 12 below.

Table 12: Selected Performance Indicators Reported by Transnet Port Terminals

Indicator	Pier 1 container terminal	Automotive terminal
Volume	728 096 TEUs	547 831 units
Gross crane hours / units per hour	18 GCH	151 units per hour
Ship working hours	36	73
Truck turnaround time	92	—
Road truck average turnaround time	4	4 hours
Export dwell time	—	4 days
Year-to-date GCH	18.5	—
Year-to-date ship working hours	41	—
Year-to-date truck turnaround time	77	—
Year-to-date road truck average turnaround time	2.8	—

Source: *Transnet Port Terminals.*

National Regulator for Compulsory Specifications (NRCS)

3.46. The National Regulator for Compulsory Specifications briefed the Committee on its legal mandate, regulated industries and port-of-entry role. The NRCS stated that its mandate is derived from the National Regulator for Compulsory Specifications Act, 2008 (Act No. 5 of 2008) as amended, the Legal Metrology Act, 2014 (Act No. 9 of 2014), the National Road

Traffic Act, 1996 (Act No. 93 of 1996) as amended, the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977), and the Foodstuffs, Cosmetics and Disinfectants Act, 1972 (Act No. 54 of 1972). It stated that its mandate is to protect public health and safety, safeguard the environment and facilitate fair trade through the administration, maintenance and enforcement of compulsory specifications and technical regulations.

3.47. The NRCS informed the Committee that the industries it regulates span a number of sectors and include both imported and domestically produced goods. The regulated sectors and examples of products and services identified in the presentation are set out in Table 13 below.

Table 13: Regulated Industries and Scope of Regulation Reported by NCRS

Industry sector	Examples of products / services regulated
Automotive	Motor vehicles, trailers, tyres, brake shoes, brake fluid, lighting
Chemicals, materials and mechanicals	Cement, chemicals, detergents, PPE, safety shoes, treated timber, plastic bags
Electro-technical	Electrical and electronic appliances and products, power cables and accessories, energy efficiency apparatus
Food and associated industries	Processed meat, canned meat, canned fish, frozen fish products
Legal metrology	Inspection and sampling of products sold by weight, length, volume or count; calibration of measuring instruments and gaming equipment
Building regulations	Uniform interpretation of the National Building Regulations and Building Standards Act

Source: *National Regulator for Compulsory Specifications*.

3.48. The NRCS further stated that it is active at all seaports and at the City Deep Inland Port, and that it collaborates closely with the Border Management Authority, Customs and SAPS in the port-of-entry environment. It indicated that its port-of-entry role includes dealing with regulated products entering the Republic, interacting with border authorities on detained consignments and ensuring that non-compliant products do not enter the domestic market.

South African Police Service (SAPS)

3.49. The South African Police Service also briefed the Committee on its role in the Port of Durban environment. The presentation was delivered by Colonel Maurie, who outlined SAPS's general law-enforcement mandate and its specific border-control functions within the port. SAPS indicated that its focus in the port environment includes the detection and interdiction of narcotics, illicit and counterfeit goods, and other forms of non-compliance associated with cargo movement through the harbour. SAPS further explained that the K9 unit constitutes one of its primary operational tools in the detection of contraband and that import-permit inspections are used as part of efforts to address unlawful and illicit goods entering through the port.

3.50. SAPS reported significant resource constraints in the Durban port environment. It stated that it had 206 officers to monitor cargo entry at the Port of Durban, of whom 36 members were deployed at the naval base. SAPS indicated that, after these deployments, only 48 members remained available for administrative support services. The Committee was informed that these limitations affect the overall policing and enforcement footprint available within the harbour environment, particularly given the scale of cargo movement, the number of access points and the breadth of criminal risks associated with maritime trade.

3.51. SAPS further stated that the Directorate for Priority Crime Investigation oversees dockets relating to narcotics and counterfeit goods arising from the port environment. It also indicated that the National Regulator for Compulsory Specifications is active at seaports and at the City Deep Inland Port in relation to illicit and non-compliant goods. In addition, SAPS noted that the Port of Durban is a no-fly zone, a consideration of relevance to both security operations and unauthorised aerial activity in the port precinct.

3.52. The SAPS presentation, read together with the wider Durban briefings, underscored that policing in the harbour environment is not exercised in isolation, but in conjunction with customs, border management and port authorities. In this regard, SAPS's port role forms part of a wider inter-agency framework directed at the interdiction of narcotics, counterfeit and other regulated goods, investigation of offences arising from cargo and traveller movements, and support to enforcement processes where cases escalate beyond routine customs non-compliance into criminal investigation.

Private Sector Stakeholder Presentation: Southern African Association of Freight Forwarders (SAAFF) and Container User Forum (CUF)

3.53. The Committee also received a joint presentation from the Southern African Association of Freight Forwarders (SAAFF) and the Container User Forum (CUF), delivered by Ms Juanita Maree and Ms Brenda Magqwaka, which provided a private-sector perspective on supply chain risk profiling within the port and logistics environment. The presentation was framed as a "Risk Profiling Overview" and formed part of the Committee's engagement on the operational and systemic risks associated with cross-border trade and logistics flows.

3.54. The presentation identified supply chain risk as a multi-dimensional phenomenon arising across the full logistics continuum, rather than being confined to the point of entry. The Committee was informed that key risk categories include smuggling, misdeclaration, undervaluation, counterfeit goods, round-tripping, ad valorem manipulation, removal in bond and removal in transit, as well as broader security and safety risks. These risks were presented as interconnected and occurring at different stages of the supply chain, requiring integrated profiling and targeting rather than isolated inspection interventions.

3.55. In explaining the structural complexity of supply chains, the presenters indicated that between 10 and 40 role players may be involved in a single shipment, spanning multiple layers of activity including regulatory, entity-level, transactional and physical movement components. It was further stated that a typical shipment may involve approximately 45 discrete process steps, with numerous touchpoints and physical handovers across shippers, customs authorities, port operators, road and rail transporters, storage facilities and final consignees. The Committee was informed that this complexity significantly increases the risk surface for non-compliance, fraud and illicit activity, particularly where visibility and coordination across these layers are limited.

3.56. The presentation further emphasised that advanced data analytics is no longer optional in managing modern supply chain risks. It was stated that the scale, velocity and fragmentation of logistics processes require real-time data integration, profiling and risk targeting capabilities in order to identify anomalies, detect non-compliance and support enforcement interventions. In this regard, the presenters highlighted that risk may arise at multiple stages, including pre-loading, during supply chain movement, at the point of customs declaration and through post-facto audit processes, each of which requires distinct but coordinated control mechanisms.

3.57. The Committee was further informed that supply chain risk must be understood across a series of interconnected operational nodes, including supplier activity, container stuffing, origin clearance, shipment, destination pre-clearance, port release, transportation, importation and post-clearance audit. Each of these nodes presents specific risk indicators, including origin and destination declaration mismatches, entity-level compliance risks such as Authorised Economic Operator status, transaction-level risks such as valuation and tariff classification, pre-shipment loading risks, behavioural risk patterns, structured trade risks and broader financial risks associated with the operating environment.

3.58. The presenters also introduced a "multi-layered see-through glass model" for supply chain governance, which conceptualises the supply chain as comprising interdependent regulatory, entity, transaction and logistics layers. The Committee was informed that effective risk identification and mitigation require transparency, shared accountability, real-time monitoring of key performance indicators and coordinated information flows across these layers. It was further emphasised that the logistics network constitutes the core of the supply chain and that its performance is fundamentally determined by time, cost and service reliability considerations.

3.59. In concluding their presentation, the private-sector stakeholders emphasised that effective supply chain governance requires coordinated intervention across all stages of the logistics process, supported by data-driven risk profiling, improved compliance frameworks and strengthened enforcement capability. The Committee was informed that improved prosecution outcomes, higher detection or "hit rates" and increased compliance levels are key indicators of an effective system, and that these outcomes depend on the ability of institutions such as SARS, the Border Management Authority and other enforcement agencies to operate within an integrated, intelligence-driven framework rather than through fragmented interventions.

Site Inspection at Durban Harbour/Port

3.60. Following the formal presentations, the Committee undertook a site inspection within the Port of Durban in order to observe the operational environment first-hand and to relate the issues raised in the presentations to actual conditions at the port. The site visit formed an integral part of the oversight process and enabled Members to assess the functioning of customs screening, inter-agency coordination and infrastructure constraints in the harbour environment.

3.61. During the site inspection, the Committee visited the customs container screening area. Members accessed the harbour by boat, while parliamentary support staff travelled by road together with officials from the Border Management Authority and the South African Revenue Service. The inspection provided the Committee with an opportunity to observe the physical layout of the harbour, the movement of cargo within the port precinct, and the operational conditions under which customs and border-control functions are exercised.

3.62. The Committee was shown a demonstration of cargo screening in which suspicious cargo was identified and scanned. Officials explained the scanner image display and showed how the contents of cargo are highlighted in different shades in order to support risk-based assessment and inspection decisions. The cargo that had been isolated for examination was subsequently physically inspected after being set aside, and the Committee was informed that it was not vehicle transmitters as it had been declared to be. This demonstration illustrated the role of non-intrusive inspection technology in detecting discrepancies between declarations and the actual contents of consignments.

3.63. The site inspection also reinforced concerns already raised during the presentations regarding scanner constraints and throughput pressures. In particular, the Committee was able to appreciate the operational significance of scanner availability in a high-volume cargo environment and the extent to which limited scanning capacity affects the ability of the South African Revenue Service and the Border Management Authority to conduct thorough inspections while maintaining trade flow. The site visit therefore served to corroborate the evidence presented during the formal briefings on the role of scanning technology, risk targeting and coordinated enforcement in the port environment.

Deliberations

3.64. During deliberations at Durban Harbour/Port, Members of the Committee raised a number of issues relating to illicit trade, customs enforcement, infrastructure adequacy, inter-agency coordination and the operational constraints affecting the effectiveness of the South African Revenue Service, the Border Management Authority and other enforcement agencies operating in the port environment. Members were particularly concerned with the extent of the fiscal loss associated with illicit trade and asked what the estimated loss of revenue to the fiscus was as a result of illicit trade and customs non-compliance. Members also sought clarity on the broader cost of failing to stop illicit trade, both in relation to revenue leakage and in relation to the wider economic effects on lawful business activity.

3.65. A further area of concern related to human resource capacity and the ability of the authorities to fulfil their mandates under conditions of understaffing. Members asked how the Committee could assist in addressing the shortage of personnel and questioned how an understaffed Border Management Authority and other agencies were expected to function effectively within a high-volume port environment.

3.66. Related to this, Members also asked how often border control officers are rotated to other ports of entry and what measures were in place to guard against familiarity, collusion and corruption among officials operating in the same environment over long periods.

3.67. Members also focused on the adequacy and resilience of the technology deployed at the port. They asked how the Border Management Authority had managed to operate scanners during the height of load-shedding, given the dependence of these systems on electricity. Members further questioned how the shortage of scanners was being managed, how many scanners had been procured during the current financial year, and whether the limited number of scanners was contributing to congestion in the processing of goods entering the port.

3.68. Members also asked how effective the use of drones had been in monitoring activities in and around the port environment and whether drones formed a meaningful part of the broader detection and surveillance capability.

3.69. The Committee further raised concerns regarding corruption, whistleblower protection and organised criminal activity. Members asked what measures were in place to address officials involved in corrupt activities and whether adequate protection existed for whistleblowers who expose misconduct among colleagues.

3.70. Members also asked what steps were being taken to deal with the proliferation of illicit drugs and how the authorities were responding to organised criminal activity at ports of entry, particularly where border control officers may encounter heavily armed criminals. In this regard, Members also questioned how the Border Management Authority deals with the reality that its officers do not carry weapons while operating in high-risk environments.

3.71. In addition, Members interrogated the legislative and policy framework underpinning enforcement. Questions were raised as to whether existing legislation was sufficient to deal effectively with illicit trade and customs fraud, and whether there were gaps that required amendment. Members referred specifically to illicit cigarette flows and noted the reported impact of illicit trade on domestic manufacturing, including the reported closure of British American Tobacco South Africa's manufacturing operations in Gauteng. They asked whether track-and-trace measures were in place and queried how SARS could have detected only a limited value of illicit cigarettes in circumstances where illicit tobacco trade was having major economic consequences.

3.72. Members also turned to congestion and port performance. They referred to the widely reported underperformance and congestion at Durban Harbour and asked what plans were in place to address this situation and prevent recurrence. Related questions were posed regarding how the National Ports Authority intended to respond to these operational pressures, and how the various agencies were collaborating to utilise limited resources more effectively in joint operations.

Responses

3.73. In response, SARS indicated that disciplinary action had been taken against customs officials and that quarter-to-quarter figures in this regard would be provided. SARS further stated that value-added tax is monitored in real time. In relation to illicit cigarettes, SARS responded that the pressures on cigarette manufacturing were not attributable only to illicit market activity, but were also influenced by changing consumption patterns, including vaping, and that legislative intervention in this area would be relevant over the longer term. SARS also stated that track-and-trace technology is useful only where it is supported by sufficient human capacity.

3.74. In response to questions on the K9 unit, it was explained that regulation of detector dogs is stringent and that dogs cannot simply be moved arbitrarily from one functional area to another without retraining. The entities further indicated that resources could be shared in respect of scanning operations and that partnerships with private-sector stakeholders had at times been utilised, including in relation to overtime work undertaken over weekends.

3.75. The Committee was also informed that there was a shortage of drones and that drones, like body cameras, are costly to acquire, with further procurement therefore being necessary if these tools are to play a larger operational role.

3.76. In relation to immigration pressures and broader legislative constraints, the entities indicated that asylum-seeking processes are being abused by economic migrants and that the relevant legislative framework requires review. The Committee was informed that a white paper process was under way in this regard. It was further emphasised that integrated border management remains a legal and operational imperative, and that coordination among all role players at ports of entry, including cooperation with neighbouring countries and other external stakeholders, is essential if enforcement and facilitation objectives are to be achieved simultaneously.

3.77. The deliberations at Durban Harbour/Port therefore reflected a sustained concern by Members with the practical implications of scanner shortages, personnel constraints, inter-agency fragmentation, illicit trade, corruption risks and legislative sufficiency, as well as the need to improve the effectiveness of enforcement while preserving the smooth flow of compliant trade through the port.

4. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS: DURBAN HARBOUR/PORT

4.1. The Committee observes that the Port of Durban remains a critical revenue and enforcement node within the national customs system, contributing approximately 49.02 per cent of national customs revenue and more than 62 per cent of sea modality revenue, with business-as-usual customs revenue exceeding R160 billion in both 2023/24 and 2024/25. The Committee further observes that, notwithstanding the decline to R121.1 billion in 2025/26, Durban remains the dominant contributor within the sea modality. The Committee therefore recommends that the South African Revenue Service and National Treasury continue to prioritise Durban as a strategic customs and enforcement gateway in resource allocation, operational planning and modernisation initiatives.

4.2. The Committee observes a significant and accelerating reliance on inspection-led enforcement as a source of revenue recovery, as reflected in the increase in customs inspection revenue from R140.5 million in 2023/24 to R878.3 million in 2025/26, and the increase in Durban's share of national customs inspection revenue from 17.74 per cent to 43.06 per cent over the same period. The Committee accordingly recommends that the South African Revenue Service strengthen its inspection-led enforcement capability through sustained investment in risk-based targeting, customs intelligence and inspection technology, while ensuring that these measures are aligned to trade facilitation objectives.

4.3. The Committee observes that the scale and complexity of operations at the Port of Durban, including the processing of approximately 2.7 million TEUs annually, the presence of more than 20 000 importers, more than 7 500 exporters and over 1 100 clearing agents, creates a high-risk environment for illicit trade, misdeclaration and customs fraud. The Committee therefore recommends that SARS, the Border Management Authority and relevant stakeholders strengthen integrated risk profiling across the port environment, with particular attention to high-risk commodities, repeat offenders and complex logistics chains.

4.4. The Committee observes that the customs risk engine and data-driven targeting model support high-volume processing, but that the volume of declarations and alerts still points to substantial compliance risk within the Durban environment. The Committee accordingly recommends that SARS continue refining its integrated risk engine and strengthen the use of big data, profiling and post-clearance audit capability to improve the quality of interventions and the conversion of alerts into successful enforcement outcomes.

4.5. The Committee observes that non-intrusive inspection capability remains a critical constraint. Although the number of containers scanned increased from 2 134 in 2024/25 to 3 092 in 2025/26, representing a 44.89 per cent increase, the absolute level of scanning remains low relative to total container volumes. The Committee therefore recommends that SARS, in collaboration with National Treasury, prioritise the procurement and deployment of additional scanning capacity at the Port of Durban and provide the Committee with a time-bound plan for expansion of non-intrusive inspection infrastructure.

4.6. The Committee further observes that scanner constraints were directly confirmed during the site inspection, and that limited scanning capacity affects the ability of SARS and the Border Management Authority to conduct thorough inspections while maintaining trade flow. The Committee accordingly recommends that scanner planning, maintenance, uptime management and operator availability form part of an integrated port enforcement strategy, rather than being treated as isolated technical issues.

4.7. The Committee observes that customs enforcement activity at Durban yields substantial fiscal and protective outcomes, including R878 million in cash revenue from Durban enforcement successes in the current period and seizures with a protected value of R423.6 million in the 2025/26 financial year to date. The Committee therefore recommends that SARS continue to report separately on business-as-usual customs revenue, inspection revenue, protected revenue and seizure values, so that Parliament can better assess the full impact of customs enforcement beyond direct revenue collection alone.

4.8. The Committee observes that the nature of seizures at Durban, including narcotics, counterfeit goods, cigarettes, alcohol, tobacco and fuel-related cases, demonstrates the diversity and sophistication of illicit trade risks in the port environment. The Committee accordingly recommends that SARS, SAPS, the Border Management Authority and relevant regulatory bodies intensify coordinated interventions against organised smuggling syndicates, counterfeit trade and trade-based fraud in the Durban port system.

4.9. The Committee notes with concern the sustained decline in human resource capacity within SARS customs operations, including the reduction in Durban branch staff from 185 in 2017 to 127 in 2026, and the decline in compliance staff from 52 to 33 over the same period. The Committee therefore recommends that SARS submit to the Committee a detailed staffing recovery and retention plan for the Durban customs environment, including measures to address specialist shortages and the operational implications of an ageing workforce.

4.10. The Committee further observes that capacity constraints extend across the broader enforcement ecosystem, including the Border Management Authority and the South African Police Service, and that these constraints weaken inspection coverage, investigation capability and operational responsiveness. The Committee accordingly recommends that the relevant departments develop an integrated Durban enforcement capacity plan, setting out staffing requirements, current vacancies, critical skills gaps and measures to strengthen frontline operational capability.

4.11. The Committee observes that inter-agency coordination is formally present through structures such as the Port Management Committee, the Local Sea Port Core Command and the Maritime Security Committee, but that coordination remains operationally fragmented and was not yet supported by a finalised standard operating procedure for joint operations at the time of the visit. The Committee therefore recommends that the Border Management Authority finalise, adopt and implement a formalised joint standard operating procedure for Durban Harbour/Port, clearly setting out roles, escalation pathways, operational interfaces and reporting lines across all participating entities.

4.12. The Committee further observes that infrastructure constraints, including the absence of a fully integrated joint operations centre, limited co-located inspection facilities and inadequate scanning coverage across access points, undermine effective enforcement. The Committee accordingly recommends that the relevant authorities establish a properly integrated joint operations centre at the Port of Durban and develop a coordinated infrastructure plan for inspection, surveillance and operational control facilities.

4.13. The Committee observes that technology systems and operational resilience remain uneven, including the reported problems with movement control systems, scanner availability and the absence of adequate backup power for certain systems. The Committee therefore recommends that the responsible entities prioritise resilient backup power arrangements, maintenance planning and technology stabilisation for all critical port systems, including those used for customs, immigration, health and agricultural control functions.

4.14. The Committee observes that corruption and collusion risks remain material in the Durban environment, particularly given the scale of cargo movement, the number of access points and the long-term placement of personnel in the same operational settings. The Committee accordingly recommends that all relevant authorities strengthen anti-corruption controls, including staff vetting, lifestyle audits, rotation policies, whistleblower protection measures and consequence management mechanisms for implicated officials.

4.15. The Committee further observes that supply-chain risk extends well beyond the physical port boundary, as highlighted by private-sector stakeholders who indicated that a single shipment may involve between 10 and 40 role players and approximately 45 process steps. The Committee therefore recommends that the South African Revenue Service and the Border Management Authority strengthen risk management across the full logistics chain, including pre-loading, movement, declaration and post-clearance stages, supported by advanced data analytics and stronger information-sharing with legitimate industry stakeholders.

4.16. The Committee observes that the site inspection confirmed the practical importance of non-intrusive inspection technology and physical verification in detecting discrepancies between declarations and the actual contents of cargo. The Committee accordingly recommends that site-level operational learning from Durban be incorporated into broader customs modernisation, scanner deployment and training plans across other ports of entry.

4.17. The Committee observes that the Transnet turnaround programme and equipment replacement initiatives are important to terminal efficiency, but that port performance, congestion and operational coordination remain matters of direct relevance to customs enforcement and border integrity. The Committee therefore recommends that Transnet National Ports Authority and Transnet Port Terminals continue to prioritise infrastructure renewal, equipment reliability and throughput improvement, while ensuring close coordination with SARS and the Border Management Authority on enforcement-sensitive operations.

4.18. The Committee observes that the role of the National Regulator for Compulsory Specifications in the port environment is important to the protection of public safety, fair trade and regulatory compliance, particularly in relation to regulated imported goods. The Committee accordingly recommends that coordination between the NRCS, SARS, SAPS and the Border Management Authority be strengthened in order to ensure faster and more effective handling of detained regulated products and to prevent the entry of non-compliant goods into the domestic market.

5. OR TAMBO INTERNATIONAL AIRPORT (ORTIA)

5.1. At OR Tambo International Airport, the Committee received presentations and operational briefings from the South African Revenue Service (SARS), the Border Management Authority (BMA), the South African Police Service (SAPS), including the Directorate for Priority Crime Investigation (DPCI), the South African Reserve Bank Financial Surveillance Department (FinSurv), the Financial Intelligence Centre (FIC), and Airports Company South Africa (ACSA). Collectively, these presentations addressed customs and excise operations, cargo and traveller processing, immigration and border law enforcement, exchange-control compliance, cash-conveyance reporting, aviation security, infrastructure resilience, inter-agency coordination, and the operational constraints affecting enforcement and facilitation within the ORTIA environment.

South African Revenue Service (SARS)

5.2. SARS contextualised Customs and Excise operations at ORTIA as being governed by the Customs and Excise Act, 1964 (Act No. 91 of 1964), supported by the South African Revenue Service Act, 1997 (Act No. 34 of 1997), and administered within a broader legislative and policy framework. SARS stated that its mandate at ORTIA includes collecting revenue due, ensuring compliance through education, awareness and enforcement, facilitating legitimate trade in support of domestic economic activity, and protecting society from illicit activities linked to the cross-border movement of goods and persons. SARS further indicated that its operations at the airport are organised across cargo and traveller management and are supported by customs control, enforcement, centralised compliance management and business-support functions.

5.3. SARS presented ORTIA as the principal air-modality customs environment in the country and described the airport customs ecosystem as comprising 43 registered cargo sheds, 51 de-grouping facilities, 1 292 clearing agents, 715 import agents, 15 447 export traders, 577 export agents and one state warehouse. SARS reported that Customs and Excise at ORTIA had a staff complement of 195 against a workforce requirement of 327, and that operations were structured on 12-hour shifts across both cargo and traveller environments. The Committee was informed that this staffing shortfall affects the ability to sustain full operational coverage in a complex and high-volume airport environment.

5.4. On trade and revenue performance, SARS reported that imports processed through ORTIA had increased by 127 per cent in the April to December comparison between the 2024/25 and

2025/26 financial years, contributing approximately R40.9 billion in duties and value-added tax, equivalent to about 8 per cent of customs-related revenue collection nationally for that period. SARS also informed the Committee that ORTIA handles high-value consignments rather than bulk volumes and that the customs-value profile of trade through the airport is dominated by high-value technology goods, aircraft-related products, pharmaceuticals, precious metals and other specialised commodities.

5.5. In this regard, SARS presented the principal import and export partner countries by customs value. The import-country comparison showed strong growth across the leading partner countries between FY2022 and FY2026, while the export-country comparison reflected the leading destinations over the 2021 to 2025 period. These figures are reflected in Tables 14 and 15 below.

Table 14: ORTIA Top Import Partner Countries by Customs Value, FY2022–FY2026

Country	FY2022	FY2023	FY2024	FY2025	FY2026	FY2026 share
China	R40.54 bn	R44.19 bn	R43.21 bn	R47.99 bn	R52.83 bn	22%
United States	R26.33 bn	R31.47 bn	R38.67 bn	R34.61 bn	R39.07 bn	16%
Germany	R15.98 bn	R17.69 bn	R17.85 bn	R16.20 bn	R17.40 bn	7%
Namibia	R5.70 bn	R5.54 bn	R9.45 bn	R11.69 bn	R16.70 bn	7%
Vietnam	R5.65 bn	R6.02 bn	R5.02 bn	R4.97 bn	R8.38 bn	3%

Source: *South African Revenue Service presentation to the Standing Committee on Finance, ORTIA, 28 January 2026.*

Table 15: ORTIA Top Export Destinations by Customs Value, 2021–2025

Country	2021	2022	2023	2024	2025	2025 share
United States	R92.04 bn	R43.58 bn	R59.98 bn	R48.91 bn	R38.61 bn	22%
Japan	R64.74 bn	R43.78 bn	R47.42 bn	R30.49 bn	R28.94 bn	18%
Germany	R70.70 bn	R75.40 bn	R41.62 bn	R44.25 bn	R36.68 bn	14%
United Kingdom	R53.21 bn	R43.65 bn	R35.70 bn	R17.20 bn	R18.56 bn	13%

United Arab Emirates	R10.52 bn	R45.62 bn	R18.27 bn	R18.20 bn	R16.67 bn	7%

Source: *South African Revenue Service presentation to the Standing Committee on Finance, ORTIA, 28 January 2026.*

5.6. SARS further explained that its customs operating model at ORTIA is based on paperless and electronically enabled processing, integrated risk management, trade segmentation, pre-clearance and post-clearance controls, and centralised processing of registration, risk assessment, customs assessment and audit functions. It stated that the declaration transformation and validation process runs through linked systems for trader validation, tariff and duty calculation, permits and certificates, revenue accounting and customs risk management, with an internal processing duration presented as approximately seven seconds, excluding case-management workflow and inspection steps that remain dependent on external manual processes. SARS linked this model to its broader approach of high-volume facilitation combined with risk-based intervention.

5.7. In relation to cargo controls, SARS reported that in 2025/26 it conducted 11 359 cargo inspections, of which 5 707 were successful, recovering R94.5 million in revenue. During the same period, 3 003 service-manager inspections were conducted, of which 2 420 were successful, recovering R79.1 million. These figures were presented against prior-year data of 6 125 cargo inspections, of which 4 069 were successful with R22.0 million recovered in 2024/25, and 2 822 service-manager inspections, of which 1 840 were successful with R45.1 million recovered. SARS also presented cargo-scanner data showing 1 101 scans in 2023/24, 1 309 in 2024/25 and 865 in 2025/26 to the date of reporting, with 113, 144 and 78 successful scans respectively, and reported downtime of 72 in each year shown, as reflected in the presentation data.

5.8. The Committee was informed that these figures illustrated both the importance of scanner capability and the continuing dependence on inspection-led intervention in the ORTIA cargo environment. The figures are reflected in Table 16 below.

Table 16: ORTIA Cargo Scanner and Inspection Performance

Indicator	2023/24	2024/25	2025/26
Cargo scanner scans	1 101	1 309	865
Successful cargo scanner scans	113	144	78
Scanner downtime	72	72	72
Cargo inspections	6 847	6 125	11 359
Successful cargo inspections	3 868	4 069	5 707
Revenue from cargo inspections	R37 769 351	R22 045 919	R94 541 205

Service-manager inspections	4 010	2 822	3 003
Successful service-manager inspections	1 803	1 840	2 420
Revenue from service-manager inspections	R36 491 918	R45 093 441	R79 056 027

Source: *South African Revenue Service presentation to the Standing Committee on Finance, 28 January 2026.*

5.9. SARS also presented examples of successful interdictions in the cargo environment. These included consignments routed from the Republic to Doha and Malaysia involving 41 pieces weighing 137 kilograms, another route to Malaysia involving 18 pieces weighing 63 kilograms, cocaine concealed in picture frames weighing 14 kilograms, catalytic converters weighing 1 636 kilograms, and consignments to Hong Kong weighing 302 kilograms. SARS used these examples to illustrate the diversity of concealment methods and the need for sustained targeting, scanning and physical inspection capacity.

5.10. SARS reported that ORTIA processes an average of 18 000 travellers per day in normal periods, rising to between 25 000 and 30 000 during peak periods. Annual throughput increased from 6.6 million travellers in 2023 to 7.1 million in 2024 and 7.9 million in 2025, with relatively balanced inbound and outbound flows, as reflected in Table 17 below.

Table 17: ORTIA Traveller Throughput (Inbound and Outbound), 2023–2025

Year	Arrivals	Departures	Total Travellers
2023	3 256 295	3 358 713	6 615 008
2024	3 491 678	3 601 605	7 093 283
2025	3 899 259	3 999 556	7 898 815

Source: *South African Revenue Service (SARS) presentation to the Standing Committee on Finance, ORTIA, 28 January 2026.*

5.11. In 2025/26, SARS conducted 174 461 passenger scans, of which 1 819 were successful, recovering R2.58 million in revenue, and 21 245 passenger inspections, of which 12 078 were successful, recovering R21.45 million. By comparison, in 2024/25 SARS conducted 62 898 passenger scans, of which 66 were successful, recovering R23 500, and 16 702 passenger inspections, of which 9 717 were successful, recovering R19.34 million. SARS also reported that, as a result of seizures in 2025/26, 204 cases were handed over to SAPS, 22 to Port Health and five to the Department of Agriculture, Forestry and Fisheries. The figures are reflected in Table 18 below.

Table 18: ORTIA Traveller Scan, Inspection and Handover Performance

Indicator	2023/24	2024/25	2025/26
Passenger scans	162 530	62 898	174 461

Successful passenger scans	1 620	66	1 819
Revenue from passenger scans	R0	R23 500	R2 578 687
Passenger inspections	17 829	16 702	21 245
Successful passenger inspections	8 723	9 717	12 078
Revenue from passenger inspections	R20 967 102	R19 341 506	R21 454 709
Handovers to SAPS	226	119	204
Handovers to Port Health	26	41	22
Handovers to DAFF	15	6	5

***Source**: South African Revenue Service presentation to the Standing Committee on Finance, 28 January 2026.*

5.12. SARS further highlighted specific traveller-related detections, including currency concealed in luggage and on the body. Examples presented included R3.2 million and USD 43 000 concealed in luggage, a further case involving R23 million and USD 3.775 million, and another involving R957 000 concealed in a body wrap. SARS also presented examples of narcotics detections, including khat weighing 70.2 kilograms detected through baggage scanning. These cases were presented to illustrate the intersection between customs, exchange-control and criminal-enforcement risks in the traveller environment.

5.13. On modernisation, SARS outlined four major initiatives under its SMART Border framework, namely Single Window, E-Commerce, Traveller Management and Smart Borders. SARS described Single Window as a single inspection workflow for all applicable government agencies; E-Commerce as involving enabling legislation and simplified declarations and clearance; Traveller Management as an online declaration solution for travellers across all modalities, with an integrated risk engine, online logging of temporary imports and exports, and online payment capability; and Smart Borders as including body cameras and centralised non-intrusive inspection analysis using integrated artificial intelligence tools.

5.14. SARS stated that ORTIA accounts for more than 90 per cent of e-commerce transactions and that the legislative framework for cross-border e-commerce was under review. It also stated that the Traveller Management project was being implemented jointly with the Financial Intelligence Centre, including real-time data exchange on declared currency.

5.15. SARS recorded a number of infrastructure and operational constraints affecting ORTIA. These included a terminal design layout that does not fully support seamless customs and excise processes, organised-crime syndicates that use concealment methods to evade duties and smuggle prohibited or restricted goods, and staff shortages affecting 24-hour coverage across cargo, postal and traveller-management environments.

5.16. SARS stated that mitigation measures included deployment of non-intrusive inspection capability, detector dog units and scanners, integrity campaigns, internal employee-relations measures, and collaboration through structures such as the Local Aviation Security Committee, the Port Management Committee, and World Customs Organisation enforcement networks. It further identified the need for in-line scanners with artificial-intelligence capability, enhanced contraband-detection technology, 24/7 camera surveillance, and improved signage and electronic communication at customs and border premises.

Border Management Authority (BMA)

5.17. The Committee received a presentation from the Border Management Authority on its operations at OR Tambo International Airport within the framework of the Border Management Authority Act, 2020 (Act No. 2 of 2020). The BMA stated that it was formally established as a Schedule 3A public entity on 1 April 2023 following the President's assent to the Act in July 2020, and that it was officially launched on 5 October 2023. The BMA further indicated that it is responsible for South Africa's 71 ports of entry, comprising 51 land ports, 11 aviation ports and 9 maritime ports.

5.18. In this context, the BMA stated that its mandate is to facilitate and manage the legitimate movement of persons and goods within the border law-enforcement area and at ports of entry, and to cooperate and coordinate its functions with other organs of state and relevant stakeholders. The BMA further noted that the Act provides for collaborative work through implementation protocols with the South African National Defence Force, the South African Police Service and the South African Revenue Service.

5.19. The BMA explained that ORTIA operations are conducted within a broad airport ecosystem involving multiple stakeholders. The presentations identified, among others, ACSA, the BMA, SAPS, SARS, the Ekurhuleni Metropolitan Police Department, the State Security Agency, emergency medical services and the airline community as part of the port environment. The BMA stated that its own role within this environment covers immigration, port health, agriculture, environment and border law-enforcement functions, while other entities retain distinct mandates in airport management, customs administration, policing, intelligence and traffic control. The key stakeholder environment and staffing footprint presented to the Committee are reflected in Table 19 below.

Table 19: ORTIA Stakeholder Environment and Reported Staffing Footprint

Stakeholder	Reported role	Reported staffing / footprint
Airports Company South Africa (ACSA)	Airport infrastructure, management, operation and control	1 021
Border Management Authority (BMA)	Facilitate legitimate movement of persons and goods and prevent illegitimate movement	469

South African Police Service (SAPS)	Safety and security within the port jurisdiction	520
South African Revenue Service (SARS)	Administer customs and excise duties	195
Ekurhuleni Metropolitan Police Department (EMPD)	Road traffic management along access roads and within the port environment	97
State Security Agency (SSA)	Intelligence support	Confidential
Emergency Medical Services (EMS)	Emergency response support	78
Airline community / AOC	Representation of scheduled airline operators	Not quantified

Source*: Border Management Authority / joint ORTIA host presentation to the Standing Committee on Finance, 28 January 2026.*

5.20. The BMA presented its ORTIA daily joint-operations model as being structured around five functional legs, namely agriculture, environment, immigration, port health and border law enforcement. In relation to agriculture, the BMA stated that this function includes detecting and confiscating prohibited passenger goods, checking that cargo goods have valid permits and comply with relevant laws and regulations, and regulating the import and export of plants, plant products, animals and animal products. In relation to environment, the BMA stated that daily operations involve profiling passengers and inspecting luggage to prevent the entry of alien invasive species, and that the standard operating procedure provides a structured process for detection, verification, seizure and referral to enforcement or specialist authorities when required.

5.21. In relation to immigration, the BMA stated that this function facilitates legitimate movement into and out of the country through verification of the authenticity and validity of travel documents, accurate recording of entries and departures, and interception and refusal of entry to persons who do not meet requirements. In relation to port health, the BMA stated that this leg involves disease surveillance to prevent cross-border transfer of diseases and import controls to prevent the distribution of illegal goods by ensuring that quality and authorisation requirements are met. In relation to border law enforcement, the BMA stated that this function entails deploying border guards to vulnerable segments to prevent illegal entry and smuggling, countering human trafficking, wildlife trafficking and illegal movement of goods, and using surveillance and technology to identify and address high-risk situations.

5.22. The BMA further described the operational flow through the airport, particularly in the departures and arrivals environments. In the departures queue-and-lane plan, the BMA indicated that the process includes check-in, SARS VAT-reclaim interaction where applicable, airline check-in and baggage drop-off, ACSA aviation-security screening, BMA immigration processing through EMCS, BMCS and ETA-enabled systems, intervention by border law enforcement where secondary investigation is required, BMA environment screening in the travel area, and onward movement to duty-free areas, lounges and boarding gates. In the arrivals environment, the BMA presentation showed luggage carousels, BMA K9 deployment and inspections, and customs processing as part of the end-to-end traveller flow. The Committee was therefore presented with a picture of the BMA as embedded within the broader airport ecosystem rather than operating in isolation.

5.23. In relation to coordination arrangements, the BMA stated that there is a memorandum of understanding between SARS and the BMA and that joint operational command is exercised through a number of structures. These include the Port Management Committee, chaired by the Port Commander and meeting monthly with ad hoc meetings as required; a weekly Joint Operations Centre briefing cycle; and daily twenty-four-hour operational coordination. The presentations further indicated that perimeter security is shared among ACSA Security, SAPS and BMA border law enforcement.

5.24. The command and escalation structure reflected the interaction of the Joint Operations Centre, the Joint Operations Centre Commander, the law-enforcement command, SAPS, border law enforcement, the Port Management Committee, the Local Aviation Security Committee, the Joint Planning Committee and relevant national structures. The Committee was thus informed that ORTIA has a functioning inter-agency framework, albeit one that remains dependent on regular escalation and coordinated action across multiple entities.

5.25. The BMA and joint host presentations also addressed inter-agency escalation pathways. The Committee was informed that it is a recognised global standard that every traveller, whether entering or leaving the country, should present himself or herself to the local immigration authority and customs officials for clearance. The BMA stated that, at ORTIA, escalation between agencies is a daily routine exercise. Travellers with questionable documents detected by airlines, SAPS, Crime Intelligence or Customs are referred to BMA inspectorate officers for verification and thereafter to SAPS for detention and further investigation where necessary. Goods intercepted by any entity on arrival are escalated to Customs for clearance or recording, after which the mandated authority processes the matter according to its competence, including Customs in relation to prohibited, restricted or currency matters, SAPS in relation to drugs, and the BMA in relation to referrals to environmental authorities.

5.26. The BMA further stated that SAPS leads most investigations at port level unless the crime is organised in nature and of sufficient value to activate the Directorate for Priority Crime Investigation, while aviation-security incidents in the ORTIA precinct are reported to ACSA. The Committee was also informed that operational matters are tabled in LASC, PMC, JOCOMM and JOC structures, and that unresolved matters, including corruption and collusion involving airport staff and government officials, are escalated in accordance with the relevant protocols.

5.27. In relation to technology availability and resilience, the BMA stated that Port Health uses three temperature screeners, Immigration uses movement-control systems including EMMC, ETA and BMCS, and Border Law Enforcement uses systems including MCS, CMS, NIS and SQL. The BMA further stated that all BMA streams use body-worn cameras, which are retrieved for download when required. In relation to power continuity, the Committee was informed that electricity supply is provided by the Ekurhuleni Metropolitan Municipality, while BMA systems run on power provided by ACSA, and that some BMA systems are on the essential-power supply list and are carried by generator power during outages. These technology and resilience features are summarised in Table 20 below.

Table 20: BMA Technology and Resilience Environment at ORTIA

Area	Technology / system / resilience feature
Port Health	3 temperature screeners
Immigration	EMMC, ETA and BMCS
Border Law Enforcement	MCS, CMS, NIS and SQL
All BMA streams	Body-worn cameras
Electricity supply	Ekurhuleni Metropolitan Municipality
System operational power	Provided through ACSA
Backup / continuity	Some systems on essential-power supply and carried by generator power during outages

Source*: Border Management Authority presentation to the Standing Committee on Finance, 28 January 2026.*

5.28. The BMA presentations also reflected a detailed record of technology availability and monthly resilience trends during 2025. The outage log presented to the Committee recorded a series of interruptions affecting the airport, including Eskom-related outages, municipal supply losses, internal cable faults, power dips, severe weather causing flooding and smoke at substations, arc faults, overcurrent faults and prolonged information-technology and uninterruptible-power-supply recovery. Affected areas included the terminal building, arrivals, departures, baggage systems, airside areas, cargo areas and multiple substations.

5.29. The Committee was informed that in most instances backup generators sustained essential loads, although some incidents required resets, manual intervention or extended recovery of IT and UPS systems. These presentations demonstrated that airport and border operations at ORTIA had been repeatedly exposed to infrastructure and electricity disruptions during 2025, but that essential operations were generally maintained through generator-backed resilience arrangements.

5.30. On capacity, the BMA reported that it had 469 staff members against a required establishment of 1 100 at ORTIA. The Committee was informed that this shortfall affected operational coverage and reinforced the need for recruitment, training and augmentation of staff across various disciplines. The BMA also indicated that Port Health operated only from 06:00 to 18:00 and that the Environment function operated only during weekdays from 08:00 to 16:00, which further constrained the consistency of border-control coverage. The BMA stated that these limitations required additional staffing, including the recruitment of two professional nurses for Port Health and the introduction of a shift system and additional personnel for the Environment function.

5.31. In relation to risks and mitigation measures, the BMA identified corruption and collusion as key risks and stated that mitigation measures include employee vetting, rotation of long-serving personnel and lifestyle audits. It further identified infrastructure that does not fully support operations, which in its view requires a joint operational or command centre, upgraded detection technology and additional scanners. The BMA also identified limited staff capacity, specialised support for airport litigation, insufficient K9 handlers and K9 capacity, limited CCTV coverage, fragmented inspection and search operations, and funding constraints. The corresponding mitigation measures presented are reflected in Table 21 below.

Table 21: BMA Risks and Mitigation Measures at ORTIA

Risk	Mitigation presented
Corruption and collusion	Vetting of employees; rotation of long-serving staff; lifestyle audits
Infrastructure not fully supporting operations	Joint operational / command centre; upgraded detection technology; more scanners
Limited capacity (469 vs 1 100)	Recruitment of staff; training across disciplines
Airport criminal cases / litigation	Dedicated court for the airport
Insufficient K9 handlers / K9 capacity	Recruit K9s; train BLE / JBG personnel as dog handlers
Limited CCTV coverage	Deploy more advanced surveillance technology using facial recognition
Fragmented inspection / search operations	One search area where all law-enforcement entities co-locate
Funding constraints	Public-private partnerships identified as a possible support mechanism
Port Health clinic only operating 06:00–18:00	Recruit two additional professional nurses
Environment function only operating weekdays 08:00–16:00	Introduce shift system; recruit more staff

Source*: Border Management Authority presentation to the Standing Committee on Finance, 28 January 2026.*

5.32. Overall, the BMA presentations depicted ORTIA as a high-pressure, multi-agency operating environment in which border management depends not only on legislative mandate and operational structures, but also on resilient technology, reliable infrastructure, sufficient staffing, and effective escalation and coordination mechanisms across the airport ecosystem. The Committee was accordingly presented with both the operational model and the institutional constraints within which the BMA is currently required to discharge its mandate at ORTIA.

South African Police Service (SAPS)

5.33. SAPS presented its role at ORTIA as grounded in the Constitution, particularly section 205(3), the South African Police Service Act, 1995 (Act No. 68 of 1995), including section 13(6), and related legislation governing specialised border-law-enforcement functions. SAPS indicated that, in the airport environment, it performs both general policing and specialised functions under legislation such as the Firearms Control Act, the Explosives Act, the Drugs and Drug Trafficking Act and the Prevention and Combating of Trafficking in Persons Act, as well as aviation-security functions under the National Airports Security Programme.

5.34. SAPS stated that its responsibilities at ORTIA include preventing and combating transnational and general crime, detecting and seizing illegal goods, profiling and searching imported and exported cargo, detaining illicitly imported or exported goods, conducting joint operations, investigating crimes reported in the border environment and supporting prosecutions.

5.35. SAPS presented an operational-capacity breakdown for ORTIA, covering community services, crime intelligence, crime prevention, rapid response, crime detection, transnational crime investigation, organised-crime investigation, cargo profiling and K9 capability. SAPS also explained that personnel operating in the airport ecosystem must comply with aviation-security access requirements, including General Security Aviation Training, airside induction, vehicle operating permits where relevant, medical screening for drivers accessing airside, physical searches at control points, and the use of personal protective equipment.

5.36. The staffing breakdown presented to the Committee is reflected in Table 22 below.

Table 22: SAPS Operational Capacity at ORTIA

Functional area	Reported strength
Community Services	38 members
Crime intelligence gathering	10 members
Crime prevention general (visible policing and operations)	335 members
Rapid Response Reaction	34 members
Crime Detection – General	29 members
Crime Detection – Transnational Crime Investigation Unit	17 members
Organised Crime Investigation (DPCI)	7 members

Profiling of cargo	27 members
K9 capability	23 members; 9 dogs
K9 composition	2 protected; 2 explosive; 5 narcotics

Source: *South African Police Service presentation to the Standing Committee on Finance, 28 January 2026.*

5.37. In relation to evidence handling, SAPS stated that all crime scenes are reported to Visible Policing at the airport and that specialised units are activated through Visible Policing or Crime Detection officials. SARS customs detections requiring SAPS involvement are reportedly handed over through a chain-of-custody process. SAPS noted, however, that there was no current joint standard operating procedure across agencies for these processes. It further stated that SAPS provides feedback to Customs once investigation results are ready, especially where matters are referred to forensic laboratories, and that once a criminal case is registered the Crime Detection Commander provides case updates to Customs until finalisation. Laboratory backlogs were identified as a significant problem, with delays of up to three years in some cases.

5.38. SAPS also reported performance information for ORTIA-related crime detection and seizures. It stated that total reported cases and convictions were 694 and 305 in 2022/23, 873 and 470 in 2023/24, 1 001 and 507 in 2024/25, and 647 and 547 in 2025/26. It further reported drug seizures, arrests, counterfeit-goods seizures and firearms-related recoveries. These figures are reflected in Table 23 below.

Table 23: SAPS Reported Performance at ORTIA

Indicator	2022/23	2023/24	2024/25	2025/26
Total reported cases	694	873	1 001	647
Convictions	305	470	507	547
Drugs seized (kg)	—	2 315.8	1 928.7	1 305.7
Drug seizure value	—	R94.9 million	R40.3 million	R58.0 million
Arrests	—	803	916	528
Counterfeit-goods seizures	—	45	66	64
Counterfeit-goods value	—	Value unknown	R18.0 million	R12.2 million

Firearms and ammunition	—	None	1 Glock 9mm pistol; 25 rounds	None
Poached marine resources	—	None	None	None

Source*: South African Police Service presentation to the Standing Committee on Finance, 28 January 2026.*

5.39. SAPS described corruption and collusion as a major operational challenge, particularly in drug matters and immigration-related cases. It referred to incidents in which suspects were allegedly released on bail or on their own recognisance and subsequently disappeared, and to cases in which offenders were reportedly released without SAPS being informed. SAPS stated that these matters had been escalated internally. It further identified risks relating to inadequate physical and technological infrastructure, limited capacity, specialised litigation support, and custody-management limitations. Mitigation measures proposed included vetting, rotation, lifestyle audits, a joint operational centre, a joint search point, upgraded detection technology, more scanners, additional recruitment and training, a dedicated court for the airport, proper drug-detection and evidence-collection cells, and compliant custody management for drug mules.

Directorate for Priority Crime Investigation (DPCI)

5.40. The Directorate for Priority Crime Investigation briefed the Committee on its mandate as an independent unit within the South African Police Service responsible for preventing, combating and investigating national priority offences, including serious organised crime, serious commercial crime and serious corruption, as contemplated in section 17D of the South African Police Service Act, 1995 (Act No. 68 of 1995). The DPCI stated that its work in the airport environment is intelligence-driven and multidisciplinary and is directed at criminal syndicates and serious offences operating within the ORTIA precinct.

5.41. It indicated that this includes matters involving failure to declare foreign currency, money laundering, proceeds of crime, cybercrime, human trafficking, endangered species, precious metals and drug trafficking. The DPCI further stated that its Priority Crime Specialised Investigation component focuses on asset recovery, proceeds of crime, money laundering and cybercrime, and that the Asset Forfeiture Investigation Section works directly with Asset Forfeiture Unit advocates to ensure that proceeds of crime are forfeited to the State and paid into the Criminal Asset Recovery Account.

5.42. The DPCI further reported that it maintains close, multi-disciplinary and interdepartmental collaboration with ORTIA security, Customs and the South African Revenue Service, the Border Management Authority, Airports Company South Africa and the Department of Home Affairs in order to combat smuggling and other serious crimes in the airport environment. It stated that these partnerships focus on identifying illegal activities that result in significant and high-value seizures. The DPCI further reported that a dedicated Gauteng team of experienced investigators works with airport security clusters on DPCI-mandated cases, and that it also operates a liaison desk focusing on transnational organised crime in order to connect national and international law-enforcement agencies.

5.43. In relation to reported successes, the DPCI stated that during 2024 and 2025, thirteen suspects were arrested across eight different drug-related cases, of which four were inbound and four outbound. The DPCI also reported that two Mexican suspects had been arrested for fraud, two South Africans and one Zimbabwean had been arrested for corruption, and one German suspect had been arrested for trafficking in persons involving two Madagascan victims. The DPCI further reported that no cash recoveries had been received during 2024/25.

South African Reserve Bank Financial Surveillance Department (FinSurv)

5.44. FinSurv briefed the Committee on exchange-control administration and enforcement, stating that exchange controls have applied in South Africa since 1939 and that the Currency and Exchanges Act, 1933 (Act No. 9 of 1933) empowers the President to make regulations with regard to currency, banking or exchanges. FinSurv stated that the Exchange Control Regulations, 1961 give effect to this framework and that the Minister of Finance has delegated administration of exchange controls to the South African Reserve Bank. FinSurv further explained that the rules and responsibilities applicable to authorised dealers are contained in the Currency and Exchanges Manual for Authorised Dealers and the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority.

5.45. FinSurv explained that an "appropriate officer", as defined in Regulation 1, includes any officer of customs or excise, any immigration officer, any member of SAPS, any member of the SA Railway and Harbour Police, or any person authorised by the Treasury to act as such. FinSurv stated that such an officer is required to act when foreign currency, rand notes or gold leave the Republic at a port of exit, and when rand notes or gold enter the Republic at a port of entry.

5.46. It further stated that, under Regulations 3(3) and 3(6), the appropriate officer may search a person and examine or search any article for the purpose of ascertaining whether that person has bank notes, gold, securities or foreign currency in his or her possession, and may seize such items unless satisfied that the person is exempt from the relevant provision or produces a certificate granted by the Treasury. FinSurv emphasised that the appropriate officer must first ascertain whether the traveller has anything to declare before proceeding with a search and seizure, and that any findings must be deposed to in an affidavit for submission to FinSurv.

5.47. FinSurv further presented the traveller limits and allowances applicable to cross-border currency movement. These are set out in Table 24 below.

5.48. **Table 24: FinSurv Traveller Currency Limits and Allowances**

Category	Limit / allowance	Notes
South African rand notes	R25 000	Applies in or out of the country, excluding travel within the Common Monetary Area
Rand notes above general limit	Above R25 000	Requires application to the Financial Surveillance Department

Foreign currency – residents over 18 years	Equivalent of R1 000 000 per calendar year	Single discretionary allowance
Foreign currency – residents under 18 years	Equivalent of R200 000 per calendar year	Unless a higher amount is approved
Investment allowance	R10 000 000	Requires SARS tax clearance and may not be exported in cash

Source: *South African Reserve Bank Financial Surveillance Department presentation to the Standing Committee on Finance, 28 January 2026.*

5.49. FinSurv also referred to key provisions of the Exchange Control Regulations relating to the purchase, use and movement of foreign currency. It stated that foreign currency may only be bought from or sold to an authorised dealer or an authorised dealer in foreign exchange with limited authority, and may only be used for the purpose for which it was acquired. FinSurv further stated that, subject to any exemption granted, no person may take or send bank notes, gold, securities or foreign currency out of the Republic, transfer securities from the Republic elsewhere, deliver such items to another person for the purpose of taking or sending them out of the Republic, or take South African bank notes into the Republic.

5.50. In relation to seizures, FinSurv stated that seized foreign currency on departure may be declared forfeit to the State under Regulation 3(5), while seized South African bank notes on arrival may be declared forfeit to the State under Regulation 3(8). In both instances, there is a discretion to refund the whole or part of the amount seized to the person from whom it was taken, and the decision is communicated to SARS and the traveller concerned. FinSurv further stated that contraventions of the regulations constitute criminal offences punishable by five years' imprisonment, a fine of R250 000, or both, or the amount involved, whichever is greater. The Committee was also informed that FinSurv had 20 investigators dealing with all reported illicit-flow cases referred to it.

Financial Intelligence Centre (FIC)

5.51. The Committee noted that the Financial Intelligence Centre did not make an oral presentation during the ORTIA engagement but provided a written brief dealing with the promulgation and implementation of section 30 of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001), and SARS reporting to the FIC in relation to cross-border cash conveyance. In that written submission, the FIC explained that section 30 establishes a legal requirement for a person conveying cash or bearer negotiable instruments above the prescribed threshold to report prescribed particulars on demand to an authorised official.

5.52. The FIC stated that section 30 aligns with Financial Action Task Force Recommendation 32, which requires countries to detect and prevent the cross-border transportation of currency and bearer negotiable instruments that may be used for money laundering or terrorist financing. The FIC further explained that its role includes implementation oversight, collaboration with SARS, and support for pilot initiatives across air, sea and land ports in order to refine national rollout. It also stated that Customs must submit reports electronically to the FIC through designated channels as soon as possible, and within a maximum of two days after receiving the information from the traveller.

5.53. The written brief also provided an initial reporting snapshot for the period 6 December 2025 to 21 January 2026. According to the FIC, 468 cash-conveyance reports above the threshold had been received during that period, of which 267 were recorded in December 2025 and 201 in January 2026. The FIC stated that the source-of-funds field reflected 465 reports in personal capacity and three reports "for entity".

5.54. It also referred to occupation-grouping counts that included trade and business, other occupations, professional occupations and civil service, with concentrations in the 31 to 40 and 41 to 50 age cohorts. The reported aggregate declared value was R52 601 956.49 across the instrument categories reflected in the brief. These figures are summarised in Table 25 below.

Table 25: FIC Cash-Conveyance Reporting Snapshot, 6 December 2025 to 21 January 2026

Indicator	Reported figure
Total cash-conveyance reports above threshold	468
Reports in December 2025	267
Reports in January 2026	201
Reports in personal capacity	465
Reports "for entity"	3
Aggregate declared value	R52 601 956.49
Cash	R51 394 489.89
Bank drafts	R770 483.19
Other instruments	R377 088.21
Money orders	R119 076.78
Promissory notes	R72 299.26
Cheques	R60 000.00
Travellers' cheques	R35 000.00

Source: *Financial Intelligence Centre written brief to the Standing Committee on Finance, 28 January 2026.*

5.55. The FIC further stated in its written brief that, up to that point, there had been no instances in which Customs had reported discrepancies between import documentation and the contents of containers to the FIC, and that this matter would be discussed during stakeholder engagements with SARS in the coming year. It also stated that it did not yet have trade-based money laundering typologies or case studies available for presentation, but that strategic analysis on the limited information then available was under way and would be shared with stakeholders once completed. The FIC accordingly described the reporting picture as part of a developing implementation phase rather than a mature national system.

Airports Company South Africa (ACSA)

5.56. ACSA briefed the Committee on ORTIA infrastructure, airport process architecture, screening arrangements and power resilience. It presented arrivals and departures schematic process flows and explained that the airport ecosystem is the owner of the overall process architecture, while different process nodes are managed by different agencies within that ecosystem. ACSA stated that passenger screening is conducted by South African Civil Aviation Authority-certified screeners using single-view X-ray machines, and that where non-aviation contraband such as narcotics or currency is detected, the matter is escalated to the relevant authorities, including SAPS or SARS, through established airport escalation channels. ACSA further explained that these escalation protocols are embedded in airport governance structures and supported by control-room coordination.

5.57. ACSA further reported that ORTIA's passenger-processing infrastructure includes 322 departure counters, of which 257 are active check-in counters, 48 immigration counters, 30 customs counters and approximately 150 baggage chutes, together with passenger screening points equipped with single-view X-ray machines, metal-detection arches and secondary search rooms.

5.58. In relation to power resilience, ACSA presented a chronology of outages and interruptions affecting ORTIA during 2025, including Eskom network faults, municipal supply losses, internal cable faults, severe-weather flooding and smoke at substations, power dips, arc faults and overcurrent faults. ACSA reported that the affected areas included the terminal building, arrivals, departures, baggage systems, airside areas, fuel-farm sections, cargo-related systems and multiple substations. ACSA stated that ORTIA operates 38 standby generators and is supported by multiple substations and redundant electrical supply lines. The Committee was informed that essential loads include lighting, security systems, biometric verification systems, baggage handling systems and control-room functions.

5.59. Across these incidents, ACSA stated that backup generators generally sustained essential loads, although some incidents required manual resets, some generators experienced issues, and in certain cases prolonged information-technology and uninterrupted-power-supply recovery affected full restoration. The key incidents presented to the Committee are reflected in Table 26 below.

Table 26: Selected ORTIA Power-Supply Interruptions and Backup Performance in 2025

Date	Duration	Affected areas	Root cause	Backup power performance

2 Jan 2025	10h 08m	Entire ORTIA	Eskom network fault / circuit breaker fire affecting Isando and Kempton Park	Backup generators sustained essential loads; some generator issues reported
4 Jan 2025	2h 10m	CTB, TA departures and arrivals, baggage/server-related areas	Loss of supply from Isando Substation to South Switching Station	Generators sustained essential loads; intermittent supply at Substation 13
29–30 Jan 2025	5h 25m	Loads fed from Substation 2	Internal cable fault	Generators sustained all essential loads
4 Feb 2025	1h 24m	Entire ORTIA	Loss of Ekurhuleni supply	Generators sustained essential loads; resets required
5 Mar 2025	1h 19m	CTB, Substations 13 and 3	Severe weather, flooding and smoke at Substation 13	Substation isolated for safety; generators sustained essential loads
29 May 2025	Approx. 4h 22m	Part of Fuel Farm	LV circuit breaker malfunction	Temporary loss during bus-coupler movement
7 Oct 2025	Up to 2h 17m	Multiple substations, terminal, airside, cargo	Arc fault on feeder from SSN to Substation 3	Generators sustained essential loads;

				prolonged IT resets
11 Nov 2025	2h 39m	Entire ORTIA	Eskom upstream outage affecting Ekurhuleni	Generators sustained essential loads; extended UPS battery depletion
16 Nov 2025	Approx. 10h	Entire ORTIA	Eskom upstream outage affecting Isando and Kempton Park	Generators sustained essential loads; prolonged IT/UPS recovery

Source*: Airports Company South Africa presentation to the Standing Committee on Finance, 28 January 2026.*

5.60. ACSA's presentation, read together with the joint airport-ecosystem material and the BMA and SARS briefings, also highlighted recurring operational risks at ORTIA, including corruption and collusion, infrastructure that does not fully support operations, limited employee capacity, insufficient scanners, limited closed-circuit television coverage, insufficient K9 capacity, and fragmented inspection and search operations. The common mitigation themes presented to the Committee included the need for a joint operational centre, upgraded detection technology, improved surveillance capability, more scanners, more staff, training at international standards, and a single search area in which all law-enforcement entities could co-locate.

Site inspections undertaken at ORTIA

5.61. Following the formal presentations, the Committee undertook site inspections at OR Tambo International Airport in order to observe the operational environment directly and to assess the extent to which the systems, technologies and inter-agency arrangements described in the presentations were functioning in practice. The site visits focused on both the cargo and traveller environments and were intended to give Members visibility into screening processes, enforcement interfaces and the practical operation of border controls within the airport ecosystem.

5.62. The Committee visited the DHL Express cargo facility and hub at Unit 29 of the Cargo Terminal, where it was briefed on the handling of express inbound, outbound and transit cargo. The Committee was informed that all items entering the facility are subjected to X-ray scanning and that the facility has its own K9 capability in accordance with Civil Aviation requirements. During the visit, Members were shown X-ray images of concealed prohibited items, including an example involving a statuette of Nelson Mandela, and observed a parcel that had been selected through the risk-engine process being opened, inspected and documented. The visit enabled the Committee to observe the interaction between automated risk selection, scanning technology and physical inspection in the express-cargo environment.

5.63. The Committee also undertook a walkthrough of the International Arrivals process and was taken through the traveller journey from baggage claim, through immigration, to customs control and search areas. During this walkthrough, the Committee observed the scanners used in the arrivals environment, the deployment of K9 capability, and the room used for physical searches. The walkthrough gave Members a practical view of how travellers are processed through successive control points and how referrals and escalations may arise between immigration, customs and law-enforcement authorities in the airport environment.

5.64. The site inspections also confirmed, in practical terms, the multi-agency handoff model described during the presentations by SARS, the BMA, SAPS and ACSA. In both the cargo and traveller environments, the Committee observed that screening, profiling, escalation and physical inspection are not undertaken by a single authority in isolation, but depend on coordinated interaction between airport operators, customs officials, immigration personnel and law-enforcement agencies.

5.65. The site inspections therefore provided the Committee with direct exposure to the practical operation of cargo and traveller controls at ORTIA and complemented the formal presentations on customs modernisation, aviation-security screening, inter-agency coordination and enforcement capability. In particular, the visits illustrated the operational significance of scanner infrastructure, risk-based selection, K9 support and the physical layout of the airport in shaping the effectiveness of border management and enforcement interventions.

6. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS: OR TAMBO INTERNATIONAL AIRPORT

6.1. The Committee observes that OR Tambo International Airport is the country's principal air-modality customs and border-control environment and performs a strategically important role in revenue collection, enforcement, traveller management and cross-border financial surveillance. The Committee further observes that ORTIA is a high-value, time-sensitive trade environment rather than a bulk-volume port, with imports contributing approximately R40.9 billion in duties and value-added tax in the April to December comparison period and accounting for about 8 per cent of customs-related revenue collection nationally for that period. The Committee therefore recommends that SARS, the Border Management Authority and National Treasury continue to treat ORTIA as a strategic enforcement and facilitation node in customs modernisation, resource allocation and inter-agency planning.

6.2. The Committee observes that ORTIA's trade profile is concentrated in high-value commodities such as technology goods, pharmaceuticals, aircraft-related products and precious metals, and that its trade relationships are strongly concentrated in a limited number of jurisdictions. The Committee notes, in particular, that the leading import partner countries were China, the United States, Germany, Namibia and Vietnam, while the leading export destinations were the United States, Japan, Germany, the United Kingdom and the United Arab Emirates. The Committee therefore recommends that SARS strengthen country-risk and commodity-risk profiling at ORTIA, including focused monitoring of high-risk jurisdictions, high-value goods and atypical trade patterns associated with under-invoicing, over-invoicing, round-tripping and other forms of trade-based abuse.

6.3. The Committee observes that SARS has established an advanced operating model at ORTIA based on paperless and electronically enabled processing, integrated risk management, pre-clearance and post-clearance controls, and centralised processing of customs functions. The Committee further notes that the declaration transformation and validation process was reported to have an internal processing duration of approximately seven seconds, which indicates substantial progress in digital customs processing. The Committee accordingly recommends that SARS continue to strengthen this automated operating model while ensuring that downstream case-management, inspection and investigative processes are equally capacitated so that automation at the front end is not undermined by operational bottlenecks further along the control chain.

6.4. The Committee observes that ORTIA's customs and enforcement capacity remains materially constrained by staffing shortages. SARS reported a staff complement of 195 against a workforce requirement of 327, while the BMA reported 469 staff members against a required establishment of 1 100 at ORTIA. The Committee further notes that SAPS and other entities also identified capacity limitations in their operational environments. The Committee therefore recommends that SARS, the BMA and SAPS submit to the Committee coordinated staffing recovery plans for ORTIA, setting out funded establishment levels, vacancy rates, critical skills shortages, timelines for recruitment and training measures for specialised personnel.

6.5. The Committee observes that cargo enforcement activity at ORTIA has intensified materially. SARS reported 11 359 cargo inspections in 2025/26, of which 5 707 were successful, recovering R94.5 million, while service-manager inspections recovered a further R79.1 million. At the same time, the Committee notes that cargo-scanner performance remains uneven, with declining scan volumes from 1 309 in 2024/25 to 865 in 2025/26 to the reporting date, and recurring downtime reflected in the presentation data. The Committee therefore recommends that SARS prioritise the stabilisation, maintenance and expansion of non-intrusive inspection infrastructure at ORTIA, including improved scanner uptime management, acquisition planning and operator support.

6.6. The Committee further observes that the examples of interdictions presented by SARS, including concealed cocaine, catalytic converters and suspicious consignments routed through multiple jurisdictions, demonstrate both the sophistication of concealment methods and the continued vulnerability of the airport cargo environment to organised criminal activity. The Committee accordingly recommends that SARS, SAPS and DPCI strengthen intelligence-led profiling, cargo-screening coordination and targeted joint operations at ORTIA, particularly in relation to high-value and high-risk consignments.

6.7. The Committee observes that traveller throughput at ORTIA continues to increase, rising from 6.6 million travellers in 2023 to 7.1 million in 2024 and 7.9 million in 2025, with relatively balanced inbound and outbound flows. The Committee further notes that the airport processes an average of 18 000 travellers per day in normal periods, increasing to between 25 000 and 30 000 during peak periods. The Committee therefore recommends that all relevant authorities, including SARS, the BMA, SAPS and ACSA, align infrastructure, staffing and screening capacity to growing traveller volumes, especially during peak periods when operational pressure is greatest.

6.8. The Committee observes that passenger screening and inspection performance improved markedly in 2025/26, with SARS reporting 174 461 passenger scans, 1 819 successful scans, 21 245 passenger inspections, and 12 078 successful inspections, together with handovers of 204 cases to SAPS, 22 to Port Health and 5 to DAFF. The Committee notes that these figures indicate stronger enforcement outcomes than in the previous year. The Committee accordingly recommends that SARS continue to refine its traveller-risk engine and pre-declaration tools, while ensuring that inspection success rates, referrals and case outcomes are monitored systematically and reported to Parliament.

6.9. The Committee observes that ORTIA presents a significant cross-border cash and exchange-control risk environment. The Committee notes the SARS examples of concealed currency, including R3.2 million and USD 43 000, R23 million and USD 3.775 million, and R957 000 concealed in a body wrap. The Committee further notes the FinSurv briefing on legal thresholds and seizure powers, and the FIC's written brief indicating 468 cash-conveyance reports above threshold between 6 December 2025 and 21 January 2026, with an aggregate declared value of R52.6 million. The Committee therefore recommends that SARS, FinSurv and the FIC intensify joint work on currency declaration enforcement, suspicious cash profiling, data sharing and implementation of section 30 cash-conveyance reporting, including reporting to the Committee on the effectiveness of these measures.

6.10. The Committee observes that the FIC did not make an oral presentation, but its written brief demonstrated that the cash-conveyance reporting regime remains in an implementation phase rather than a mature national system. The Committee further notes that the FIC reported that there had, at that stage, been no instances in which Customs had reported discrepancies between import documentation and container contents to the FIC, and that trade-based money laundering typologies were still under development. The Committee therefore recommends that the FIC accelerate the development and dissemination of trade-based money laundering typologies and strengthen structured engagement with SARS on customs-related intelligence indicators and suspicious trade patterns.

6.11. The Committee observes that the BMA presented ORTIA as a high-pressure, multi-agency airport ecosystem in which border management depends on daily coordination across immigration, port health, agriculture, environment, border law enforcement, customs, airport management and policing structures. The Committee notes that the BMA's five-legged operational model seems conceptually detailed, but also that effective implementation is constrained by staffing shortages, fragmented inspection arrangements and infrastructure limitations. The Committee therefore recommends that the BMA develops a detailed ORTIA operational improvement plan indicating how its five functional legs will be strengthened in practice, including staffing, systems, infrastructure and command arrangements.

6.12. The Committee observes that ORTIA has a functioning inter-agency framework, including the Port Management Committee, Joint Operations Centre structures, the Local Aviation Security Committee and escalation mechanisms between BMA, SARS, SAPS and ACSA. However, the Committee also notes recurring evidence of fragmentation, dependence on escalation and the absence, in some areas, of fully integrated joint operating procedures. The Committee therefore recommends that the relevant entities finalise and implement a formalised inter-agency standard operating framework for ORTIA, covering escalation pathways, evidence handling, investigation interfaces, search procedures and operational reporting.

6.13. The Committee further observes that evidence handling and investigative follow-through remain areas of concern. SAPS reported that SARS customs detections requiring SAPS involvement are handed over through a chain-of-custody process but also stated that there is no current joint standard operating procedure across agencies and that forensic laboratory backlogs may take up to three years in some cases. The Committee therefore recommends that SAPS, SARS and the BMA develop and implement a joint evidence-handling and case-referral protocol for ORTIA and engage the relevant forensic and justice authorities on measures to reduce laboratory delays that undermine enforcement effectiveness.

6.14. The Committee observes that SAPS continues to make significant seizures and secure convictions at ORTIA, including 547 convictions out of 647 reported cases in 2025/26, drug seizures of 1 305.7 kilograms valued at R58 million, and 64 counterfeit-goods seizures valued at R12.2 million. At the same time, the Committee notes SAPS's warning that corruption and collusion, especially in drug and immigration cases, remain major operational threats. The Committee accordingly recommends that SAPS strengthen internal anti-corruption controls at ORTIA, including vetting, lifestyle audits, consequence management and secure case-tracking mechanisms for detained suspects and referred offenders.

6.15. The Committee observes that the DPCI plays an important specialised role in the ORTIA environment, particularly in relation to organised crime, serious commercial crime, corruption, trafficking and proceeds of crime. The Committee notes that the DPCI reported 13 arrests across eight drug-related cases during 2024 and 2025, as well as fraud, corruption and trafficking arrests. The Committee therefore recommends that the DPCI strengthen its direct support to ORTIA operations, particularly in relation to asset recovery, cash declaration offences, trafficking cases and organised cross-border syndicates.

6.16. The Committee observes that airport infrastructure and layout remain significant operational constraints. SARS reported that the terminal design does not fully support seamless customs and excise processes. The BMA identified the need for a joint operational or command centre, a co-located search area, more scanners and stronger surveillance capability. ACSA similarly identified infrastructure, layout and operational-coordination challenges. The Committee therefore recommends that ACSA, together with SARS, the BMA and SAPS, develop a coordinated infrastructure improvement plan for ORTIA that addresses terminal design, search and inspection space, scanner placement, signage, control-room coordination and co-location of operational functions.

6.17. The Committee further observes that ORTIA's resilience to electricity and infrastructure disruption remains a critical operational issue. ACSA's outage chronology for 2025 showed repeated power interruptions arising from Eskom faults, municipal supply losses, internal faults, severe weather and other technical failures, affecting the terminal building, baggage systems, airside operations and cargo areas. The Committee notes that 38 standby generators and related backup systems generally sustained essential loads, but that manual resets, generator issues and prolonged IT and UPS recovery still created operational disruption. The Committee therefore recommends that ACSA accelerate substation upgrades, generator replacement and redundancy measures.

6.18. The Committee observes that ORTIA's process flows depend heavily on technology systems, including immigration systems, biometric systems, scanner infrastructure, surveillance tools and network connectivity. The Committee notes that power continuity alone is insufficient if critical systems remain vulnerable to resets, downtime or delayed recovery. The Committee therefore recommends that ACSA, the BMA and SARS prioritise not only backup power, but also end-to-end systems resilience, including UPS recovery, IT restoration times, network redundancy and maintenance support for critical enforcement systems.

6.19. The Committee observes that the site inspections confirmed, in practical terms, the multi-agency handoff model described during the presentations. At the DHL Express cargo facility, the Committee observed the interaction between X-ray scanning, K9 support, risk-engine selection and physical inspection. During the International Arrivals walkthrough, the Committee observed scanners, K9 deployment and physical-search infrastructure. The Committee therefore recommends that the operational lessons from these site visits be incorporated into improvements in scanner deployment, K9 utilisation, inspection workflows and inter-agency coordination across ORTIA.

6.20. The Committee further observes that aviation-security screening and customs or criminal enforcement are distinct but closely linked processes within the airport ecosystem. The Committee notes that ACSA explained that SACAA-certified screeners focus on aviation-related prohibited items, while narcotics, currency and other non-aviation contraband are escalated to the relevant authorities. The Committee therefore recommends that escalation triggers, referral procedures and handoff standards between ACSA, SARS, SAPS and the BMA be standardised and tested regularly to ensure consistent operational response.

6.21. The Committee observes that several institutions identified similar recurring risks, including corruption and collusion, inadequate staffing, insufficient scanners, limited CCTV coverage, insufficient K9 capacity, fragmented search arrangements and lack of specialised litigation support. The consistency of these concerns across institutions indicates systemic, rather than isolated, weaknesses in the ORTIA operating environment. The Committee therefore recommends that National Treasury, SARS, the BMA, SAPS, ACSA and relevant departments develop a consolidated ORTIA reform and stabilisation programme with clear responsibilities, measurable milestones and periodic reporting to Parliament.

6.22. The Committee finally observes that ORTIA lies at the intersection of customs enforcement, immigration control, organised-crime interdiction, aviation security, financial surveillance and anti-money-laundering compliance. The Committee is of the view that progress at ORTIA is therefore not only an airport operational matter, but a matter of national fiscal integrity, border security and international regulatory credibility. The Committee accordingly recommends that the responsible institutions treat ORTIA as a priority site for coordinated reform and that future oversight engagements include progress reporting on staffing, scanner deployment, inter-agency coordination, power resilience, cash-conveyance reporting and enforcement outcomes.

7. BEITBRIDGE BORDER POST

7.1. At Beitbridge Border Post, the Committee received briefings from the South African Revenue Service (SARS), the Border Management Authority (BMA), the South African Police Service (SAPS), including the Directorate for Priority Crime Investigation (DPCI), the South African National Defence Force (SANDF), the Cross-Border Road Transport Agency (CBRTA), the Department of Social Development, Musina Local Municipality and other stakeholders operating within the border environment.

7.2. Unlike the OR Tambo International Airport leg of the oversight visit, less time at Beitbridge was devoted to formal presentations, and a substantial portion of the visit was dedicated to site inspections, live operational demonstrations and direct observation of traveller processing, cargo screening, drone surveillance and border-enforcement conditions on the ground. The Committee accordingly considered the Beitbridge leg not only through the formal briefings received, but also through the operational realities observed during the site visit.

South African Revenue Service (SARS)

7.3. SARS briefed the Committee on its customs and excise operations at Beitbridge within the framework of the Customs and Excise Act, 1964 (Act No. 91 of 1964), supported by the South African Revenue Service Act, 1997 (Act No. 34 of 1997), and administered within the broader legislative and policy framework governing revenue collection, trade facilitation and enforcement at ports of entry. SARS stated that its mandate at Beitbridge includes collecting revenue due, facilitating legitimate cross-border trade, ensuring compliance with customs legislation, and detecting and preventing illicit trade, smuggling and other forms of non-compliance.

7.4. The Committee was informed that Beitbridge is the busiest land port of entry in South Africa and a critical node on the North–South Corridor, processing significant volumes of freight and passenger traffic. The Committee noted that the port services in excess of 30 000 trucks, 40 000 light motor vehicles, 10 000 buses and approximately 500 000 travellers per month, making it a high-pressure operational environment with substantial implications for trade facilitation, revenue collection and border security.

7.5. SARS indicated that its operations at Beitbridge are structured around cargo management, traveller processing and enforcement activities. These include customs declaration processing, inspection and verification of goods, enforcement operations targeting non-compliance such as smuggling, diversion and under-declaration, and collaboration with other law-enforcement and regulatory agencies operating within the border environment. SARS further stated that enforcement interventions include both intrusive and non-intrusive inspections, searches, roadblocks, controlled deliveries and targeted enforcement campaigns.

7.6. In relation to cargo and trade activity, SARS reported that key import and export commodities at Beitbridge include agricultural products, foodstuffs, tobacco, pesticides and other regulated goods. The Committee was informed that enforcement risks at the port include non-compliance with customs declarations, smuggling of restricted or prohibited goods, and the movement of goods without the required permits under applicable regulatory frameworks. The Committee further noted that the smuggling of goods, including tobacco and agricultural products, remains a persistent concern in the Beitbridge environment.

7.7. SARS also reported that seizure activity had increased over time, with total seizures amounting to approximately R3.7 billion in the current financial year, compared with approximately R1.9 billion in the 2021/22 financial year, indicating a significant escalation in enforcement outcomes. The Committee was informed that growth in seizures was driven particularly by narcotics-related cases and, to a lesser extent, by goods in the clothing, textile, leather and footwear categories.

7.8. The Committee further noted that compliance challenges at Beitbridge are closely linked to the broader operational environment, including congestion, infrastructure constraints, and the presence of organised smuggling networks operating across both the formal port of entry and the borderline. SARS indicated that enforcement at Beitbridge therefore requires continuous coordination with other stakeholders, including the BMA, SAPS, SANDF and other agencies, in order to address both port-based and borderline risks.

7.9. The Committee also observed that, while SARS has implemented risk-based customs controls and enforcement mechanisms at Beitbridge, the effectiveness of these systems is influenced by operational conditions on the ground, including traffic volumes, congestion, infrastructure limitations and the need for coordinated inter-agency action. The Committee therefore considered the SARS briefing in conjunction with the site inspections undertaken at the port, which provided practical insight into how these constraints affect customs operations in real time.

Border Management Authority (BMA), SAPS, DPCI, SANDF and CBRTA

7.10. The Border Management Authority presented a consolidated operational overview incorporating the roles of the South African Police Service, the Directorate for Priority Crime Investigation, the South African National Defence Force and the Cross-Border Road Transport Agency. The Committee was informed that operations at Beitbridge are inherently multi-agency in nature and require continuous coordination across immigration control, customs enforcement, policing, defence and transport-regulation functions. The Committee further noted that the Beitbridge operating model must be understood not only within the immediate port precinct, but also in relation to the wider corridor environment feeding traffic into the port.

Strategic importance and operational environment

7.11. The Committee was informed that Beitbridge is the busiest land port of entry in South Africa and a significant transit point on the North–South Corridor, servicing more than 30 000 trucks, 40 000 light motor vehicles, 10 000 buses and approximately 500 000 travellers per month. The Committee further noted that the port is the only land crossing between South Africa and Zimbabwe and operates on a continuous 24-hour basis. The BMA indicated that the operational footprint of the port extends beyond the immediate port of entry to include surrounding areas within an approximate 10-kilometre radius, as well as the borderline itself, where illegal crossings and smuggling activities frequently occur.

7.12. The Committee noted that recent developments include infrastructure improvements on the Zimbabwean side, traffic-flow adjustments affecting surrounding ports such as Groblersbridge, and the long-term objective of developing Beitbridge into a One-Stop Border Post. The Committee was informed, however, that infrastructure limitations on the South African side continue to constrain optimal operations and that Beitbridge has been identified as one of six ports requiring significant redevelopment.

7.13. The Committee further noted, from the Cross-Border Road Transport Agency briefing, that Beitbridge was historically regarded as the “gateway to Africa”, but that freight patterns have shifted in recent years following the opening of the Kazungula Bridge and the increased use of alternative corridors such as Groblersbridge and Lebombo. Despite this shift, the Committee was informed that Beitbridge continues to handle high volumes of cross-border passenger traffic, particularly through bus operations.

Inter-agency collaboration and command structure

7.14. The Committee was informed that the Beitbridge operating environment includes multiple stakeholders, including the BMA, SARS, SAPS, SANDF, the Cross-Border Road Transport Agency, the Department of Social Development, local and provincial traffic authorities, municipalities and elements of the intelligence community. Within this environment, the BMA is responsible for immigration and law enforcement in relation to the movement of people and goods, agriculture inspection, port health and broader border-law-enforcement functions; SARS is responsible for customs, trade facilitation, compliance and revenue collection; SAPS for crime prevention, investigation and combating; and SANDF for borderline safeguarding and surveillance. The Committee further noted that the Cross-Border Road Transport Agency and traffic authorities are responsible for vehicle inspections, operator compliance, transport regulation and traffic control.

7.15. The Committee was further informed that the Department of Social Development forms part of the operational stakeholder environment at Beitbridge, particularly in relation to the protection of vulnerable persons. The Department becomes involved in cases where unaccompanied minors or vulnerable individuals are identified at or near the port of entry, including instances where children are intercepted crossing the border without guardians, in some cases at a very young age. The Department's role includes the provision of social-work intervention, assessment of the circumstances of the child or vulnerable person, and coordination with law-enforcement and immigration authorities to ensure appropriate safeguarding, referral and placement measures. The Committee was informed that these cases form part of the broader risks associated with illegal migration, human trafficking and exploitation within the Beitbridge operating environment.

7.16. The Committee noted that inter-agency coordination is structured through formal and operational mechanisms, including the Port Management Committee, joint operational planning structures, daily operational coordination, and escalation mechanisms for unresolved operational issues. The Committee was informed that the Port Management Committee, convened by the Border Management Authority, brings together all authorities operating at the border in order to address operational challenges and facilitate the smoother movement of passengers and goods between South Africa and Zimbabwe. The Committee was further informed that SAPS leads investigations at port level unless the matter involves organised crime of sufficient scale to trigger the involvement of the Directorate for Priority Crime Investigation.

7.17. The BMA explained that escalation between agencies is a routine operational feature at Beitbridge. Travellers with questionable documentation are referred to immigration officials for verification and thereafter to SAPS where detention or further investigation is required. Goods intercepted at the port are escalated to SARS for customs processing, while specialised matters are referred to the relevant authority depending on the nature of the contravention.

7.18. The Committee further noted from the C-BRTA briefing that effective coordination between the BMA, SARS and the C-BRTA is particularly important during peak periods, when congestion and traffic pressure intensify. In this regard, the Committee was informed that during the recent festive season, bus blockades occurred within the Beitbridge border precinct and required collaborative intervention by the BMA, C-BRTA and SARS to resolve the situation and clear the blockade to allow movement.

7.19. The Committee was also informed that, through the Department of Transport, a collaborative memorandum of understanding has been concluded with the BMA to enable transport entities, including the C-BRTA, to support the tracing of foreign commercial cross-border road transport operators who contravene South African law, including by transporting undocumented passengers into the country. In addition, the C-BRTA and the BMA have signed an implementation protocol aimed at ensuring that only commercial cross-border vehicles with valid cross-border permits are allowed to enter or leave the country.

7.20. The Committee noted that, once all the necessary operational arrangements are completed, Border Guards will be able to deny entry or exit where the operator does not hold a valid permit for the vehicle, and that BMA Border Guards have already been trained to enforce these provisions of the Cross-Border Road Transport Act.

Operational model and functional responsibilities

7.21. The BMA described its daily operational model as structured around five functional areas, namely agriculture, environment, immigration, port health and border law enforcement. The Committee was informed that these functions collectively regulate the movement of persons, goods, plants, animals and controlled substances across the border, and include inspection, verification, seizure and referral processes.

7.22. In relation to immigration, the BMA indicated that its role includes verifying travel documents, recording entries and exits and intercepting persons who do not meet entry requirements. In relation to agriculture and environment, the BMA stated that inspections are conducted to prevent the movement of prohibited goods and invasive species. Port health functions include disease surveillance and control of goods affecting public health, while border law enforcement focuses on preventing illegal entry, smuggling and trafficking activities.

Movement-control systems and technology environment

7.23. The Committee was informed that the BMA currently relies on legacy movement-control systems inherited from other departments, including the Biometric Movement Control System from the Department of Home Affairs and the Enhanced Movement Control System from SARS. These systems continue to support traveller processing during the transition to a fully integrated BMA digital environment. The Committee noted, however, that several system-related challenges were identified, including the absence of system-monitoring tools to track performance and availability, limited visibility of system failures and response times, dependence on legacy support arrangements, and lack of alignment with the BMA's long-term digital architecture.

7.24. The BMA indicated that, rather than investing in monitoring tools for legacy systems, it is pursuing a digital modernisation programme. This includes EMCS 2.0, a next-generation movement-control system designed to replace existing systems and improve scalability and reliability, and Electronic Travel Authorisation, a pre-travel digital screening system intended to enhance risk management and facilitate traveller processing.

Border policing and enforcement systems

7.25. The Committee was informed that a range of systems is used in border-policing operations, including Zonke Uni-code systems for vehicle verification, circulation systems for identifying stolen vehicles, Inkwazi systems for identifying wanted persons and vehicles, and operational planning and monitoring systems for tracking daily enforcement activities. The Committee noted that these systems are critical to enforcement operations but are vulnerable to outages. It was reported that when systems are down, verification of vehicles, persons and documentation becomes significantly constrained, increasing the risk of illegal crossings and undetected criminal activity.

Operational risks and challenges

7.26. The Committee was informed that Beitbridge faces a number of persistent operational risks, including illegal migration through both the port of entry and the borderline, organised smuggling activities, access-control failures, congestion involving heavy vehicles along the N1 corridor, and the exploitation of congestion and operational gaps by criminal elements. The Committee noted in particular that the Malala Drift Road and Pontdrift Road were identified as persistent transit points for illegal migration and smuggling activities along the borderline. The Committee was also informed that "Zalawis" and "Guma-Gumas" exploit access-control weaknesses within the port precinct, while congestion caused by inconsistent traffic deployment and non-adherence to the operational plan creates opportunities for criminality and undermines public confidence in border management.

7.27. The Committee further noted a range of operational challenges affecting the port environment, including inadequate lighting along critical sections of the port and access routes, poor network coverage affecting system reliability, slow and unreliable processing systems, lack of adequate detention facilities, proximity of informal settlements to the port, and insufficient operational support tools, including mobile processing capability and towing services. The Committee considered these challenges significant, given the scale of traffic volumes and the dependence of the port on effective queue management, traveller processing and cross-agency coordination.

Sector-specific enforcement trends

7.28. The Committee was informed that enforcement activity at Beitbridge reflects sector-specific risks. Port Health reported increased volumes of foodstuffs, particularly citrus fruits in the winter season, and a rise in tobacco imports in the third quarter. It also recorded illegal importation of birth-control pills in large amounts, a noticeable increase in illegal importation of skin lighteners and C-4 tablets, and a slight increase in the importation of pesticides. The agriculture function reported that the top products confiscated over the previous three years as a result of truck screening were mangoes, avocados, wild fruits, goat meat and honey.

7.29. The Committee further noted that the Cross-Border Road Transport Agency reported enforcement activity in relation to cross-border transport compliance, including 14 545 paid cases to the value of R31.8 million in 2025/26, compared with 17 627 paid cases to the value of R37 million in the previous financial year. During the same period, 1 173 cases were reduced, 51 were struck off the roll and 34 led to warrants of arrest. The Committee also noted from the C-BRTA briefing that the Agency has a permanently deployed Road Transport Inspectorate at the port, given the importance of Beitbridge for trade facilitation and operator compliance under the Cross-Border Road Transport Act.

7.30. From a law-enforcement perspective, the Committee was informed that the C-BRTA also monitors transport corridors leading to the border in collaboration with other law-enforcement authorities, and that where significant risks are identified, coordination is undertaken through joint law-enforcement operations. The Committee noted that critical enforcement points include the MOJ Truck Junction, the Weighbridge Traffic Lights, the Gateway Truck Park entrance, the Shell Garage junction, the port entrance next to the rank, and internal queue-management areas within the port such as Sector 2.

7.31. It was reported that, during January, two joint law-enforcement operations were conducted in collaboration with the Limpopo Provincial Traffic Police, the C-BRTA Road Transport Inspectorate, SAPS, the BMA and the RTMC. These operations resulted in the apprehension of operators transporting undocumented passengers, the interception of illicit goods, the identification of stolen vehicles, and the removal of unroadworthy and overloaded buses and taxis. The Committee further noted that Zimbabwe and Malawi were identified as significant contributors to road-safety challenges in relation to unroadworthy vehicles entering and exiting South Africa, with resulting implications for public safety and the fiscus.

Capacity constraints and mitigation measures

7.32. The Committee was informed that capacity constraints remain a critical issue at Beitbridge. The port-specific staff complement presented to the Committee reflected 317 BMA officials covering immigration, port health, agriculture and border guards; 116 SARS officials; 220 SAPS members; 133 SANDF members; 61 traffic officials; and 22 C-BRTA officials. These figures are reflected in Table 27 below.

Table 27: Beitbridge Staff Complement of Border Authorities

Entity	Current staff complement
BMA (Immigration, Port Health, Agriculture and Border Guards)	317
SARS	116
SAPS	220
SANDF	133
Traffic	61
C-BRTA	22

Source: *Border Management Authority Port Management Committee presentation to the Standing Committee on Finance, 29 January 2026.*

7.33. The Committee further noted that mitigation measures identified by the BMA and other stakeholders include employee vetting, rotation and lifestyle audits to address corruption risks; recruitment and training of personnel; proposals for a joint operational or command centre; acquisition of additional scanners and surveillance technology; expansion of CCTV coverage, including advanced technologies such as facial recognition; and consideration of public-private partnerships to address funding constraints.

7.34. The Committee also noted from the C-BRTA briefing that, apart from law enforcement, the Agency is working closely with border stakeholders, particularly SARS and the BMA, on operational initiatives aimed at contributing towards the seamless flow of passengers and goods through Beitbridge and other commercial borders in general.

7.35. The Committee was further informed that, since the return of the C-BRTA Road Transport Inspectorate from the RTMC, the Agency has strengthened its enforcement capacity and introduced smart law-enforcement tools that have enabled the detection of stolen and cloned vehicles. At the same time, the Committee noted the Agency's view that further strengthening is still required, particularly in relation to advanced road-safety technologies such as mobile vehicle-testing equipment to identify unroadworthy vehicles and improve overall road safety.

Site inspections undertaken at Beitbridge Border Post

7.36. Following the briefings received at Beitbridge Border Post, the Committee undertook extensive site inspections in order to observe the operational environment directly and to assess the extent to which the systems, processes and inter-agency arrangements described during the presentations were functioning in practice. In contrast to the OR Tambo International Airport leg of the oversight visit, where presentations occupied a substantial portion of the programme, the Beitbridge leg placed greater emphasis on direct observation, practical demonstrations and real-time operational exposure. The Committee accordingly assessed the Beitbridge environment through both the briefings received and the operational realities observed on site.

7.37. The site inspections took place across multiple operational areas within and around the port of entry. These included traveller-processing areas, immigration facilities, customs and cargo-screening points, vehicle-verification and control points, and surveillance areas overlooking the borderline. The Committee also observed traffic conditions, access-control arrangements, enforcement deployment and the physical state of key infrastructure within the port and in adjacent operational areas. The site inspection therefore enabled the Committee to evaluate not only the formal control environment at the port itself, but also the broader conditions affecting border management, enforcement and facilitation.

7.38. The Committee first visited the immigration-processing area, where travellers were being processed through the port. Members observed the movement of passengers through the border environment while officials continued to provide services in order to avoid undue disruption to routine operations. The Committee was thus able to observe the practical pressures associated with high-volume traveller processing at Beitbridge, including the dependence on functioning systems, orderly queue management and coordination between immigration, border law-enforcement and customs authorities. These observations gave practical expression to the concerns raised during the briefings regarding congestion, system reliability and the need for continued coordination across agencies.

7.39. The Committee was then taken to observe customs screening operations, including a demonstration of the cargo-scanning process. During this demonstration, cargo that had been identified for scrutiny was shown as it was processed through the scanning environment. The Committee observed the role of non-intrusive inspection in identifying suspicious consignments and noted the importance of scanner capability in a high-pressure land-port environment where both compliance verification and traffic flow must be balanced. The site visit reinforced the significance of scanner availability and operational uptime, particularly given the evidence presented that the SARS cargo scanner at Beitbridge was not operational on a 24-hour basis. The Committee accordingly formed the view that scanner limitations have direct implications not only for enforcement effectiveness but also for traffic throughput and congestion management.

7.40. The Committee also observed a demonstration of the Zonke Uni-code system used for vehicle verification. Officials explained that this system is used to verify whether a vehicle is stolen by scanning the face-value document presented at the port. The Committee was informed that, in the event of a system failure or outage, it becomes extremely difficult, and in some cases nearly impossible, to verify the authenticity of the document in real time. This practical demonstration was significant because it confirmed the dependence of border policing on functioning digital systems and illustrated the operational vulnerability that arises when such systems are unavailable or unstable. It also gave practical support to the concerns raised during the presentations regarding legacy systems, poor network reliability and the operational risks associated with system downtime.

7.41. One of the most significant aspects of the Beitbridge site inspection was the Committee's visit to the surveillance and borderline-monitoring environment, where a drone demonstration was conducted. A drone was activated in the presence of the Committee and live footage was displayed on the control screen. Through this live feed, the Committee observed persons attempting to cross the border illegally through bush areas outside the formal port of entry. The Committee also observed sections of broken and compromised fencing, which officials explained no longer operate as an effective deterrent against illegal border crossings. Members were informed that those attempting to cross illegally are themselves increasingly making use of drones and other techniques to navigate around formal controls and identify vulnerable routes.

7.42. The drone demonstration further showed how the aerial surveillance capability can identify, track and follow persons attempting to evade formal crossing points. The Committee observed that, once the drone had sighted the individuals crossing through the bush, patrol officers were able to respond and move to intercept them. Members also noted that the individuals being monitored appeared to change direction after detecting or becoming aware of the drone. This demonstration gave the Committee direct exposure to the value of aerial surveillance in the Beitbridge environment, while at the same time highlighting the scale of the challenge posed by porous borderline conditions, broken fencing and the adaptability of illegal cross-border movements.

7.43. The Committee also observed that the operational challenge at Beitbridge extends beyond the immediate port precinct. The surrounding terrain, the condition of the fencing, the existence of informal crossing routes and the need for response patrols all illustrated that effective border management at Beitbridge cannot be confined to fixed infrastructure alone. Rather, it requires a combination of physical barriers, mobile surveillance, rapid-response capability, reliable communication systems and coordinated deployment across the broader border zone. The site visit therefore confirmed that the Beitbridge control environment is both a port-of-entry environment and a wider borderline-security environment.

7.44. In addition to the borderline and surveillance observations, the Committee noted the practical effects of congestion and traffic management pressures. Heavy vehicle traffic, traveller flows and the operational demands of screening, inspection and verification combine to create a complex enforcement setting in which delays, system interruptions or poor coordination can quickly translate into significant operational bottlenecks. These observations were consistent with the concerns raised during the presentations about queue management, truck congestion, inconsistent traffic deployment, and the extent to which criminal elements can exploit operational disorder within and around the port.

7.45. The Committee further observed that the site inspections confirmed, in practical terms, the multi-agency operating model described during the Beitbridge briefings. Traveller processing, vehicle verification, scanner operations, surveillance and interdiction were all shown to depend on coordinated interaction between the Border Management Authority, SARS, SAPS, SANDF and other stakeholders. The Committee accordingly formed the view that, at Beitbridge, the effectiveness of border management depends not only on the legal mandates of individual entities, but on the practical quality of coordination, system reliability, infrastructure condition and real-time operational responsiveness.

7.46. The site inspections therefore provided the Committee with direct exposure to the realities of border control at Beitbridge and substantially informed its understanding of the risks identified during the presentations. In particular, the inspections illustrated the operational significance of functioning scanners, vehicle-verification systems, drone surveillance, intact border fencing, rapid-response patrols, and traffic and queue management. They also demonstrated that the challenges at Beitbridge are simultaneously infrastructural, technological, operational and security-related, and that effective interventions must address all of these dimensions together rather than in isolation.

8. COMMITTEE OBSERVATIONS AND RECOMMENDATIONS: BEITBRIDGE BORDER POST

Observations

8.1. The Committee observes that Beitbridge Border Post remains one of the most strategically important land ports of entry in South Africa and in the Southern African Development Community region. The Committee further observes that Beitbridge is the only land crossing between South Africa and Zimbabwe, operates on a continuous 24-hour basis, and remains a critical node on the North–South Corridor for both passenger and freight movement.

8.2. The Committee observes that Beitbridge processes exceptionally high traffic volumes, including more than 30 000 trucks, 40 000 light motor vehicles, 10 000 buses and approximately 500 000 travellers per month. The Committee further observes that the volume and diversity of this traffic generate sustained pressure on immigration, customs, law enforcement, road transport regulation, surveillance and public-order management, with direct implications for customs administration, trade facilitation and revenue protection.

8.3. The Committee observes that, while Beitbridge remains strategically important, freight patterns have shifted in recent years towards other corridors and ports of entry such as Groblersbridge and routes influenced by the Kazungula Bridge. The Committee notes that this has implications for trade flows, customs risk exposure, infrastructure utilisation and future planning.

8.4. The Committee observes that the Beitbridge environment is not confined to the immediate port precinct, but extends into a broader border-control and corridor-enforcement zone, including surrounding areas, informal crossing routes, traffic-control points and the borderline itself. The Committee further observes that this wider operating environment creates vulnerabilities that affect customs enforcement, including the movement of illicit goods and the evasion of formal control processes.

8.5. The Committee observes that the operating environment at Beitbridge is inherently multi-agency and that effective performance depends on coordinated action by the Border Management Authority, SARS, SAPS, the Directorate for Priority Crime Investigation, SANDF, the Cross-Border Road Transport Agency, traffic authorities, municipalities, the Department of Social Development and other stakeholders. The Committee further notes that the Port Management Committee serves as an important coordination platform and that day-to-day escalation between agencies is a routine operational necessity.

8.6. The Committee observes that the Beitbridge engagement showed that coordination is tested not only in ordinary operations but also in crisis or peak-pressure conditions. The Committee notes, in particular, the evidence that festive-season bus blockades within the Beitbridge precinct required joint intervention by the Border Management Authority, SARS and the Cross-Border Road Transport Agency.

8.7. The Committee observes that the Border Management Authority's daily operating model, structured around agriculture, environment, immigration, port health and border law enforcement, provides a broad functional basis for integrated border control. The Committee also notes that this model is only as effective as the staffing, systems, enforcement support and infrastructure available to sustain it.

8.8. The Committee observes that legacy movement-control systems, including the Biometric Movement Control System and the Enhanced Movement Control System, continue to support traveller processing at Beitbridge during the institutional transition to a fully integrated Border Management Authority architecture. The Committee further observes that the absence of system-monitoring tools, limited visibility on system failures, dependence on legacy support arrangements and poor alignment with the BMA's long-term digital architecture create material operational risks, including risks for the customs-control environment.

8.9. The Committee observes that the border-policing environment at Beitbridge depends heavily on functioning verification and intelligence systems, including Zonke Uni-code, circulation systems, Inkwazi and operational monitoring tools. The Committee further observes, based on the live demonstration during the site visit, that when these systems are unavailable or unstable, the verification of vehicles and documentation is significantly weakened, with implications for the movement of goods and the effectiveness of customs enforcement.

8.10. The Committee observes that the site visit confirmed the seriousness of borderline-security vulnerabilities at Beitbridge. The Committee observed broken and compromised fence sections, illegal crossings through bush areas, and the need for live drone surveillance and patrol interception outside the formal port of entry. The Committee notes that such conditions create material risks for smuggling and other forms of customs non-compliance.

8.11. The Committee further observes that drone capability provides an important operational advantage in identifying, tracking and responding to illegal border crossings. At the same time, the Committee notes that those crossing illegally are reportedly also using drones and other techniques to evade detection.

8.12. The Committee observes that Beitbridge continues to face persistent illegal migration, smuggling and access-control risks. The Committee notes, in particular, the use of the Malala Drift and Pontdrift corridors for illegal crossings and smuggling, the exploitation of queue and access-control weaknesses, and the presence of informal actors within the port precinct. The Committee further notes that these factors increase customs-enforcement risks and place pressure on lawful trade facilitation.

8.13. The Committee observes that congestion remains a structural operational problem at Beitbridge, particularly along the N1 corridor and within truck and bus movement environments. The Committee further notes that congestion creates opportunities for criminal exploitation, undermines the efficiency of lawful trade and movement, and can adversely affect customs processing and enforcement.

8.14. The Committee observes that capacity constraints remain serious. The Committee notes the port-specific staffing figures presented, namely 317 BMA officials, 116 SARS officials, 220 SAPS members, 133 SANDF members, 61 traffic officials and 22 C-BRTA officials. The Committee further observes that specialised functions such as immigration, port health, agriculture, border guarding, surveillance and transport enforcement continue to face pressure under these conditions, with knock-on effects for customs efficiency and coordination.

8.15. The Committee observes that the Department of Social Development has an important role at Beitbridge in relation to vulnerable persons, including unaccompanied children and other at-risk individuals intercepted in the border environment. The Committee notes that this function is particularly relevant in a context of illegal migration, trafficking and exploitation.

8.16. The Committee observes that sector-specific enforcement trends at Beitbridge show significant risks relating to foodstuffs, tobacco, pharmaceuticals, pesticides and agricultural goods. The Committee notes, in particular, the increase in illegal imports of birth-control pills, skin lighteners, C-4 tablets and pesticides, and the recurring confiscation of agricultural products such as mangoes, avocados, wild fruits, goat meat and honey. The Committee further notes that these patterns are relevant to customs risk profiling and inspection targeting.

8.17. The Committee observes that the Cross-Border Road Transport Agency plays an important role in the Beitbridge operating environment. The Committee notes that the Agency maintains a permanent Road Transport Inspectorate presence at the port and that it reported 14 545 paid cases valued at R31.8 million in 2025/26. The Committee further notes that corridor-based operations have resulted in the interception of undocumented passengers, illicit goods, stolen vehicles, and unroadworthy or overloaded transport vehicles.

8.18. The Committee further observes that road-safety and vehicle-compliance risks are significant at Beitbridge, particularly in relation to unroadworthy foreign buses and taxis entering and leaving South Africa. The Committee notes that such conditions create operational risks in the broader border environment, including disruption to lawful movement and congestion that may affect customs throughput.

8.19. The Committee observes that the implementation protocol between the Border Management Authority and the Cross-Border Road Transport Agency, aimed at ensuring that only vehicles with valid cross-border permits are allowed to enter or leave the country, represents an important compliance intervention in the broader operating environment.

8.20. The Committee observes that Beitbridge's physical and technological infrastructure remains inadequate in several critical respects, including lighting, network coverage, system reliability, detention facilities, mobile processing tools, towing capacity, scanner uptime and surveillance coverage. The Committee further notes that these deficiencies directly undermine effective traveller processing, law-enforcement response, traffic management and anti-smuggling capability, and have implications for the customs operating environment.

8.21. The Committee observes that the presentations and site inspections consistently pointed to the need for stronger command-and-control arrangements, improved surveillance capability, expanded CCTV coverage, more scanners and better co-location of operational functions. The Committee notes that these issues affect the efficiency of customs administration and the integrity of the control environment more broadly.

8.22. The Committee observes that the Beitbridge site inspections were central to understanding the true operational conditions at the port. The Committee directly observed traveller processing, customs scanning, vehicle-verification tools, drone surveillance, broken fencing, illegal crossings, and the wider pressures of traffic and queue management. The Committee further observes that these conditions materially shape customs-enforcement outcomes and trade facilitation.

8.23. The Committee further observes that Beitbridge illustrates the extent to which effective border management depends on the integration of technology, infrastructure, personnel, surveillance, enforcement and coordination. The Committee is of the view that weaknesses in any one of these elements can undermine customs enforcement, revenue protection and the movement of compliant trade.

Recommendations

8.24. The Committee recommends that SARS submit to the Committee a Beitbridge-specific report on customs operations, covering cargo inspections, traveller inspections, seizures, scanner utilisation, scanner operating hours, customs-related system downtime, handovers to other agencies, and customs revenue-protection outcomes.

8.25. The Committee further recommends that SARS report to the Committee on the impact of congestion, queue management pressures and traffic disruption on customs processing times, customs inspections and trade facilitation at Beitbridge, including the extent to which these conditions affect the movement of compliant trade and the detection of illicit goods.

8.26. The Committee recommends that SARS provide the Committee with a Beitbridge-specific customs risk profile indicating the principal categories of customs non-compliance and smuggling risk at the port, including high-risk commodities, corridor-related risks, declaration-related risks and any emerging trends with revenue implications.

8.27. The Committee recommends that SARS report on the adequacy and effectiveness of coordination arrangements with the Border Management Authority and other relevant entities insofar as these affect customs enforcement, inspections, handovers, scanner operations and the treatment of customs-related non-compliance at Beitbridge.

8.28. The Committee recommends that SARS indicate to the Committee what infrastructure, scanner, technology and operational constraints in the Beitbridge environment most materially affect customs administration and revenue protection, and what measures are currently in place, or planned, to mitigate those constraints.

8.29. The Committee further recommends that SARS keep the Committee informed of developments affecting customs enforcement at Beitbridge, including material changes in smuggling patterns, customs-related system risks, scanner functionality, congestion pressures and inter-agency arrangements that may have implications for revenue collection, customs compliance and trade facilitation.

9. STRATEGIC COORDINATION AND SYSTEM INTEGRATION AT PORTS OF ENTRY

9.1. The Committee observes that, across all three sites visited, Durban Harbour/Port, OR Tambo International Airport and Beitbridge Border Post, ports of entry operate within complex, high-volume and high-risk environments characterised by the intersection of customs enforcement, border security, trade facilitation, financial surveillance and law enforcement. The Committee further observes that, while each institution operates within a defined legislative mandate, the effectiveness of the system as a whole depends on the quality, consistency and institutionalisation of inter-agency coordination.

9.2. The Committee notes that coordination structures are in place across the ports of entry, including Port Management Committees, Joint Operations Centres and other operational forums. However, the Committee observed that coordination in practice often relies on case-by-case escalation, informal working relationships and operational necessity rather than fully standardised and consistently applied frameworks. This creates a risk of fragmentation in enforcement, inconsistency in operational responses and inefficiencies in the management of high-risk cargo, travellers and cross-border financial flows.

9.3. The Committee further observes that common challenges identified across all three sites include capacity constraints, infrastructure limitations, uneven technology integration, fragmented inspection and search processes, and gaps in information-sharing and system interoperability. These challenges, taken together, indicate that weaknesses in coordination and system integration have direct implications for customs enforcement, revenue collection, detection of illicit trade and broader border-security outcomes.

9.4. The Committee is of the view that progress at ports of entry is not merely an operational matter, but a matter of national fiscal integrity, border security and international regulatory credibility. In particular, the effectiveness of South Africa’s response to illicit financial flows, smuggling and trade-based risks is closely linked to the ability of institutions to operate in a coordinated, integrated and systematised manner at the point of entry and exit.

9.5. The Committee therefore recommends that the Border Management Authority, in collaboration with the South African Revenue Service and other relevant departments and agencies, prioritise the development and implementation of a coordinated, system-wide framework for operations at ports of entry.

9.6. Such a framework should include the formalisation of joint standard operating procedures, the strengthening of integrated operations and command structures, improved alignment of staffing and resource planning, and the development of coordinated reform programmes across air, sea and land ports of entry. The Committee emphasises that these measures should be directed at improving customs enforcement, revenue protection, detection of illicit trade and the management of cross-border financial risks.

9.7. The Committee is of the view that these interventions are necessary to move beyond the ad hoc, escalation-dependent arrangements observed during the oversight visit and to establish a more coherent, strategic and durable framework for interdepartmental coordination.

Report to be considered.