

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY**

**FRIDAY, 9 SEPTEMBER 2022  
DUE DATE: 23 SEPTEMBER 2022**

**2985. The Leader of the Opposition (DA) to ask the President of the Republic:**

In light of the fact that the Financial Action Task Force (FATF) issued a report in October 2021, detailing deficits in the effectiveness of the Republic's systems to combat money laundering and the financing of terrorism, and highlighted that if these are not remedied, the Republic will be greylisted and cross-border financial transactions will become more difficult, which will impact on the ability to trade and reduce the Gross Domestic Product even further, what are the reasons that he has not appointed a single person in The Presidency, other than the acting Director-General, who can co-ordinate across both the economic and security clusters on the FATF issue, given its urgency and importance?

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**REPLY**

Government has placed the highest priority on averting a greylisting by the Financial Action Task Force (FATF) as demonstrated by the recent introduction in the National Assembly of two Bills in July and August this year to ensure South Africa complies with the 20 FATF recommendations to address deficiencies.

The two Bills are the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Bill and the Protection of Constitutional Democracy against Terrorist and Related Activities Amendment Bill.

Both Bills are currently being processed in Parliament and if enacted into law before the end of this year, will represent a substantial and critical step towards preventing greylisting.

At the same time, we need to demonstrate the effectiveness of our anti-money laundering and terror financing system and hence our ability to deal with financial crimes.

Cabinet has established the Interdepartmental Committee (IDC) on Anti-Money Laundering and the Combating of the Financing of Terrorism (AML/CFT) chaired by the Director-General of National Treasury to coordinate across the many departments and entities responsible for specific actions, particularly in the economic and justice clusters.

The Interdepartmental Committee includes the National Treasury, Financial Intelligence Centre, South African Reserve Bank, South African Revenue Service, Prudential Authority, Financial Sector Conduct Authority, Department of Social Development, Department of Trade, Industry and Competition, Special Investigating Unit, Companies and Intellectual Property Commission, State Security Agency, Department of Justice and Constitutional Development, National Prosecuting Authority, SAPS Directorate for Priority Crime Investigation, Department of Home Affairs and Department of International Relations and Cooperation.

The Interdepartmental Committee has been working with agencies to demonstrate the effectiveness of our AML/CFT laws and frameworks. This include demonstrating that the country has credible national risk assessments to deal with money laundering and terror financing, that its supervisory authorities in both the financial and non-financial sectors all have appropriate risk-based approaches, and that the country's investigative and prosecuting authorities are able to speedily investigate, prosecute and seize assets related to financial crimes and corruption.

Given the role played by the Interdepartmental Committee and the Minister of Finance in guiding and leading this process, there is no need to appoint a person in the Presidency to coordinate the economic and security clusters.