

MEDIA RELEASE

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BUSINESS HELPS ADVANCE PROSPECTS OF THE COUNTRY EXITING THE GREY LIST BUT, MORE WORK AND URGENCY IS NEEDED

16 April 2025: Positive efforts and commitment by non-financial businesses and professions (DNFBPs) registered with the Financial Intelligence Centre (FIC) have significantly contributed to bringing South Africa closer to exiting the FATF (Financial Action Task Force) grey list.

Despite these strides, the DNFBPs subject to supervision by the FIC, are reminded that the country has only partially addressed the grey listing concerns pertaining to DNFBP risk and compliance understanding, as raised by FATF. DNFBPs include legal practitioners, estate agents, trust service providers (including accountants), and dealers in precious stones and metals (including Krugerrands), and other dealers in high-value goods.

“Areas of concern remain DNFBP’s level of understanding of their own risk and compliance situation and their reporting to the FIC, as their sole DNFBP supervisory body for anti-money laundering, combating of terrorist financing and countering the financing of proliferation of weapons of mass destruction,” said Christopher Malan, Executive Manager: Compliance and Prevention at the FIC.

South Africa is required to **“improve risk-based supervision of DNFBPs by a) Implementing and keeping up-to-date supervisory risk-assessment tools to identify higher risk DNFBPs as a basis for risk-based supervision....”**

South Africa has not yet met this requirement fully. This is due largely to the fact that the number of risk and compliance returns (RCRs) submitted by DNFBPs to the FIC, especially by legal practitioner and estate agent businesses, remains unsatisfactory.

In accordance with South Africa's understanding of its money laundering and terrorist financing risks, these two sectors are considered to be higher-risk DNFBP sectors.

On average, these two sectors' current RCR submission rate is at around 70 percent, with legal practitioners and estate agents submitting 11 351 and 6 506 RCRs, respectively.

"While the priority risk-based focus is on estate agents and legal practitioners, the other DNFBP sectors such as high value goods dealers, including dealers in precious stones, and dealers in precious metals (which includes Krugerrand dealers), as well as trust service providers (including accountants), must also substantially and urgently file their outstanding RCRs with the FIC forthwith.

"Critically, RCR submission rates across all DNFBPs must move closer to the 100 percent mark over the current quarter (April to June 2025) for the FIC to improve its risk-classification for each sector.

"Should we attain a closer to 100 percent RCR submission rate across all DNFBPs, the better would be our risk assessment and analysis of RCRs per sector to identify more credible numbers of higher risk ratings for businesses and professions, and in aggregate across all DNFBP sectors. This will improve the risk-based selection of higher risk DNFBP entities for supervisory inspections.

"The key issue that requires urgent attention are that individual DNFBP accountable institutions who have long outstanding RCRs must submit their RCRs to the FIC without further delay."

RCRs provide an accurate view of sectors' understanding of their money laundering and terrorist financing risk. In analysing the submitted returns, the FIC can identify, to a granular level, individual businesses that are at risk. This then informs its risk-based supervision, guidance, and awareness content. The starting point unquestionably is the timeous completion and submission of RCRs.

The FIC's Directives 6 and 7 issued in 2023, called upon identified businesses and professions to submit their RCRs. This platform remains open on the [FIC website](#) and the urgency for completion of RCRs remains.

For South Africa to demonstrate continued and sustained focus on ensuring the robustness of our economy, business needs to play its part. All DNFBPs across various sectors, subject to FIC supervision now need to demonstrate consistent compliance behaviour and urgency in submission of all outstanding RCRs.

“While most of the DNFBP sectors listed in the FIC Act have rallied to the compliance challenge of remediating the action items through the submission of the RCR to the FIC, much higher levels of compliance are needed. With little to no information on the risks these sectors face, as the regulator, the FIC can only assume that those who are non-compliant are at high-risk of money laundering and terrorist financing abuse.

“We are appreciative of the industries and sectors that have submitted their RCRs but, non-compliance by their peers is negatively impacting on these positive steps. All non-financial businesses and professions that have not yet done so are urged to urgently complete and file their RCRs with the FIC.”

Issued by the Financial Intelligence Centre

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Note to editors: As South Africa’s national centre for the gathering and analysis of financial data, the role of the Financial Intelligence Centre (FIC) is to safeguard the integrity of the country’s financial system and its institutions. In pursuit of this, the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), mandates the FIC to assist in the identification of the proceeds of crime and assist in combating money laundering, terrorist financing and proliferation financing, to facilitate effective supervision and enforcement of the Act.

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

For more about the FIC visit www.fic.gov.za

ITEM	2023/24
Total institutions registered as at year end	51 020
Compliance events and attendees	48 events and 32 914 attendees
Compliance inspections	558
Regulatory reports received	>7.4 million
Cash threshold reports received	>3.1 million
Suspicious and unusual transaction reports received	414 984
Financial intelligence reports disseminated	2 654 reactive, 1 159 proactive, 111 on illicit financial flows

ITEM	2023/24
Value of suspected criminal proceeds frozen	R295.8 million
Value of proceeds of crime recovered, in which the FIC's financial intelligence was used	>R98.5 million