

## MEDIA RELEASE

---

9/5/1/3

### **REPORT SHEDS LIGHT ON RISKS OF MONEY LAUNDERING AND TERRORIST FINANCING FOR CRYPTO ASSET SERVICE PROVIDERS**

**1 April 2025:** The Financial Intelligence Centre (FIC) today released [a report](#) on the inherent and residual risks of money laundering and terrorist financing (ML and TF) facing crypto asset service providers (CASPs).

The sector risk assessment report addresses the inherent and residual ML and TF risk factors for CASPs pertaining to their products, services, clients, transactions, delivery channels and geographical areas. Also included in the report are possible mitigation measures that can be considered through compliance with the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (FIC Act).

In compiling the report, the FIC conducted two rounds of public consultations, consultation with the Financial Sector Conduct Authority, comparative studies, a desktop monitoring assessment and relied on data from regulatory reports filed by CASPs registered with the FIC.

The overall inherent risk of ML and TF for the CASP sector in South Africa has been classified as high based on the findings of the risk assessment.

However, as a result of the residual risks, CASPs have been classified as medium-high, due to the following developments and supervisory actions:

- (i) The existence of the anti-money laundering, combating of financing of terrorism and combating of proliferation financing regulatory regime applicable to CASPs, who became accountable institutions under designation and registration with the FIC as item 22 of Schedule 1 to the FIC Act

- (ii) The registration of certain CASPs as an item 12 accountable institution of Schedule 1 to the FIC Act, following licensing as financial services providers (FSP CASPs) under the Financial Advisory and Intermediary Services Act
- (iii) The supervisory actions by FIC and FSCA including monitoring of registrations, licensing and reporting actions of CASPS
- (iv) The analysis of regulatory reports filed with the FIC by CASPs, and assessment of emerging risks involving CASPs
- (v) Risk-based supervisory action by the FIC and FSCA, including undertaking the risk-based inspections of CASPS,
- (vi) The FIC issuance of administrative sanctions on CASPs for non-compliance with FIC Act Directive 7 of 2023.

CASPs were brought into the South African regulatory fold as accountable institutions on 19 December 2022, when amendments to Schedule 1 of the FIC Act came into effect.

In addition, CASPs that are providing advisory and intermediary services in respect of crypto assets are required to also register with the FIC under item 12 of Schedule 1 of the FIC Act, as financial services providers.

All sectors listed in the FIC Act need to understand the environment in which they operate and the potential risks they face. Sector risk assessments are, therefore, important tools for financial and non-financial institutions to customise and implement mitigation measures.

The sector risk assessment report further provides indicators on some of the methods criminals may use to exploit the vulnerabilities of the CASP sector.

The preparation of this risk assessment report for CASPs speaks directly to a Financial Action Task Force requirement that vulnerable sectors gain a better understanding of the ML and TF risks they face.

This understanding of the risks should be at a national and sector level, and at an individual business level where institutions are required to apply a risk-based approach by allocating their resources in accordance with their understanding of the money laundering and terrorist financing risks they may face.

--- ends ---

**Issued by the Financial Intelligence Centre**  
**For more information please e-mail: [communications@fic.gov.za](mailto:communications@fic.gov.za)**

**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](http://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
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