



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

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MEDIA STATEMENT

“GREYLISTING”: SOUTH AFRICA’S PROGRESS PLAN AGAINST ITS ACTION PLAN

The FATF published the latest update on South Africa on 23 February 2024, following the conclusion of the February 2024 FATF Plenary meetings. South Africa’s progress update is listed on the progress for “*Jurisdictions under Increased Monitoring – 23 February 2024*” ([FATF Update on greylisted countries February 2024](#)).

When the FATF greylisted South Africa at its February 2023 Plenary meetings, a jointly agreed Action Plan was adopted listing 22 action items linked to the strategic deficiencies identified in the Anti-Money Laundering and the Combating of the Financing of Terrorism (AML/CFT) regime. South Africa is required to address all 22 to exit the FATF grey list. The deadlines for addressing the action items fall between January 2024 to January 2025. Should South Africa be assessed to have largely addressed all 22 Action Items in February 2025, the FATF will schedule an onsite visit in April/May 2025, to confirm that assessment and make a recommendation to the June 2025 FATF plenary.

The February 2024 FATF Plenary adopted a report by the Joint Group, confirming that five of the 22 Action Items are now addressed or largely addressed. These relate to the legal provisions criminalizing terrorist financing and underpinning South Africa’s targeted financial sanction regimes related to terrorism financing and proliferation financing, increasing the use of financial intelligence from the Financial Intelligence Centre to support money laundering investigations, and increasing the resources of AML/CFT supervisors.

In this cycle of reporting, the FATF also considered that two further action items that were previously not addressed, have now been partly addressed, confirming that 14 of the 17 outstanding action items have now been partly addressed. Three action items still have not been addressed as yet. The deadline for South Africa to address (or at least largely address) 4 of the outstanding action items in the Action Plan, is May 2024. The FATF will consider South Africa’s progress on these action items



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at its Plenary meeting in June 2024. A further 8 action items are due in September 2024, and the final 5 items are due in January 2025.

National Treasury notes that whilst South Africa is on track to address all the outstanding action items, it remains a tough challenge to address all 17 of the remaining action items by February 2025. All relevant agencies and authorities will need to continue to demonstrate significant improvements, and also for such improvements are being sustained.

Progress in addressing technical compliance deficiencies (related to the 40 FATF recommendations)

The process in addressing effectiveness deficiencies is distinct from the process in addressing technical compliance deficiencies (related to the adequacy of the country's AML/CFT laws and policy frameworks). As reported in a National Treasury media statement on 29 November 2023 ([National Treasury Media Statement 29 November 2023](#)), the October 2023 FATF Plenary formally re-rated 18 of South Africa's 20 deficiencies, based on the progress made by the South African authorities in the two-year period following the 2021 mutual evaluation. Of these, 15 were upgraded to a point where they are no longer deficient, as 14 Recommendations are now fully or largely compliant, and one Recommendation was deemed to be inapplicable to South Africa. Following these re-ratings, South Africa is now deemed to be fully or largely compliant in 35 of the 40 FATF Recommendations, including in 5 of the 6 core FATF Recommendations. South Africa will apply for further re-ratings of technical compliance deficiencies, for the consideration of the October 2024 FATF Plenary.

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ANNEXURE: SOUTH AFRICA'S ACTION PLAN

Immediate Outcome	Action Item	Expiry date
IO2	1. South Africa should demonstrate a sustained increase in outbound MLA requests and timely follow up to help facilitate ML/TF investigations and confiscations of different types of assets in line with its risk profile.	May 2024
IO3/4	1. The authorities should proactively identify and take action against unlicensed cross-border MVTS.	January 2025
	2. South Africa should improve risk-based supervision of DNFBPs by:	May 2024
	a) implementing and keeping up-to-date supervisory risk-assessment tools to identify higher risk DNFBPs as a basis for risk-based supervision;	September 2024
	b) conducting inspections on a risk-sensitive basis of high-risk DNFBPs; and	September 2024
	c) conduct training and awareness programmes on their AML/CFT obligations, particularly with regards to filing and submitting STRs filed in line with risks.	September 2024
	3. South Africa should strengthen the AML/CFT supervisory capacity (human and financial resources) of FSCA and FIC.	May 2024
	4. South Africa should demonstrate that all AML/CFT supervisors apply and monitor implementation of follow-up remedial actions and that effective, proportionate and dissuasive sanctions are being applied	January 2025
IO5	1. South Africa should demonstrate that competent authorities have timely access to adequate, accurate and up to date beneficial ownership information of legal persons and arrangements.	September 2024
	2. South Africa should apply remedial actions and/or dissuasive and proportionate sanctions for violations of the transparency obligations applicable to legal persons.	January 2025
IO6	1. The SAPS should demonstrate a sustained increase in proactive requests for financial intelligence from the FIC for its ML/TF investigations.	May 2024
IO7	1. South Africa should demonstrate a sustained increase in investigations and prosecutions of serious and complex money laundering, in particular involving professional money laundering networks/enablers and third-party ML in line with its risk profile.	January 2025
IO8	1. South Africa should enhance its identification, seizure and confiscation of proceeds and instrumentalities of a wider range of predicate crimes, in line with its risk profile.	September 2024



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IO9 (+ element of IO1)	1. South Africa should take necessary actions to ensure the deficiencies identified in R.5 are addressed.*	January 2024
	2. South Africa should:	May 2024
	a) Review and update its TF Risk Assessment; and	
	b) Update and begin to implement a comprehensive national counter financing of terrorism strategy, incorporating the findings of the updated TF Risk Assessment.	September 2024
	3. South Africa should enhance the capacity of the relevant authorities, including SAPS and NPA, by:	May 2024
	a) providing each agency with adequate training, personnel and financial resources to effectively carry out their CFT roles and responsibilities;	
	b) clearly incorporating the new obligations under revised POCDATARA into internal trainings, policies, procedures and performance indicators.	September 2024
	4. South Africa should demonstrate a sustained increase in the effective identification, investigation and prosecution of the full range of TF activities, consistent with its TF risk profile.	January 2025
IO10/11	1. South Africa should implement a legal and institutional framework for targeted financial sanctions (TFS) by:	May 2024
	a) Addressing the R.6 deficiencies identified in the MER consistent with the FATF Standards*;	
	b) Addressing the R.7 deficiencies identified in the MER consistent with the FATF Standards*;	May 2024
	c) Demonstrating an effective process to implement TF TFS without delay; and	September 2024
	d) Demonstrating an effective mechanism to identify individuals and entities that meet the criteria for domestic designation in line with UNSCR 1373.	September 2024