

# South Africa is making positive strides in counter terrorism financing, yet challenges persist

By [James George](#)

2 Nov 2023

The recent update from Minister of Finance Enoch Godongwana on South Africa's progress in addressing the Financial Action Task Force's (FATF) grey-listing deficiencies is a positive indication of the country's commitment to strengthening its anti-money laundering (AML) and counter-terrorism financing (CTF) frameworks.



Source: [Rxabay](#)

The government's collaborative efforts with various entities, including the Hawks, the National Prosecuting Authority, the Special Investigating Unit, the South African Reserve Bank, the Financial Sector Conduct Authority, and the South African Revenue Service, are commendable and show a united front in tackling these critical issues.

The FATF's recognition of South Africa's progress in addressing 15 of the 20 technical deficiencies in our legal framework and making good strides on 17 of the 22 effective action items is a testament to the hard work and dedication of all parties involved. It is encouraging to see that two of the action items are now deemed to be largely addressed.

However, it is crucial to acknowledge the significant challenges that lie ahead, particularly in the areas of investigating and prosecuting complex money laundering cases, terror financing, identifying informal mechanisms for remitting money worldwide, and recovering the proceeds of crime and corruption. These are intricate issues that require sophisticated solutions and unwavering commitment.

We believe that continuous education, training, and awareness-raising are key components in addressing these challenges. The financial services industry plays a pivotal role in identifying and reporting suspicious activities, and as such, there is a need for ongoing capacity building and knowledge sharing to ensure that all stakeholders are equipped to fulfil their Anti-Money Laundering AML and Counter Terrorism Financing obligations effectively.

Furthermore, the adoption of innovative technologies and data analytics can significantly enhance our ability to detect and prevent illicit financial flows, and we encourage the government and relevant authorities to explore these options.

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