



South African Reserve Bank
Financial Surveillance Department

Illicit Financial Flows

March 2020

Presentation overview



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- FinSurv: Enforcement Role
- Enforcement actions
- Collaboration with stakeholders
- Some interventions by FinSurv
- Questions



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FinSurv: Enforcement Role

- The Financial Surveillance Department of SARB (FinSurv) is empowered to investigate illicit foreign currency transactions and to take administrative action against alleged perpetrators (blocking of funds, attachment of money and/or assets, forfeiture and/or the referral to law enforcement) where appropriate
- Law enforcement agencies to pursue matters from a criminal point of view



Enforcement actions



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Period	2019-03-01 to 2020-02-29	2017-04-01 to 2019-02-28
Blocking orders issued		
Total funds blocked	R3 813 443 168	R1 962 835 211
Number of cases	148	259
Number of accounts 'blocked'	275	641
Forfeiture notices published		
Total funds forfeited	R111 917 645	R256 843 001
Number of cases	50	81
Number of accounts from which funds forfeited	73	182

Collaboration with stakeholders



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Period	2019-03-01 to 2020-02-29	2017-04-01 to 2019-02-28
Enquiries		
Referrals from FIC	43	44
Referrals to FIC	3	9
Enquiries from SARS/SAPS/NPA/AFU/ Commissions of Inquiry	142	268
Persons/entities referred to SARS	24	23



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Collaboration with stakeholders (continued)

- **Authorised Dealers (ADs)** - increased number of referrals received
- **Prudential Authority** - sharing of information for inspection purposes and joint inspections
- **Training sessions** - presented to various stakeholders including SAPS, ADLAs and ADs
- Awareness training for students attending courses in Investigation of Financial Crime and ML Detection and Investigation





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Collaboration with stakeholders (continued)

- **Criminal cases reported as per feedback received from SAPS as at 2019-12-31:**
 - 6 cases closed – no result
 - 5 cases – status unknown
 - 38 investigations ongoing
 - 2 cases with NPA for decision
 - 5 cases currently in court
 - 8 cases successfully prosecuted
 - 6 cases – Closed/warrant of arrest issued
 - 7 cases – withdrawn/prosecutions declined





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Some interventions by FinSurv

- **IFFs by means of crypto assets**
 - Large volumes of crypto currency acquired locally and transferred to crypto exchanges abroad
 - Accounts of three main players 'blocked' – in excess of R15 million
- **Suspected illegal money transfer scheme**
 - Numerous local entities effected payments, based on falsified documents, to common beneficiaries controlled by a South African resident
 - In excess of R69.5 million 'blocked'
 - Referred to the IAWG-IFF for a joint investigation
- **Collaboration with AFU**
 - R22 million 'blocked' by FinSurv subsequently restrained by AFU



Questions



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